HYPOPORT
THE FINANCE INTEGRATOR

Hypoport AG
annual report for 2014

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Key performance indicators

Financial performance (€'000)	01.01. – 31.12.2014	01.01. – 31.12.2013	Change
Revenue	112,325	98,090	14%
Gross profit	56,377	48,977	15%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	12,698	8,124	56%
Earnings before interest and tax (EBIT)	7,935	3,949	101%
EBIT margin (EBIT as a percentage of gross profit)	7.1	4.0	78%
Net profit (loss) for the year	5,927	3,175	87%
attributable to Hypoport AG shareholders	5,919	3,149	88%
Earnings per share (€)	0.96	0.51	88%
Financial position (€'000)	**31.12.2014**	**31.12.2013*)**	
Current assets	41,025	36,042	14%
Non-current assets	39,387	37,605	5%
Equity	38,852	33,053	18%
attributable to Hypoport AG shareholders	38,588	32,797	18%
Equity ratio (%)	48.0	44.5	8%
Total assets	80,412	73,647	9%

*) The comparative prior-year tax figures have been adjusted and are explained in section 2.1 of the notes to the consolidated financial statements

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1. Letter to the shareholders

Dear shareholder,

The Hypoport Group generated profitable growth in the year under review, and achieved by far its best financial results since the Company was established. The total revenue generated by all three business units in 2014 rose by 14 per cent to €112.3 million, while the Group's earnings before interest and tax (EBIT) more than doubled to €7.9 million. Thanks to its early adoption of the possibilities offered by the internet for the distribution of financial services in conjunction with electronic business processes, Hypoport has managed to outperform nearly every other company in the sector, despite the challenging interest-rate and market environment. While some market participants are now hailing 'fintech' – the combination of finance and technology – as the future of financial services, Hypoport has already been using it for the past 15 years to successfully develop its business organically.

Our strong technology base delivered results in 2014, particularly for the Private Clients business unit. In an insurance market that remained tough, a significant increase in the level of technology-based automation enabled us to expand our portfolio volume by 18 per cent while cutting costs. We also significantly increased our share of the stagnating mortgage finance market as a result of growth of 18 per cent in this area. Both of these trends played a key role in enabling the Private Clients business unit to achieve further revenue growth and to return to an impressive level of profitability with EBIT of €1.9 million.

The total volume of transactions processed in the Financial Service Providers business unit reached a new all-time high of €36.2 billion in 2014. The rise in the number of its partners, which increased by 20 per cent to 291, also demonstrates that the business unit is advancing well with the continuous expansion of its market share. An encouraging EBIT margin of 16 per cent was achieved despite a continuation of the substantial investment in the upgrading and expansion of the marketplace, an increasingly neutral impact on earnings from the capitalisation of development costs and the absence of a one-off effect seen in the prior-year figures from the Company's sales-supporting Packager services.

The Institutional Clients unit benefited from above-average growth in new lending business in 2014. The unit also shouldered the start-up costs for establishing new products, particularly services relating to loan brokerage. By raising both its revenue and its EBIT by 18 per cent to €14.5 million and €4.5 million respectively, this business unit is one of the growth drivers in our Group.

Despite the uncertainty that continues to dominate the eurozone and the rapid changes that are taking place in the financial services market, Hypoport expects to achieve slight double-digit growth in its revenue and EBIT in 2015.

Kind regards,

Ronald Slabke
Chief Executive Officer

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2. Highlights

January

EUROPACE: The platform generated its first-ever transaction volume in excess of €30 billion in 2013.
The total volume of transactions processed on the EUROPACE financial marketplace in 2013 grew by roughly 9 per cent year on year to €31.6 billion.

February

Private Clients: Volume of loans brokered and insurance portfolio grew strongly in 2013.
The Private Clients division of financial service provider Dr. Klein & Co. AG increased the volume of loan transactions processed by 18 per cent in 2013. The insurance portfolio grew by 38 per cent over the same period.

March

Hypoport: 2013 sees Group annual revenue top €100 million for the first time.
In 2013, Hypoport generated double-digit revenue growth of 15 per cent and a year-on-year double-digit increase in earnings before interest and tax (EBIT).

April

EUROPACE: Transaction volume is up by 18 per cent year on year
The volume of transactions processed on the EUROPACE financial marketplace in the first quarter of 2014 was up by roughly 18 per cent year on year to a total €8.46 billion.

Private Clients: Strong growth in the volume of loan transactions at the beginning of the year.
The Private Clients division of Hypoport AG increased its volume of loan transactions by 25 per cent in the first three months of 2014.

FINMAS: Monthly transaction volume tops €100 million for the first time.
The monthly cumulative volume of transactions processed on the FINMAS online financial marketplace for savings banks was in excess of €100 million for the first time.

GENOPACE: Cumulative transaction volume tops €3 billion.
Since it was established in spring 2008, a cumulative transaction volume in excess of €3 billion has been processed via the Genopace marketplace for credit cooperatives and mutually owned banks.

May

Hypoport: Successful start to 2014
Hypoport has begun this year with a strong set of financial results. The Company generated revenue of €28 million in the first quarter of 2014. Its earnings before interest and tax (EBIT) rose sharply year on year to €3.1 million.

July

EUROPACE: The marketplace generates further double-digit growth and posts a transaction volume of over €17 billion in the first six months of 2014.
The volume of transactions processed on EUROPACE was up by 11.4 per cent year on year to €17.46 billion in the first half of 2014.

Private Clients: Volumes of loans brokered and insurance portfolio continue to grow.
The volume of loans brokered increased by 10.0 per cent year on year to €2.96 billion in the first six months of 2014. The insurance portfolio it manages grew by 8.4 per cent to €109.7 million in the first six months of the year.

October

EUROPACE: Quarterly transaction volume tops the €9 billion mark for the first time.
The volume of transactions processed in the third quarter of 2014 totalled €9.58 billion, representing a year-on-year rise of more than 11 per cent.

Private Clients: Volumes of loans brokered and insurance portfolio continue to grow.
The volume of new loans brokered increased by 15.7 per cent year on year to €4.69 billion in the first nine months of 2014. The insurance portfolio it manages grew by 14.7 per cent to €116.0 million in the first nine months of the year.

November

Hypoport: The Company's success in 2014 continues.
The successful year to date continued in the third quarter of 2014. Its revenue for the first nine months of this year rose to €81.3 million, while its earnings before interest and tax came to €6.0 million.

3. Hypoport`s shares

Share price performance

Hypoport's share price initially remained flat in the first half of 2014, before experiencing a significant uptrend from May 2014. Commencing the period at €9.65 on 1 January 2014 it rose to €12.20 on 30 June 2014. In the third and fourth quarter the share price fluctuated at around €12.00.

The lowest price for Hypoport's shares during the year was €8.67, recorded on 11 April 2014. On 15 July 2014 it reached its high for the year of €13.78. At year end (31 December 2014) the share price stood at €12.16. The low level of stock market turnover meant that Hypoport's share price was heavily impacted by individual buying and selling transactions.

Performance of Hypoport's share price, January to December 2014 (Daily closing prices, Xetra)

Earnings per share

Earnings per share for 2014 came to €0.96 (2013: €0.51).

Trading volumes

The daily volume of Hypoport shares traded in 2014 averaged €21,603.66. The highest average daily turnover was in the second quarter (2,411 shares), followed by the third quarter (2,049 shares). An average of 1,812 shares per day were traded in the first quarter. The lowest daily turnover was recorded in the fourth quarter, when an average of only 1,526 Hypoport shares changed hands.

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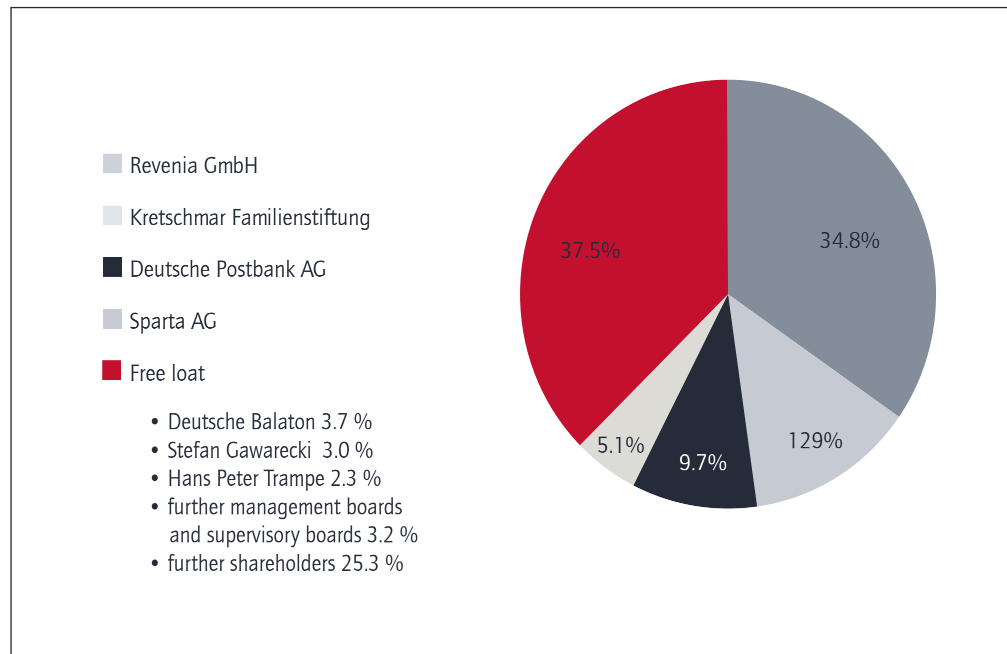
Shareholder structure

The free float in Hypoport's shares amounts to 37.5 per cent.



Breakdown of shareholders as of 31 December 2014

Research

The table below shows the research studies on Hypoport's shares published in 2014.

Analyst	Recommendation	"Target price"	Date of recommendation
Montega	Buy	15,00 €	03.11.2014
CBS Research	Buy	17,00 €	03.11.2014
Montega	Buy	13,00 €	04.08.2014
CBS Research	Buy	17,00 €	04.08.2014
Montega	Buy	11,50 €	06.05.2014
CBS Research	Buy	17,00 €	05.05.2014
Montega	Buy	11,50 €	11.03.2014
CBS Research	Buy	12,50 €	10.03.2014
Montega	Buy	11,50 €	20.02.2014
CBS Research	Buy	12,50 €	17.02.2014

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Designated sponsor

Designated sponsors enhance a share's liquidity by quoting binding prices at which they will buy and sell the share. The designated sponsor for Hypoport AG is ODDO Seydler Bank AG, Frankfurt am Main.

Ad-hoc disclosures

As a publicly traded company we are required to make ad-hoc disclosures of facts that could influence our share price. Two ad-hoc disclosures were published in 2014. On 14 February 2014 (ad-hoc disclosure pursuant to section 15 of the Ger-man Securities Trading Act (WpHG): Hypoport generates further double-digit growth; earnings higher year on year but below expectations.) and on 12 August 2014 (ad-hoc disclosure: Hypoport AG approves share repurchase programme).

Ad-hoc disclosure pursuant to section 15 of the German Securities Trading Act (WpHG)

Hypoport generates further double-digit growth; earnings higher year on year but below expectations

Berlin, 14 February 2014: Hypoport's earnings forecast for the 2013 financial year was revised at today's Management Board meeting on the basis of the fourth-quarter management accounting figures submitted by all Hypoport Group companies.

Although revenue showed impressive double-digit growth, recent market conditions will prevent the Hypoport Group from achieving its original prediction that earnings would return to their record levels of 2010 and 2011. The Company now expects to generate double-digit growth in earnings before interest and tax (EBIT) for 2013 as a whole after reporting EBIT of €3.2 million for 2012. Revenue for 2013 will have topped the €100 million mark for the first time ever (2012: €87.8 million).

The fallout from the financial and sovereign debt crises continues to radically trans-form the financial services industry. The market for endowment insurance and private health insurance has contracted sharply. This situation continues to act as a significant drag on the Private Clients business unit in particular. A further adverse factor was that the year-end business typical of this sector failed to materialise in 2013. The efficiency measures introduced, the rigorous focus on the management of insurance portfolios, and the ongoing growth of mortgage finance in the Private Clients business unit were unable to fully offset the dramatic decline in new insur-ance business.

The Financial Service Providers and Institutional Clients business units failed to replicate their exceptionally successful third quarters in the face of persistently sluggish interest rates. These two business units achieved good results for 2013 as a whole by delivering robust performances in the final quarter.

Hypoport expects its Financial Service Providers and Institutional Clients business units to continue to grow in 2014. In addition, the restructuring of insurance for private clients should yield tangible benefits in terms of earnings. Consequently, Hypoport is adhering to its previous forecast for 2014 of double-digit revenue growth and earnings above the record levels of 2010 and 2011.

Hypoport will be publishing its preliminary financial results for 2013 on 10 March 2014.

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Ad-hoc disclosure
Share repurchase

Hypoport AG approves share repurchase programme

Berlin, 12 August 2014: The Management Board of Hypoport AG decided on 11 August 2014 to repurchase up to 60,000 of the Company's own shares exclusively through the stock market. The maximum volume of shares that may be repurchased during the buy-back programme has been set at 1,000 shares per day. The maximum price per share has been set at €13.00 plus purchase-related costs.

The purpose of this programme is to provide treasury shares for employee share ownership schemes and other means of issuing shares to employees of the Company and the Hypoport Group. The shares will be repurchased under the authori-sation granted by the Annual Shareholders' Meeting on 4 June 2010 for the Company to purchase its own shares. The Supervisory Board has approved this share buy-back programme. The repurchase of shares will commence no sooner than 18 August 2014 and will be completed by no later than 31 December 2014.

The shares will be repurchased in accordance with section 14 (2) of the German Securities Trading Act (WpHG) in conjunction with Commission Regulation (EC) No. 2273/2003 ('safe harbour'). The details of the share buy-back will be an-nounced before the programme commences.

Ad-hoc disclosures can be downloaded from our website at www.hypoport.de.

Notification of directors' dealings

The table below shows the directors' dealings notified and published in 2014.

Transaction date	Notifiying person / entity	Transaction	Stock exchange	Number of shares	Execution price
18.08.2014	Kretschmar Research GmbH	sales	Frankfurt	2,986	11.50
06.08.2014	Kretschmar Research GmbH	sales	Frankfurt	11,300	11.0643
11.06.2014	Christian Schröder	sales	XETRA	300	12.70

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Key data on Hypoport's shares

Security code number (WKN)	549 336
International securities identification number (ISIN)	DE 000 549 3365
Stock exchange symbol	HYQ
Type	Stückaktien
Notional value	1,00 €
Subscribed capital	6.194.958,00 €
Stock exchanges	Frankfurt XETRA
Market segment	Regulierter Markt
Transparency level	Prime Standard
Membership of indices	CDAX Classic All Share DAXsector All Financial Services DAXsubsector Diversified Financial GEX Prime All Share
Performance	
Share price as at 1 January 2014	€ 9,65 (XETRA)
Share price as at 31 December 2014	€ 12,16 (XETRA)
High in 2014	€ 13,78 (15 July 2014, XETRA)
Low in 2014	€ 8,67 (11 April 2014, XETRA)
Market capitalisation	€ 75,3 million (31 December 2014)
Trading volume	€ 21.603,66 (daily average for 2014)

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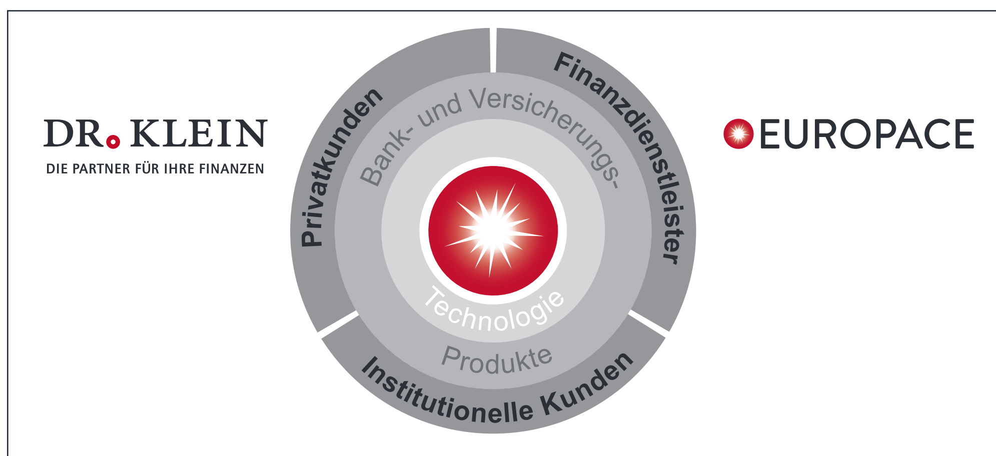
I. Business report

1. Business and economic conditions

Business model and strategy

The Hypoport Group is a technology-based financial service provider. Its parent company is Hypoport AG, which is headquartered in Berlin, Germany. The Group's business model is based on its three mutually supporting business units: Private Clients, Financial Service Providers, and Institutional Clients.

All three units are engaged in the distribution of financial services, facilitated or supported by financial technology ('fintech').



Hypoport Group business units

Private Clients business unit

As a provider of financial services for private clients, the Hypoport Group is represented in the market by its subsidiaries Dr. Klein & Co. AG, Vergleich.de Gesellschaft für Verbraucherinformation mbH and Qualitypool GmbH. The Private Clients unit offers clients various financial products in the categories of basic banking products (e.g. instant-access accounts), loan brokerage (e.g. mortgages) and insurance products. Customers' interest is aroused on the internet, and advice is provided in the form of online comparisons or by highly qualified financial advisors on the telephone or in face-to-face meetings. In each case, the Private Clients unit selects the best products for its clients from a broad selection of all appropriate banks and insurance companies. This comprehensive advice is independent of product suppliers and provides private clients with huge benefits.

Financial Service Providers business unit

The Hypoport Group uses its EUROPACE B2B financial marketplace – the largest online transaction platform – to sell financial products through its subsidiaries Hypoport Mortgage Market Ltd. (mortgage loans, building finance) and EUROPACE AG (personal loans, credit insurance). A fully integrated system links roughly 300 partners – banks, insurers and financial product distributors. Several thousand users execute around 30,000 transactions per month via EUROPACE AG. The volume generated in 2014 was in excess of €35 billion.

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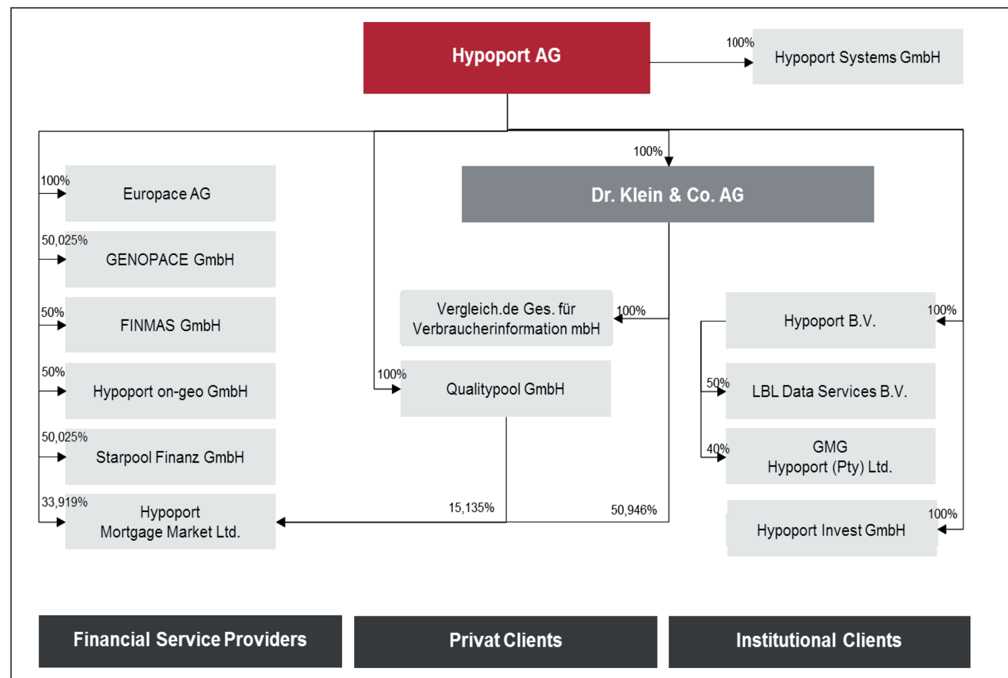
GENOPACE GmbH was launched in 2008 as an internal marketplace and central coordinating intermediary for Germany's cooperative banking sector. As well as its founders Volksbanken Düsseldorf Neuss and Volksbank Münster, GENOPACE's shareholders now include all the major central cooperative institutions: Münchener Hypothekenbank eG, R+V Versicherung AG, WL BANK AG Westfälische Landschaft Bodenkreditbank, and Bausparkasse Schwäbisch Hall AG.

FINMAS GmbH is a subsidiary set up in 2009 in collaboration with Ostdeutscher Sparkassenverband (OSV), the association of eastern German savings banks, and acts as the financial marketplace for the members of the Savings Banks Finance Group.

Institutional Clients business unit

The Institutional Clients unit, operating under the Dr. Klein & Co. AG brand, has been a major financial service partner to housing companies, local authorities and commercial property investors since 1954. This business unit provides its institutional clients in Germany with a fully integrated service comprising expert advice and customised solutions in the areas of financial management, portfolio man-agement, and insurance for business customers. In the Netherlands, its subsidiary Hypoport B.V. assists clients with the securitisation of loan portfolios.

Within the Hypoport Group, Hypoport AG performs the role of a strategic and management holding company with corresponding central functions and it also includes the Information Technology unit, which carries out software development for all Group companies and clients.



Hypoport Group business units and subsidiaries

Economic conditions

Global economy remains lukewarm

As the Hypoport Group's business activities are almost exclusively limited to Germany, the following situation analysis relates to the performance of the German economy as part of the eurozone.

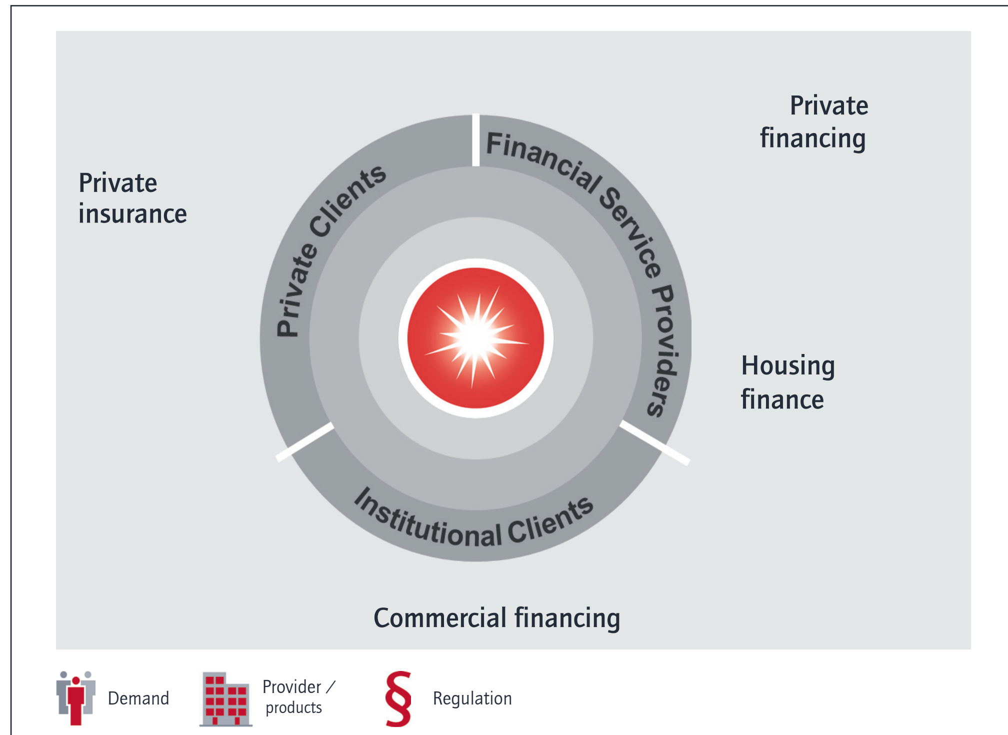
In 2014, economic activity in the eurozone was depressed by the geopolitical crisis in Ukraine as well as the continuing struggle with low rates of capital expenditure and falling consumer prices. The latter resulted in the International Monetary Fund (IMF) expressing its concern about deflation. The European Central Bank (ECB) cut its key lending rate on two occasions, to 0.15 per cent on 11 June 2014 and to 0.05 per cent on 10 September 2014 but failed to bring about any lasting change. Nonetheless, having contracted by 0.5 per cent in 2013, economic growth in the eurozone picked up and grew by 0.8 per cent in 2014, largely thanks to consumers and exports.

Last year, the German economy again grew more steadily than the eurozone as a whole and reported a higher growth rate than in 2013. Overall, Germany's GDP grew by 1.5 per cent in 2014 (2013: 0.2 per cent), outstripping the average growth rate of 1.2 per cent for the last ten years calculated by the Federal Statistical Office.

Once more, steady domestic demand was the driver for growth in GDP. The con-sumer climate index published by German market research company GfK Group tracked this trend, remaining relatively constant above 8.0 points, with a slight peak in the summer months. The GfK consumer climate index is regarded as a key indicator for German consumer confidence and economic stability.

The ifo Business Climate index that reflects corporate economic activity in Germany followed a more changeable course in 2014, rising sharply in the first half of the year before reversing and then edging up again towards the end of the year. The German labour market generally fared well in 2014, with an average of 2,898,000 people registered as unemployed (6.7 per cent). According to figures from the Federal Employment Agency, this represented a year-on-year fall of 52,000. This trend was reflected in the income situation for Germans whose disposable income, the German government calculated, was 2.2 per cent higher than in 2013.

Sectoral performance



Market enviroment for Hypoport's business units

The Hypoport Group and its segments operate in various individual financial services markets. The Private Clients and Financial Service Providers business units are affected by conditions in the consumer financial services sector. The Institutional Clients business unit operates in financial services markets for realestate and housing companies as well as for their lenders in the banking and insurance industries.

Financial services for private clients

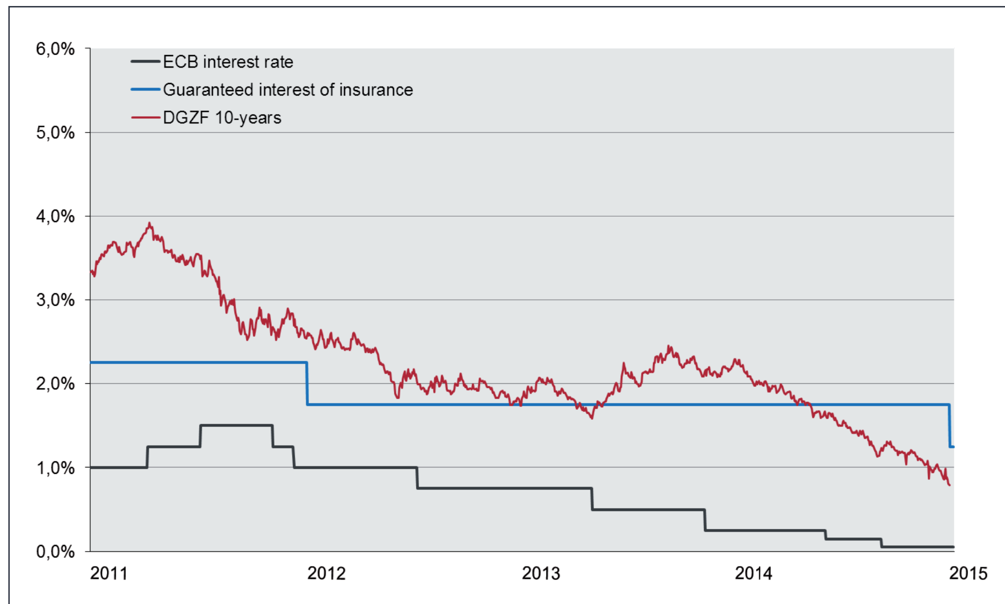
In 2014, historically low interest rates and German government regulatory action again determined demand in the different product segments. Demand for loan products remained strong, while sales of insurance and basic banking products were generally adversely affected by the low level of interest rates and government intervention in the market.

Private Clients Homepage Dr. Klein & Co. AG

The financial-services market in Germany remains in a state of radical change prompted by the financial crisis. Demand for independent, comprehensive advice from increasingly exacting customers is having a positive effect on the Hypoport Group's private client business. By contrast, the market is being damaged by financial-service regulation, which currently includes the German Life Insurance Reform Act (LVRG), the consumer rights directive and the law to cap rents and in future will include the implementation of the EU Mortgage Credit Directive, while Basel III for banks and Solvency II for the insurance industry are ongoing.

Lending market

Encouraged by the historically low level of interest rates for home loans and the lack of secure, high-yield investments, there is strong demand for property in attractive locations in Germany. The best interest rates available for ten-year mortgage loans fell below 2.0 per cent in the early months of 2014 and declined almost continuously for the rest of the year, reaching around 1.3 per cent in December 2014.



Development of important interest rates since 2011

However, a limited supply of real estate in popular locations is restricting the growth of the home loans market. According to the German Bundesbank, the total value of Germany's mortgage finance market actually fell by 6.7 per cent in 2014 to around €184.9 billion, compared with €198.2 billion in 2013.

Building finance products lost their appeal for private clients in 2014. Bundesbank statistics reveal that the volume of new building finance transactions had fallen by 11 per cent to €94.6 billion by the end of 2014 (31 December 2013: €105.4 billion).

The total market volume for new personal loan transactions in 2014 was €64.0 billion, a year-on-year increase of 3.5 per cent (31 December 2013: €61.8 billion). Private clients with personal loans continued to benefit from stiff competition between rivals and were able to take advantage of refinancing rates remaining low.

Insurance market

Sales of insurance products continued to be dominated by uncertainty in 2014. Low interest rates and constant regulatory interventions made it difficult for consumers to opt for long-term insurance products. Endowment insurance and private health insurance, in particular, continued to lose their appeal.

Only the fact that the guaranteed return for endowment insurance was about to be cut to 1.25 per cent on 1 January 2015 provided a modest boost to endowment business towards the year end. At the same time, the insurance industry had to gear up for the future impact of the German Life Insurance Reform Act (LVRG) and regulatory changes due to Solvency II.

At the time the annual report was being prepared, the German Insurance Associa-tion (GDV) had not yet published any market data for the past year, but we expect new business figures to be down overall.

Basic banking products
Given that the ECB was providing a high level of liquidity at zero per cent in 2014, financial ins-titutions still had virtually no incentive to offer basic banking products for private clients, such as instant-access accounts, at attractive rates.

Financial services for institutional clients
The fall in interest rates for home loans, largely mitigating interestrate risk, made institutional cli-ents even more reluctant to do business.

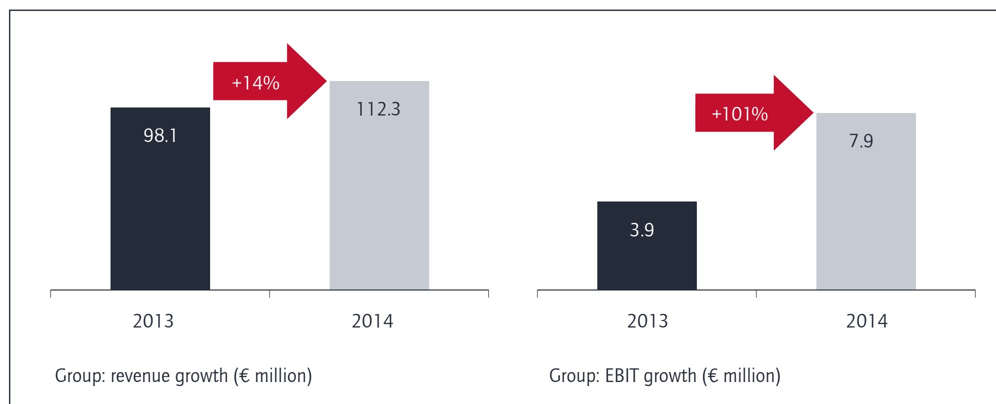
This lack of stimulus from interest rates resulted in a small decline in the volume of loans on housing companies' books. According to information from Deutsche Bundesbank, the volume at the end of 2014 stood at €188.1 billion (31 December 2013: €191.4 billion).

The latest draft of the new law to cap rent rises, which was approved by the German cabinet on 1 October 2014, was welcomed by the housing industry because the restrictions on rents are not intended to apply to new builds and will be limited to five years for specific areas. These additions strengthen the position of investors in new residential property.

Business performance

In 2014, Hypoport's consolidated revenue was up by 14 per cent to €112.3 million (2013: €98.1 million). Earnings before interest and tax (EBIT) doubled to €7.9 million (2013: €3.9 million).

The outlook compiled in 2013 predicted low double-digit revenue growth and EBIT above that of 2010 and 2011, which had been record-breaking years. Higher revenue in all three business units enabled this to be achieved. The EBIT generated by the Hypoport Group in 2014 was significantly higher than we had forecast. In year-on-year terms, EBIT was up by 101 per cent to €7.9 million (2013: €3.9 million) and it was 24 per cent ahead of 2010, our previous record-breaking year when EBIT of €6.4 million was generated.



Group: revenue growth (€ million)

Group: EBIT growth (€ million)

The figures for revenue and selling expenses stated below include revenue and selling expenses shared with other segments of the Hypoport Group.

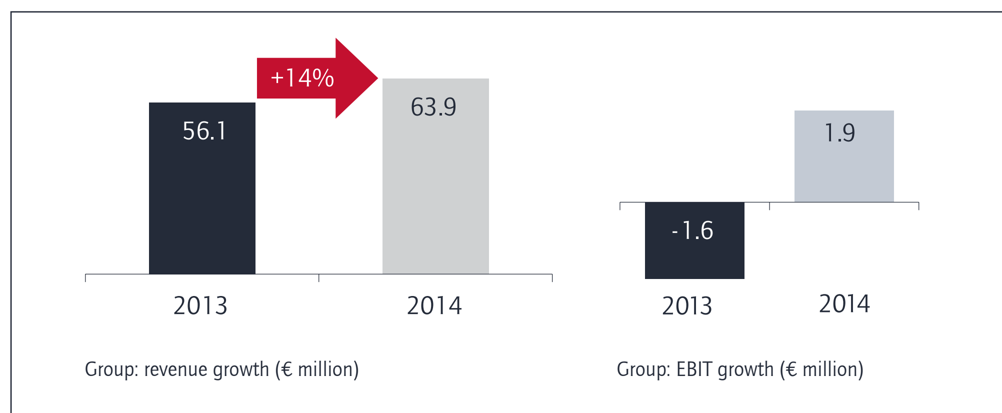
Private Clients business unit

The Private Clients business unit continued to expand its branch-based sales net-work which is largely run as a franchise system. The number of active advisors in the home loans segment rose by 6 per cent to 397 (31 December 2013: 373 advisors). The growth was mainly among mortgage advisors, although the number of branch-based insurance advisors rose to 266 (31 December 2013: 239 advisors).

In terms of agent sales, the focus was on productive agents in the home loans segment. Consequently, the number of active agents remained virtually static and stood at 682 at the year end (31 December 2013: 676 agents). The number of leads acquired – which is a key determinant of future unit sales of basic banking products – fell by 10 per cent in 2014 to 2.8 million (2013: 3.1 million leads). The low level of interest rates in 2014 limited the appeal of basic banking products for consumers. The competition for online customers also continued to increase in intensity in 2014.

Revenue and earnings

In 2014, revenue in the Private Clients business unit rose by 14 per cent to €63.9 million (2013: €56.1 million). Following a loss of €1.6 million in 2013, earnings before interest and tax (EBIT) amounted to €1.9 million in the year under review, enabling the business unit to achieve the double-digit revenue growth and rising EBIT that had been forecast.



Group: revenue growth (€ million)

Group: EBIT growth (€ million)

Despite the total market volume remaining the same, the mortgage finance segment achieved a significant increase in its volume of transactions, which rose by a total of 16 per cent to €6.3 billion (2013: €5.4 billion). Increased productivity among advisors and the reinforcement of the building-finance and personal-loans product segments were among the factors that helped to achieve this improved performance.

Despite the total market volume remaining the same, the mortgage finance segment achieved a significant increase in its volume of transactions, which rose by a total of 18 per cent to €6.4 billion (2013: €5.4 billion). Increased productivity among advisors and the reinforcement of the building-finance and personal-loans product segments were among the factors that helped to achieve this improved performance.

The restructuring process in the insurance product segment continued. New insur-ance business, particularly for life and health insurance, was depressed by additional regulation and low interest rates. Overall, new business contracted by 8 per cent to €20.0 million (31 December 2013: €21.7 million). Portfolio growth was maintained, particularly in the sustainable and high-margin property, indemnity, accident and vehicle insurance segment. As a result, portfolios were up by 18 per cent to €118.9 million (31 December 2013: €101.1 million).

Revenue attributable to basic banking products remained under pressure in 2014 because there were few opportunities for attractive interest rates and competition was intense.

Private Clients: volume of new loans brokered (€ billion)

In the Private Clients business unit, selling expenses are attributable to commission paid to distribution partners (e.g. branch-based advisors) and the cost of acquiring leads. Gross profit comprises the difference between the commission paid by product suppliers and these selling expenses.

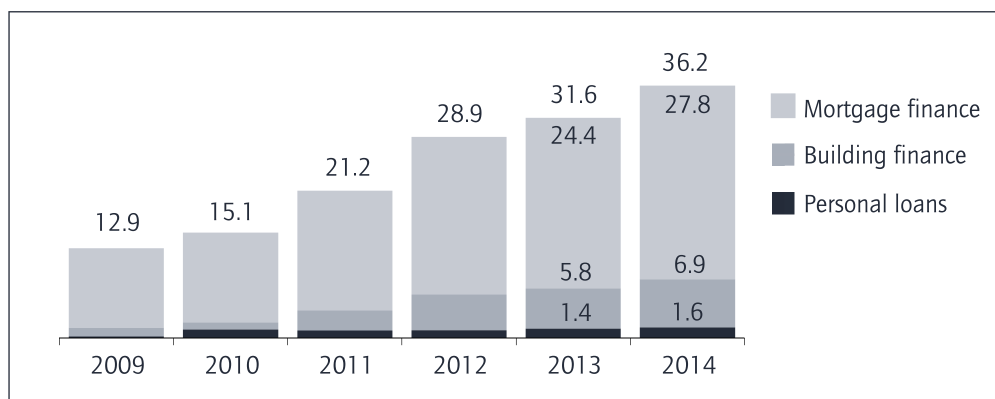
In 2014, selling expenses rose by 10 per cent to €42.6 million (2013: €38.6 million), a relatively low rate of increase compared with revenue growth which was achieved by efficiency enhancements such as focusing on productive advisors.

Overall, gross profit rose by 22 per cent to €21.3 million (2013: €17.5 million), returning the EBIT attributable to the Private Clients business unit to positive territory in 2014.

Privat Clients	2014	2013
Revenue (€ million)	63.9	56.1
Selling expenses (€ million)	42.6	38.6
Net Revenue (€ million)	21.3	17.5
EBIT (€ million)	1.9	-1.6

Financial Service Providers business unit

In the year under review, the volume of transactions in the Financial Service Providers business unit reached a record level. The total value of transactions generated in 2014 grew by 15 per cent year on year to €36.2 billion (2013: €31.6 billion).



Financial Service Providers: transaction volume (€ billion)

The volume attributable to the mortgage finance segment grew by 15 per cent to €27.8 billion (2013: €24.4 billion). The building-finance and personal-loan segments also continued to expand as a result of the marketplace effect exerted by the platform and because they have been integrated into advice provided in face-to-face meetings. The volume of building finance increased by 19 per cent to €6.9 billion. (2013: €5.8 billion) and the volume of personal loans rose by 11 per cent to €1.6 billion (2013: €1.4 billion) in a fiercely contested market.

The focus for our EUROPACE, GENOPACE and FINMAS B2B financial market-places in the year under review was on signing up more partners. At the same time, the Financial Service Providers business unit worked on further improving the functionality of the transaction platform and continuously refining it. There were also concerted efforts to work more closely with existing contractual partners.

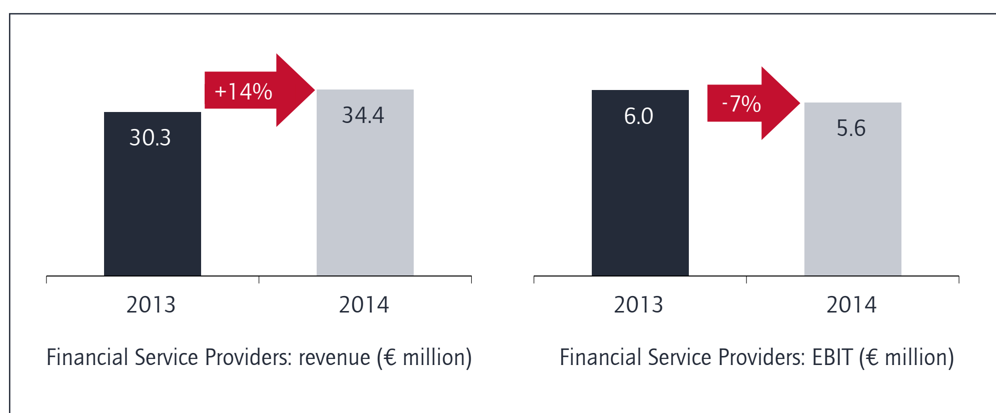
The success of the EUROPACE marketplace is also reflected in the fact that a total number of 291 partners are linked to it (31 December 2013: 242 partners).

The number of contractual partners using the GENOPACE online transaction platform for credit cooperatives and mutually owned banks rose to 116 (31 December 2013: 92 partners).

The number of partners using FINMAS, the financial marketplace for members of the Savings Banks Finance Group, increased to 92 (31 December 2013: 67 partners).

Revenue and earnings

In 2014, the Financial Service Providers business unit achieved the small rise in revenue it had predicted but narrowly missed maintaining its earnings at the same level as the previous year. In total, the revenue generated by the Financial Service Providers business unit rose by 14 per cent to €34.4 million (2013: €30.3 million). By contrast, there was a slight year-on-year fall in earnings before interest and tax (EBIT), which amounted to €5.6 million (2013: €6.0 million).



Financial Service Providers: revenue (€ million)

Financial Service Providers: EBIT (€ million)

The fall in earnings was the result of two factors that have no impact on the future profitability of the EUROPACE marketplace whose earnings continue to follow an upward trend (as seen in its record-breaking gross profit of €20.8 million).

The Packager services (sales support for platform partners facilitating transactions on the marketplace) provided by the business unit usually have a neutral impact on earnings. While one-off Packager activities generated a small gain of €0.6 million in 2013, the insourcing of our partners resulted in a small loss of €0.2 million in 2014.

The second factor affecting EBIT in 2014 was an increasingly neutral impact on earnings from the capitalisation of development costs for the platform.

Overall, the Financial Service Providers achieved an encouraging EBIT margin of 16 per cent.

Financial Service Providers	2014	2013*)
Revenue (€ million)	34.4	30.3
Selling expenses (€ million)	13.6	10.8
Net Revenue (€ million)	20.8	19.5
EBIT (€ million)	5.6	6.0

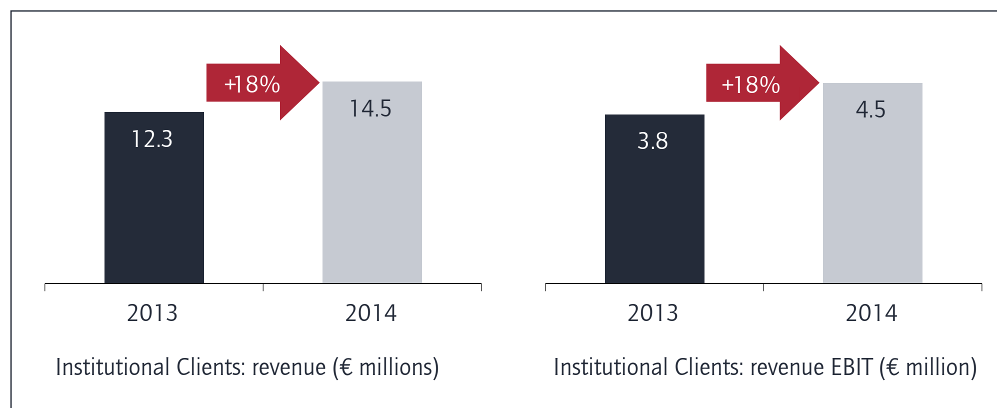
*) The comparative prior-year tax figures have been adjusted and are explained in section 2.1 of the notes to the consolidated financial statements

Institutional Clients business unit

The volume of new loans brokered by the Institutional Clients business unit for German housing companies and commercial property investors in 2014 rose by a total of 12 per cent to €1.6 billion (2013: €1.4 billion). While the volume of existing loans that were renewed was down by 32 per cent due to the term structure of the loan portfolio under management, the volume of new business rose by 24 per cent to €1.4 billion (2013: €1.2 billion) despite the lack of stimulus from interest rates.

Revenue and earnings

The revenue and earnings attributable to the Institutional Clients business unit in 2014 were well ahead of the modest growth that had been predicted. The revenue generated by the business unit rose by 18 per cent to €14.5 million (2013: €12.3 million), enabling gross profit to rise while selling costs remained unchanged. As a result, EBIT improved by 18 per cent and amounted to €4.5 million (2013: €3.8 million).



The revenue generated from the brokerage of loans and insurance rose to €9.4 million (2013: €8.0 million) and the revenue from consulting services increased from €4.3 million to €5.1 million.

Institutional Clients business unit	2014	2013*)
Revenue (€ million)	14.5	12.3
Selling expenses (€ million)	0.5	0.5
Net Revenue (€ million)	14.0	11.8
EBIT (€ million)	4.5	3.8

*) The comparative prior-year tax figures have been adjusted and are explained in section 2.1 of the notes to the consolidated financial statements

2. Financial performance

	2014 €'000	2013*) €'000	Veränderung €'000
Revenue	112.325	98.090	14.235
Selling expenses	-55.948	-49.113	-6.835
Gross profit	**56.377**	**48.977**	**7.400**
Own work capitalised	4.176	4.248	-72
Other operating income	1.825	2.770	-945
Personnel expenses	-35.331	-32.684	-2.647
Other operating expenses	-14.496	-15.230	734
Income from companies accounted for using the equity method	147	43	104
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**12.698**	**8.124**	**4.574**
Depreciation, amortisation expense and impairment losses	-4.763	-4.175	-588
Earnings before interest and tax (EBIT)	**7.935**	**3.949**	**3.986**
Net finance costs	-685	-876	191
Earnings before tax (EBT)	**7.250**	**3.073**	**4.177**
Current income taxes	-761	-1.156	395
Deferred taxes	-562	1.258	-1.820
Net profit for the year	**5.927**	**3.175**	**2.752**

*) The comparative prior-year tax figures have been adjusted and are explained in section 2.1 of the notes to the consolidated financial statements

The significant improvement in the Hypoport Group's earnings that had been evident since the first quarter of 2014 continued apace right up to the end of the year, making 2014 the most successful year in the Company's history to date.

Against the backdrop of the operating performance described above, EBITDA rose to €12.7 million (2013: €8.1 million) and EBIT rose to €7.9 million (2013: €3.9 million). Consequently, the EBIT margin (EBIT as a percentage of gross profit) rose from 8.1 per cent to 14.1 per cent.

Own work capitalised largely relates to the pro-rata personnel expenses and operating costs incurred by the expansion of the EUROPACE platform.

Other operating income mainly comprised income of €583 thousand (2013: €553 thousand) from employee contributions to vehicle purchases, €426 thousand (2013: €401 thousand) from sub-leases and €307 thousand (2013: €531 thousand from the reversal of provisions.

The rise in personnel expenses was mainly due to higher bonus payments.

The decline in other operating expenses essentially related to other expenses of €670 thousand, which were down from €989 thousand in 2013, and the fall in selling expenses to €2.576 million from €2.724 million in 2013.

The net finance costs mainly comprised interest expense and similar charges of €561 thousand (2013: €616 million), which stemmed from bank loans totalling €15.6 million (2013: €16.4 million).

3. Net assets

The following information on the structure of the Hypoport Group's assets, equity and liabilities as at 31 December 2014 is based on the balance sheet figures aggregated according to liquidity. Receivables and liabilities falling due less than twelve months after the balance sheet date are reported as 'current', while all others – unless shown separately – are reported as 'non-current'.

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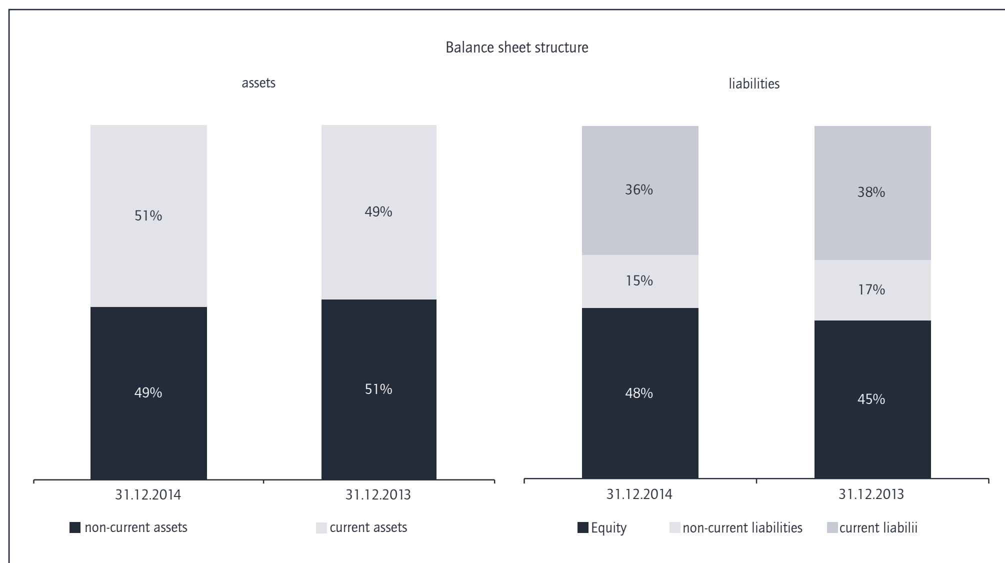
ASSETS	2014 €'000	2014 %	2013*) €'000	2013*) %	Change €'000
Intangible assets	30,953	38,5	29,568	40.2	1,385
Property, plant and equipment	2,227	2.8	2,210	3.0	17
Investments accounted for using the equity method	83	0.1	69	0.1	14
Financial assets	436	0.5	289	0.4	147
Trade receivables	4,181	5.2	4,344	5.9	-163
Other assets	1,124	1.4	713	1.0	411
Deferred tax assets	383	0.5	412	0.6	-29
Non-current assets	**39,387**	**49.0**	**37,605**	**51.2**	**1,782**
Trade receivables	25,544	31.8	20,257	27.5	5,287
Other current items	3,255	4.0	4,828	6.6	-1,573
Income tax assets	202	0.3	5	0.0	197
Cash and cash equivalents	12,024	15.0	10,952	14.9	1,072
Current assets	**41,025**	**51.0**	**36,042**	**48.8**	**4,983**
Total assets	**80,412**	**100.0**	**73,647**	**100.0**	**6,765**
EQUITY AND LIABILITIES					
Subscribed capital	6,195	7.7	6,195	8.4	0
Treasury shares	-79	-0.1	-57	-0.1	-22
Reserves	32,472	40.4	26,659	36.3	5,813
	38,588	48.0	32,797	44.5	5,791
Non-controlling interest	264	0.3	256	0.3	8
Equity	**38,852**	**48.3**	**33,053**	**44.9**	**5,799**
Financial liabilities	11,261	14.0	12,061	16.4	-800
Provisions	96	0.1	105	0.1	-9
Other liabilities	10	0.0	10	0.0	0
Deferred tax liabilities	942	1.2	409	0.6	533
Non-current liabilities	**12,309**	**15.3**	**12,585**	**17.1**	**-276**
Provisions	105	0.1	59	0.1	46
Financial liabilities	4,642	5.8	4,758	6.5	-116
Trade payables	16,521	20.6	15,208	20.5	1,313
Current income tax liabilities	268	0.3	325	0.4	-57
Other liabilities	7.715	9.6	7,659	10.4	56
Current liabilities	**29,251**	**36.4**	**28,009**	**37.9**	**1,242**
Total equity and liabilities	**80,412**	**100.0**	**73,647**	**100.0**	**6,765**

*) The comparative prior-year tax figures have been adjusted and are explained in section 2.1 of the notes to the consolidated financial statements

The Hypoport Group's consolidated total assets as at 31 December 2014 amounted to €80.4 million, which was a 9 per cent increase on the total as at 31 December 2013 (€73.6 million).



Non-current assets totalled €39.4 million (31 December 2013: €37.6 million). This amount included goodwill which, at an unchanged €14.8 million, remained the largest non-current asset on the balance sheet.

Current other assets essentially comprised commission paid in advance to distribution partners amounting to €2.180 million (31 December 2013: €3.758 million).

The equity attributable to Hypoport AG shareholders as at 31 December 2014 grew by €5.8 million, or 17.7 per cent, to €38.6 million. Consequently, the equity ratio rose from 44.9 per cent to 48.3 per cent. Apart from direct operational necessities, this robust equity ratio reflects the financial strength of the Group, which creates confidence among customers and counterparties. The high level of capital adequacy also creates scope for further growth.

The €0.3 million decrease in non-current liabilities to €12.3 million stemmed primarily from the €0.8 million reduction in financial liabilities.

Other current liabilities mainly comprised bonus commitments of €3.4 million (31 December 2013: €2.2 million) and commissions received in advance totalling €1.3 million (31 December 2013: €2.8 million).

Total financial liabilities declined by €0.9 million to €15.9 million largely because the level of new borrowing was lower than the scheduled loan repayments.

4. Financial position

The changes in the Company's liquidity position at the balance sheet date are shown in the table below.

	31.12.2014 €'000	31.12.2013 €'000	Change €'000
Current liabilities	29,251	28,009	1,242
Cash and cash equivalents	12,024	10,952	1,072
	17,227	17,057	170
Other current assets	29,001	25,090	3,911
Surplus cover	**11,774**	**8,033**	**3,741**

The cover ratio of non-current assets to non-current equity and liabilities is shown in the table below.

	31.12.2014 €'000	31.12.2013 €'000	Change €'000
Non-current assets	39,387	37,605	1,782
Equity	38,852	33,053	5,799
	535	4,552	-4,017
Non-current liabilities	12,309	12,585	-276
Surplus cover	**11,774**	**8,033**	**3,741**

140 per cent (31 December 2013: 129 per cent) of the current liabilities of €29.251 million (31 December 2013: €28.009 million) are covered by current assets.

99 per cent (31 December 2013: 88 per cent) of non-current assets are funded by equity.

The year-on-year changes in the key figures from the Company's balance sheet, income statement and cash flow statement are shown below.

	31.12.2014	31.12.2013
Return on investment = EBIT / (equity + non-current liabilities)	15.5%	8.7%
Cash flow (CF) return on equity = CF from operating activities / equity	21.7%	29.9%
EBIT margin = EBIT / gross profit	14.1%	8.1%
Tier-1 liquidity = cash and cash equivalents / current liabilities	41.1%	39.1%
Equity ratio = equity / total equity and liabilities	48.3%	44.9%
Gearing = liabilities / total equity and liabilities	51.7%	55.1%
Tier-1 capital ratio = equity / (Intangible assets + Property, plant and equipment)	117.1%	104.0%

We have used the cash flow statement to show the sources and application of funds and to disclose the changes in the Company's financial position during the year under review. The cash flow statement presented in the consolidated financial statements shows the net cash inflows and outflows broken down by type of activity (operating activities, investing activities and financing activities). Positive amounts (+) denote a net cash inflow, while negative amounts (-) stand for a net cash outflow.

Cash flow during the reporting period rose by €5.2 million to €11.4 million (2010: €6.2 million). The total net cash generated by operating activities as at 31 December 2014 amounted to €8.4 million (31 December 2013: €9.9 million). The reduction in cash flow compared with 31 December 2013 was primarily due to the fact that the cash used for working capital increased by €6.7 million to €3.0 million (31 December 2013: decrease of €2.5 million).

The net cash outflow of €6.2 million from investing activities (31 December 2013: net outflow of €5.7 million) stemmed primarily from the fact that capital expenditure on non-current intangible assets had risen to €5.2 million (31 December 2013: €5.0 million).

The net cash of €1.2 million used by financing activities (31 December 2013: €1.4 million) relates to scheduled loan repayments of €4.9 million (31 December 2013: €5.3 million) and new borrowing of €4.0 million (31 December 2013: €3.9 million).

Cash and cash equivalents as at 31 December 2014 totalled €12.0 million, which was €1.1 million higher than at the beginning of the year.

Cash and cash equivalents at the end of the period consisted exclusively of cash on hand and at banks.

At the balance sheet date there were other financial commitments totalling €12.047 million (31 December 2013: €11.760 million) in respect of rentals, leases and maintenance agreements covering several years. Included in these other financial commitments were commitments of €4.026 million (31 December 2013: €3.449 million) due within one year, €7.324 million (31 December 2013: €6.524 million) due in one to five years, and €697 thousand (31 December 2013: €1.787 million) due in more than five years.

Summary assessment of the Company's financial position and financial performance at the time the management report was prepared

Based on the information available at the time the management report was prepared, the Company's financial position and financial performance have been consistent.

5. Capital expenditure and finance

The main capital expenditures in 2014 related to the expansion and refinement of the EUROPACE, GENOPACE and FINMAS financial marketplaces.

Hypoport also invested heavily in new advisory systems for end customers and distributors.

This capital expenditure was partly funded by new borrowing.

6. Unrecognised assets

One asset that is recognised to only a minor extent is the internally generated software that uses an integrated online system to link up the participants on EUROPACE's financial marketplaces and make EUROPACE the central intermediary in the German property finance market.

The brokerage activities of the Private Clients and Institutional Clients business units provide Hypoport with information on its clients' assets and revenue and on the financial products sold to them. This client base and transaction portfolio constitute an unrecognised asset, because Hypoport can use this information to sell further suitable financial products to the same client in future. For example, Hypoport can also offer advice on the renewal or refinancing of existing mortgage deals well in advance of the end of the original fixed-interest period, for which it may receive another commission from the product supplier.

In its Financial Service Providers business unit, Hypoport provides several thousand financial advisors with access to its EUROPACE marketplace so that they can process their new business in mortgages, building finance and personal loans. This enables Hypoport to assemble a substantial distribution capability, which in turn exerts a considerable appeal for further product suppliers that offer either the same or similar financial products. This potential future extension of the product range enables additional transactions to be processed on the EUROPACE marketplace and constitutes a significant unrecognised asset. Furthermore, Hypoport can enable affiliated financial advisors to participate in the renewal or refinancing of financial products that have already been brokered on the EUROPACE marketplace, for which it can earn additional agency commission.

Moreover, Hypoport possesses a valuable brand that is becoming increasingly well-known; this is particularly true of its Private Clients business. Dr. Klein regularly comes top in the product tests and reviews conducted by independent consumer organisations, and the growing number of regional franchisees is also raising its profile beyond the internet. Many new clients are increasing the brand's recognition by recommending Dr. Klein to others after having received good advice from the Company. This constitutes a significant unrecognised asset for Hypoport, because a trusted brand provides a valuable competitive advantage in the sale of financial products.

7. Employees

Total headcount increased slightly compared with the end of 2013, rising by 3 per cent to 561 employees (31 December 2013: 547 employees). The average number of people employed in 2014 was 561, which was a year-on-year increase of 1 per cent (2013: 556 people).

The table below gives a breakdown of the Company's employees by business unit at the balance sheet date.

	31.12.2014		31.12.2013		Change	
	Number	%	Number	%	Number	%
Financial Product Sales – Private Clients	183	32	196	36	-13	-7
Financial Product Sales – Institutional Clients*	71	13	68	12	3	4
B2B Financial Marketplaces – Financial Service Providers	99	18	98	18	1	1
Information Technology	103	18	96	18	7	7
Administration	105	19	89	16	16	18
	561		547		14	3

In today's business environment, which is dominated by myriad social and economic changes, a company's workforce is the key competitive factor. The lasting success and ongoing evolution of a company's business are essentially guaranteed by a suitably qualified and highly motivated workforce. The skills, dedication, creativity and motivation of these employees determine Hypoport's ability to com-pete and adapt in future. The Company's human resources management strategy is therefore geared to identifying, recruiting, retaining and developing the right people as Hypoport employees. In order to achieve these goals, the Company is constantly taking steps to ensure that it provides all members of staff with the nec-essary training and development opportunities and enhances its corporate culture.

Hypoport uses a number of tools to encourage a performance-driven culture and an entrepreneurial mindset among its workforce. The mandatory 'development and performance dialogues' held twice a year provide a setting in which managers and their staff can hold a structured discussion about aspirations, development opportunities and performance incentives.

By offering long-term healthcare and sickness-prevention schemes and providing attractive sports and leisure facilities, Hypoport has created the optimum working conditions to ensure that its staff achieve the right work/life balance. To this end it offers a number of individual and flexible working-time models that include home office solutions, childcare facilities at some sites and customised schemes that make it easier for employees to return to work after they have taken parental leave.

Hypoport's activities and numerous projects in the reporting year placed exceptional demands on our workforce. We would like to take this opportunity to thank all members of staff wholeheartedly for their valuable contribution and their commitment.

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8. Marketing

The objective of all our marketing activities is to build and maintain longterm client relationships. The individual elements of our marketing mix are geared to our clients' needs and the target market. In addition to our product-related, pricing and distribution policies, promotional campaigns accounted for a large proportion of these activities. In order to achieve a fully integrated marketing and communications mix, we stepped up all relevant aspects of our public relations, print adver-tis-ing, print media, direct marketing, sales promotions and trade fair exhibitions.

9. Remuneration report

The overall structure and level of Management Board remuneration are determined by the Supervisory Board, which currently comprises its chairman Dr Ottheinz Jung-Senssfelder, its vice-chairman Professor Dr Thomas Kretschmar, and Christian Schröder. Both the structure and amount of this remuneration are reviewed regularly by the Supervisory Board and adjusted as necessary.

The main criteria used to assess the appropriateness of remuneration are the functions and responsibilities of each Management Board member and their personal performance. The financial situation, performance and sustainable development of the Company, customary remuneration in a comparable environment and the pay structure in other parts of the Company and other German companies are also taken into account. Furthermore, the level of remuneration is set so as to be com-petitive in the market for highly qualified executives.

The total remuneration for members of the Management Board in 2014 was composed of a basic salary, a performance-related salary, fringe benefits and variable year-end remuneration. Fringe benefits are essentially the use of a company car and insurance cover.

Changes in basic salary and the level of variable salary components are determined using the calculation base, the assessment base, and consolidated EBIT. Consolidated EBIT is defined as earnings before interest and tax (EBIT) as reported in the Hypoport Group's IFRS consolidated annual financial statements, excluding variable year-end remuneration for members of the Group Management Board. The assessment base is defined as consolidated EBIT for the financial year just ended minus the calculation base. The calculation base is newly determined each year and is defined as the average consolidated EBIT over the most recent three-year period. The calculation base must never be less than €5.0 million.

If the calculation base changes, the annual basic salary is increased or reduced by half of the year-on-year percentage change in the calculation base. If the annual basic salary is reduced, however, it must never be less than €180,000.00. If consolidated EBIT is less than €3.0 million, the annual basic salary will amount to €180,000.00 irrespective of any previous increases.

The performance-related salary is paid out in full if consolidated EBIT for the previ-ous year exceeds €3.0 million. If consolidated EBIT is below €3.0 million, the performance-related salary is paid out accordingly on a pro-rata basis. If the calculation base is increased, the annual performance-related salary is raised by half of the year-on-year percentage increase in the calculation base. The performance-related salary is never reduced.

The variable year-end remuneration initially amounted to 5 per cent (also referred to below as 'bonus rate') of the assessment base. Starting in the 2012 financial year, if the calculation base changes, the bonus rate is reduced or increased by half of the year-on-year percentage increase or reduction in the calculation base. The bonus rate is never more than 5 per cent. The variable year-end remuneration amounts to no more than the sum total of the annual basic salary and the performance-related salary.

The changes in basic salary, performance-related salary and year-end remuneration are determined by the Supervisory Board on the basis of the Company's con-solidated annual financial statements. Any changes made apply retrospectively from 1 January of the year concerned.

The Management Board members' service contracts contain no agreements that would apply in the event of a change of control resulting from a takeover bid. No loans or advances had been granted as at 31 December 2014.

The employment contracts of all members of the Management Board include a non-competition clause that applies to the two years after the end of the contract. During the period that the non-competition clause applies, Hypoport AG must pay annual compensation equivalent to half of the average contractually agreed remuneration benefits regularly paid out over the previous three years. There are no service contracts between the Company or one of its subsidiaries and one or more members of the Management Board that include a provision for the payment of benefits at the end of employment.

The Company bears the cost of maintaining a reasonable level of cover under a directors' and officers' liability insurance policy for the members of the Manage-ment Board. This policy specifies an excess of at least 10 per cent of the insurance claim up to one-and-a-half times the annual remuneration of the Management Board member concerned.

No pension payments or annuities have been agreed with any of the members of the Management Board. The Company pays Mr Ronald Slabke an amount of €1 thousand per annum for pension insurance cover. In return for Mr Hans Peter Trampe waiving his right to a company car, the Company pays him an amount of €18 thousand per annum for private pension insurance. Once the Company has paid these contributions it is not obliged to provide any further benefits.

The remuneration for the Management Board for 2014 totalled €1.664 million and was broken down as follows:

Bord of Management Remuneration	Fixed remuneration*)		Variable remuneration		Fringe benefits		Total remuneration	
€'000	2014	2013	2014	2013	2014	2013	2014	2013
Ronald Slabke	204	204	185	0	13	11	402	215
Thilo Wiegand	204	204	185	0	16	13	405	217
Hans Peter Trampe	204	204	185	0	20	11	409	215
Stephan Gawarecki	204	204	185	0	59	45	448	249
Total	816	816	740	0	108	80	1.664	896

*) The fixed remuneration includes the guaranteed bonus.

The two tables below show the benefits granted (including fringe benefits and the maximum and minimum remuneration achievable for variable remuneration com-ponents) and the allocations made to members of the Management Board for 2014. They are presented here for the first time in accordance with the German Corporate Governance Code (DCGK).

Remuneration and Benefits Granted for 2014	Ronald Slabke Chairmann Joined Dec. 21, 2001				Thilo Wiegand Financial Service Providers Joined Jun. 1, 2008			
€'000	Target value 2013	Target value 2014	Minimum value 2014	Maximum value 2014	Target value 2013	Target value 2014	Minimum value 2014	Maximum value 2014
Fixed remuneration*)	204	204	204	204	204	204	204	204
Fringe benefits	11	13	13	13	13	16	16	16
Total	**215**	**217**	**217**	**217**	**217**	**220**	**220**	**220**
Variable remuneration	0	185	0	204	0	185	204	204
Aggregate remuneration	**215**	**402**	**217**	**421**	**217**	**405**	**424**	**424**

*) The fixed remuneration includes the guaranteed bonus.

Remuneration and Benefits Granted for 2014 €'000	Hans Peter Trampe Institutional Clients Joined Jun. 1, 2010				Stephan Gawarecki Privat Clients Joined Jun. 1,2010			
	Target value 2013	Target value 2014	Minimum value 2014	Maximum value 2014	Target value 2013	Target value 2014	Minimum value 2014	Maximum value 2014
Fixed remuneration*)	204	204	204	204	204	204	204	204
Fringe benefits	11	20	20	20	45	59	59	59
Total	**215**	**224**	**224**	**224**	**249**	**263**	**263**	**263**
Variable remuneration	0	185	0	204	0	185	0	204
Aggregate remuneration	**215**	**409**	**224**	**428**	**249**	**448**	**263**	**467**

*) The fixed remuneration includes the guaranteed bonus.

Allocation of Remuneration in/for 2013 and 2014 €'000	Ronald Slabke Chairmann Joined Dec. 21, 2001		Thilo Wiegand Financial Service Providers Joined Jun. 1, 2008		Hans Peter Trampe Institutional Clients Joined Jun. 1, 2010		Stephan Gawarecki Privat Clients Joined Jun. 1,2010	
	2014	2013	2014	2013	2014	2013	2014	2013
Fixed remuneration*)	204	204	204	204	204	204	204	204
Fringe benefits	13	11	16	13	20	11	59	45
Total	**217**	**215**	**220**	**217**	**224**	**215**	**263**	**249**
Variable remuneration	0	0	0	0	0	0	0	0
Aggregate remuneration	**217**	**215**	**220**	**217**	**224**	**215**	**263**	**249**

*) The fixed remuneration includes the guaranteed bonus.

The remuneration for members of the Supervisory Board is stipulated in the Company's statutes and is determined by the Annual Shareholders' Meeting. It was last amended by a resolution adopted by the Annual Shareholders' Meeting on 4 June 2010 and consists of three components: an annual fixed remuneration, special remuneration for the chairman and vice-chairman of the Supervisory Board, and a performance-related element.

Pursuant to section 12 of the Company's statutes, the members of the Supervisory Board receive a fixed remuneration of €12,000.00 for every full financial year during which they serve on the Supervisory Board, plus reimbursement of their out-of-pocket expenses. In addition, the members of the Supervisory Board receive a variable remuneration equivalent to 0.1 per cent of any positive earnings before interest and tax (EBIT) as reported in the Company's IFRS consolidated annual

financial statements, but in any event no more than €5,000, for every full financial year during which they serve on the Supervisory Board. Both the fixed and variable remuneration are payable at the end of the Annual Shareholders' Meeting that formally approves the acts of management for the previous financial year, unless the Annual Shareholders' Meeting decides otherwise. The chairman of the Supervisory Board receives double the amount of the fixed and variable remuneration, the vice-chairman one and a half times the amount.

Members of the Supervisory Board who have served for less than a full financial year receive pro-rata fixed and variable remuneration in proportion to the period for which they have served on the Supervisory Board.

The Company reimburses all members of the Supervisory Board for any value added tax paid in respect of their remuneration and out-of-pocket expenses. The Company bears the cost of maintaining a reasonable level of cover under a directors' and officers' liability insurance policy for the members of the Supervisory Board. No excess has been agreed.

The remuneration for the Supervisory Board for 2014 totalled €79 thousand and was broken down as follows:

Remuneration of the Members of the Supervisory Borard	Fixed remuneration*)		Variable remuneration		Fringe benefits		Total remuneration	
€'000	2014	2013	2014	2013	2014	2013	2014	2013
Dr. Ottheinz Jung-Senssfelder	24	24	10	8	2	2	36	34
Prof. Dr. Thomas Kretschmar	18	18	7	6	0	0	25	24
Christian Schröder	12	12	5	4	1	2	18	18
Total	54	54	22	18	3	4	79	76

10. Disclosures under German takeover law

The following information is disclosed pursuant to section 315 (4) of the German Commercial Code (HGB).

Composition of subscribed capital

The Company's subscribed capital amounted to €6,194,958.00 at the end of 2014. It is divided into 6,194,958 no-par-value registered shares.

All shares confer the same rights and obligations. Each share confers one vote at the Annual Shareholders' Meeting and determines shareholders' entitlement to the Company's profits. Shareholders' rights and obligations are defined in detail by the provisions of the German Stock Corporation Act (AktG), in particular by sections 12, 53a et seq., 118 et seq. and 186 AktG.

Restrictions on voting rights and the transfer of shares

The Management Board is not aware of any restrictions on voting rights or the transfer of shares.

Shareholdings exceeding 10 per cent of the Company's voting rights

The following shareholdings in Hypoport AG were known to us at the time this management report was prepared:

Ronald Slabke, Berlin, holds 36.94 per cent of Hypoport's shares. Of these, the 34.77 per cent of the voting shares held by Revenia GmbH, Berlin, are attributable to him pursuant to section 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Thomas Kretschmar is a member of the board of Kretschmar Familienstiftung, Berlin, which holds 12.91 per cent of Hypoport's shares.

There are no further direct or indirect shareholdings exceeding 10 per cent of the Company's voting rights.

Shares with special rights conferring powers of control

There are no shares with special rights conferring powers of control. In particular, there are no powers to appoint Supervisory Board members pursuant to section 101 (2) AktG.

Type of control over voting rights in cases where employees are sharehold-ers in the Company but do not directly exercise their control rights

In cases where employees of Hypoport AG are shareholders in the Company, they directly exercise their control over voting rights.

Statutory regulations and provisions of the statutes concerning the appointment and dismissal of Management Board members and amendments to the statutes

The members of the Management Board are appointed by the Supervisory Board pursuant to sections 84 and 85 AktG and section 5 (2) of the Company's statutes. The Management Board comprises at least two persons pursuant to section 5 (1) of the Company's statutes; the number of Management Board members is determined by the Supervisory Board. If the Management Board is short of a member, this member is appointed by the courts in urgent cases at the request of an inter-ested party pursuant to section 85 AktG.

Section 179 AktG states that amendments to the Company's statutes require a resolution to be pas-sed by the Annual Shareholders' Meeting; section 16 of the statutes states that, unless mandatory legal provisions specify otherwise, amendments to the statutes are adopted by a simple majority of votes cast. The Supervisory Board has the authority to make amendments concerning the wording only pursuant to section 19 of the Company's statutes.

Powers of the Management Board to issue and repurchase shares

The Annual Shareholders' Meeting held on 1 June 2012 voted to set aside the unused authorisation granted on 1 June 2007 and to issue a new authorisation. The Management Board was authorised – subject to the consent of the Supervisory Board – to increase the Company's subscribed capital by up to a total of €3,097,479.00 by issuing new registered no-par-value shares for cash or non-cash capital contribution on one or more occasions on or before 31 May 2017. The Management Board can decide – subject to the consent of the Supervisory Board – to disapply the shareholders' statutory pre-emption rights.

The Annual Shareholders' Meeting held on 4 June 2010 adopted a resolution authorising the Management Board to purchase treasury shares amounting to a total of up to 10 per cent of the subscribed capital in existence at the time the resolution was adopted. The shares thus purchased, together with other treasury shares that are in the possession of Hypoport AG or are attributable to it pursuant to sections 71d and 71e of the German Stock Corporation Act (AktG), must at no time account for more than 10 per cent of the Company's subscribed capital in existence at that time. The authorisation may be utilised either in full or partially, on one or more occasions, in pursuit of one or more objectives by Hypoport AG or by its Group companies or for its or their account by third parties. The authorisation is valid until 3 June 2015. The resolution adopted by the Annual Shareholders' Meeting of Hypoport AG on 5 June 2009 authorising the Management Board to purchase treasury shares was set aside when the resolution issuing this new authorisation came into effect. The Management Board may determine whether the shares are purchased through the stock market or by means of a public purchase offer or by means of a public invitation to submit such an offer.

The conditional capital created by an Annual Shareholders' Meeting resolution adopted on 26 August 2002 no longer exists.

Material agreements by the Company that are conditional upon a change of control resulting from a takeover bid

There are no material agreements between Hypoport AG and third parties that either become effective, are amended or end in the event of a change of control resulting from a takeover bid.

Compensation agreements between the Company and Management Board members or employees in the event of a takeover bid

There are no compensation agreements between Hypoport AG and Management Board members or employees in the event of a takeover bid.

11. Corporate governance declaration

Hypoport AG has issued the declaration required by section 289a (1) HGB and has made it permanently available to the public on the Company's website at www.hypoport.com.

II. Opportunities and risks report

Business activities always entail the assumption of risk. For Hypoport, risk means the threat of potential losses or opportunity costs. Internal or external factors can give rise to this risk. Hypoport's risk policy focuses on continuously and perma-nently increasing the value of the Company, achieving its medium-term financial targets and safeguarding it as a long-term going concern. Consequently, we see risk management first and foremost as an entrepreneurial function that consists of exploiting opportunities in good time whilst identifying the risks that arise from doing so as quickly as possible and weighing them up in a responsible manner and with shareholder value in mind. The task of management and all employees is to optimise the likelihood of either of these factors occurring in order to safeguard the Company's interests.

Hypoport has introduced a risk management and early-warning system as required by section 91 (2) AktG. All risks are registered, measured and monitored on a quarterly basis. The Hypoport Group's early-warning system for risk is adjusted as soon as possible to reflect changes in the market environment.

1. Integrated risk management system

Internal monitoring system

The central feature of Hypoport's internal monitoring system is an appropriate, impermeable separation of functions. This is ensured by our organisational structures, job specifications, and processes, which are laid down in the Company's electronic manual and regularly reviewed for compliance. In addition to these provisions and as part of its monitoring role, Group internal audit carries out audits to ensure that the system is effective and functions properly.

The internal audit department carries out audit activities and produces audit reports in consultation with Hypoport AG's Supervisory Board and at its request. In December 2014, the Supervisory Board voted in favour of the medium-term internal audit schedule for the period 2015 to 2016. Should risks arise, Hypoport AG's internal auditors can also conduct special audits at short notice. As the provider of the EUROPACE platform, the Group is required to take precautions to ensure the continuity and quality of the processes outsourced by partners. This also includes the fact that Hypoport must comply with the regulatory requirements that apply to its partners and with their information, inspection, examination and access rights.

As a company whose business depends on trust, data protection is a particularly high priority for Hypoport. The data protection team as well as regular audits carried out by partners and by product standards regulator TÜV Süd, ensure a high level of data security. Other data protection tasks include the establishment and monitoring of processes that comply with data protection legislation and dealing with requests made by customers, partners and employees.

Financial planning and reporting and control system

With the aid of strategic planning and an internal reporting system, an efficient financial planning and reporting process helps with the early detection of risks that could threaten the Hypoport Group as a going concern.

As part of its strategic planning process, Hypoport assesses potential risks in ad-vance of key business decisions. This results in the systematic formulation of long-term and short-term business targets and objectives down to the level of each business unit and cost centre.

The achievement of these targets and objectives (target/actual comparison) is analysed at all managerial levels during regular meetings, at which control measures are agreed and their effectiveness is reviewed. The reporting system enables such risks to be monitored appropriately during business activities.

Early-warning systems
Information on future developments and trends is exchanged across all levels in the Company in regular meetings, reports and protocols and is assessed by the appropriate unit. This ensures that internal and external information can be analysed on a timely basis for its relevance to risk and that the findings are implemented throughout the Hypoport Group.

From the full range of risks to which we are exposed, we have described below the types of risk that we consider to be material at present.

2. Macroeconomic risk

Hypoport's business environment is affected by changes in economic and political conditions, so we continuously monitor political, economic, regulatory and business developments in the markets in which we operate. When assessing their target markets, management and product distributors constantly use the internal and external information sources available so that they can identify imminent changes in these markets as early as possible and adjust their strategic and operational focus in line with these developments.

Given the particular risks arising from the uncertainty that still surrounds the economy in the wake of the sovereign debt crisis, risks tend to be mitigated because the Group's business activities are distributed across a large number of customer groups and a wide range of products in at least some individual markets.

3. Sectoral and industry risks

Sectoral risks to the Hypoport Group largely arise in connection with changes in the markets for loans, pensions, healthcare and investment. Fiscal and socio-political parameters, the influence of the capital markets and regulatory requirements for intermediaries play a key role.

The most important sectoral risk remains any weakening of demand for mortgage finance, because this product segment still accounts for a significant proportion of the Hypoport Group's activities. The main triggers for such a downturn could be the housing market or long-term interest rates.

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With a few exceptions in certain locations, the German housing market has remained flat in terms of prices and volumes for many years now, with government intervention regularly causing temporary sharp fluctuations. Given the stable population figures, the slight rise in per-capita demand for housing and the stability of construction prices due to stiff competition, we believe that conditions in the Ger-man housing market will remain stable over the next few years, so we do not expect to see any significant positive or negative changes in the market.

The interest rates on long-term investments, which serve as the benchmark rate for property finance, could also have a significant impact on the demand for finance and, consequently, on the performance of both Dr. Klein as a financial product distributor and EUROPACE as a financial marketplace. A sharp rise in long-term interest rates might curb demand for such finance, while lower interest rates could stimulate it. Given the persistently challenging economic conditions, we do not expect interest rates to rise significantly in the medium term. The recent trend in 2015 confirms this assumption.

In the life and pensions insurance business, however, the low level of interest rates is continuing to hamper life insurers. Poor investment yields in this sector will make people, who are already reluctant, even less willing to take out policies.

If major product suppliers were to withdraw competitive terms and conditions or products from the Hypoport Group, terminate collaborative arrangements or reduce remuneration, or if one or more distribution partners were to restrict or end their relationship with Hypoport, this could result in a contraction in revenue. Given the large number and diversity of its product suppliers and distribution partners, the Hypoport Group's reliance on individual counterparties is limited and so is the risk to which it is exposed. Overall, the Hypoport Group has a broad range of strong partners. We broker financial products supplied by more than 400 banks, insurance companies and building finance associations.

The risks associated with the product range are mitigated by working with respected product suppliers with whom we maintain long-lasting relationships. The Hypoport Group carries out extensive market research to identify market trends and customer preferences, which it meets by working with its product partners to provide competitive products tailored to customers' requirements. By doing so, we may even face lower margins due to the stiff competition in our market. Hypoport maintains a constant dialogue with its partners to ensure that its products are competitive and high quality.

Because the internet is used intensively by financial product distributors to acquire new business and by financial marketplaces to communicate and execute transactions, the Hypoport Group is especially reliant on the fact that the internet continues to be available to and accepted by its clients and partners. Any impairment of its acceptance or technical availability could have serious consequences for the financial performance of several subsidiaries. The perennial debate about the security of the internet and the data it transmits has not curbed its growing use in recent years. The internet's increasing importance for the entire economy and the high level of capital spending by the telecoms industry in the net's infrastructure mean that we are unlikely to see global technical impairments of the internet's availability.

Changes to regulatory parameters are accompanied by new requirements and, perhaps, new risks. Hypoport constantly monitors all efforts to introduce farreaching regulation of the financial services market in Germany, particularly those with the aim of increased investor protection, and it analyses their impact on its business model and strategic positioning in the markets. To comply with more stringent requirements combined with increasing supervision by the regulatory authorities, Hypoport will take measures such as the systematic expansion of its staff training and development and the enhancement of its risk and compliance management.

Increasingly restrictive legal requirements in respect of financial advisory services, financial products and technological innovations demand that companies operate on an efficient scale. The financial services market is in the process of consolidating and becoming more concentrated. The need to achieve critical mass is currently driving the market in mergers and acquisitions. Given its current shareholder structure, a hostile takeover of the Company would be impossible. Nonetheless, its shareholder structure is constantly and carefully reviewed to detect any changes. Competition for highly qualified financial advisors has also increased. Hypoport is well prepared for the forthcoming changes. The quality of our advisors and our non-captive status put us in an excellent position in the market.

4. Operational risk

Information technology (IT) is key to all the Hypoport Group's business models. If the EUROPACE platform were to fail, this would reduce the revenue generated by the transaction-based business models on the B2B financial marketplaces and impair the work of our Dr. Klein financial product distribution and could damage the Hypoport Group's general reputation as a technology partner.

The Company therefore pursues a Group-wide IT strategy to mitigate its IT risks. When selecting our IT systems and IT service providers we usually opt for standard software packages from reputable suppliers and service providers. Proprietary software developed specifically for Hypoport to supplement standard software solutions undergoes continuous quality control. To ensure that they work properly, we subject all IT systems to rigorous testing before they go live. State-of-the-art data centres with off-site contingency premises, back-up systems and mirror databases are used to protect the data held by the Hypoport Group. Special access and authorisation systems monitored by data protection officers protect the Hypoport Group's IT systems against unauthorised access. Its IT systems are also protected by comprehensive virus protection and effective IT security.

Every year, substantial amounts are spent on upgrading the IT infrastructure and IT application systems to ensure that our IT systems are efficient.

The availability of existing and new expertise is particularly important in a growth company. The Hypoport Group regularly conducts HR planning to ensure that the necessary resources are available either inhouse or from external partners. In addition, it conducts regular staff development and performance appraisal reviews at all levels as a means of staff retention. High-quality staff training and development, interesting career prospects, appropriate employee benefits and attractive remuneration models encourage staff loyalty.

Timely and high-quality product development forms the backbone of any service-driven technology company. The Hypoport Group brokers financial products provided by established suppliers, generally banks, insurance companies and building finance associations. During the advisory process, individual products and rates are combined to produce personal solutions tailored to meet customers' particular needs. By constantly monitoring its product portfolio, the Hypoport Group is able to mitigate the risks that arise if individual products lose their appeal or their quality deteriorates. We have also defined clear development-related processes and responsibilities and introduced planning tools that help to ensure that development projects can be completed on schedule and on budget.

Building and enhancing a brand image forms an integral part of any successful product strategy. The names and logos used by Hypoport AG and its subsidiaries are trademarks and, as such, are protected against unauthorised use.

Hypoport has taken out insurance policies covering potential liability risks and compensation claims to limit and provide cover for the Group's operational risk. The insurance cover is reviewed regularly and amended if general parameters change.

5. Financial risk

As a mediumsized company, the Hypoport Group is exposed to a number of financial risks. Because of its rapid growth, the Company's need for capital is con-stantly increasing. It meets this demand for capital by working closely with its lenders. Its shareholders help to increase the Company's financial strength and mitigate its financial risks by retaining its profits.

To ensure that it can borrow sufficient amounts, the Hypoport Group maintains business relationships with several banks. It discusses its future borrowing requirements with these institutions in a timely fashion. We subject our banking part-ners to rigorous selection criteria, assessments and ongoing reviews to ensure that they are reliable lenders and suitable partners. In doing so, we reduce the risk that such banks – which are subject to frequent strategic changes – call in their loans at short notice.

Liquidity management is one of the core functions of the Group Finance business unit. Liquidity is managed and surplus liquidity is invested by the Hypoport Group's central cash management unit with the involvement of all of its major Group companies. In addition, the Hypoport Group can draw on credit lines from its partner banks.

Commission is the Hypoport Group's most important source of income and cash flow. Its financial planning and reporting units constantly analyse the impact that potential changes to existing commission models and to regulatory and fiscal parameters would have on the products that are sold.

A further aspect of the Company's financial risk is the credit risk attaching to its receivables. The Management Board centrally approves the credit terms it allows as part of its operating activities and these terms are documented in the Company's electronic manual. Most of the Hypoport Group's accounts receivable are owed by medium-sized and large financial service providers. Credit risk stems primarily from commission receivable from product partners and from advance payments of commission to distribution partners. In brokerage business it is common for product suppliers to

sometimes take several weeks to pay commission, resulting in commission that has been earned but not received occasionally being paid to distribution partners in advance. The Hypoport Group mitigates these risks by means of thorough receivables management and by imposing strict criteria on its selection of counterparties. Appropriate provisions are recognised for receivables when they appear at risk, taking account of the latest information about the credit standing of the debtor, anticipated commission income and the age structure of the receivables.

The Hypoport Group provides for cancellation risk by retaining appropriate amounts of the commission due to agents and by recognising cancellation provisions. The provisioning level is based on the commission income received during the liability period and the commission claims anticipated on the basis of past experience.

The Group's interest-rate risk stems from non-current, interest-bearing liabilities. Floating-rate liabilities expose the Group to interest-related cash flow risks. Its fi-nancial risk policy requires that the vast majority of liabilities it assumes should be subject to fixed interest rates.

The Company's transparent financial reporting system and the healthy structure of its balance sheet also help to minimise its financial risks. They are supported by an early-warning system in the form of Group planning across all business units. This enables the Company to discuss its financial requirements with its lenders in a timely manner.

6. Strategic risk

Strategic risks can arise if the Company's management misjudges significant developments and trends in the financial services sector or fails to identify them at a sufficiently early stage. This can result in key decisions being made which, in terms of the achievement of the Company's long-term objectives and targets, prove with hindsight to be disadvantageous and may be difficult to reverse. Strategic risks also result from unexpected changes in market and macroeconomic conditions that have an adverse impact on earnings.

The management of strategic risk forms part of the overall coordination of the Company and is the responsibility of the Management Board.

The Group Management Board regularly reviews the strategy adopted for the Hypoport Group as part of our long-term planning. Corporate and divisional strategies form the basis on which the four-year plan and the budget for the following year are compiled. To this end, we continuously monitor the political, economic and legal/regulatory environment and keep our strategic market position under constant review. All of the key value drivers for the Hypoport business model are analysed and managed on an ongoing basis by means of comprehensive financial planning and reporting activities at head-office and in the business units. This enables us, where necessary, to respond to changing market conditions by adjusting our business model or processes. When formulating such strategic initiatives, the Management Board liaises closely with the Supervisory Board.

This system ensures that strategic risk is identified on a timely basis and preventive action can be taken at a sufficiently early stage.

Impartial advice and financial optimisation for retail and corporate customers are the cornerstones of the Hypoport Group business model. A wide range of products is essential to supplying advice that is tailored to customers' needs. The Hypoport Group constantly reviews the distribution of its product groups across suppliers in order to monitor the risk of losing its operational independence as a result of one product supplier dominating its revenue streams.

7. Other risks

Reputational risk is the risk arising from damage to the image of the entire sector, the Hypoport Group or one or more of its operational units as perceived by customers, employees, business partners or the general public. We are particularly exposed to the risk that media reporting of a transaction or business practice involving one of our customers could damage public confidence in our Group. We minimise potential advisory risk by ensuring that we provide high-quality advice at all times. The use of IT-based advisory tools is one of the ways in which we ensure that this is the case. Full documentation of customer meetings and strict criteria for selecting new product suppliers and products help us to achieve this goal.

The Hypoport Group mitigates legal risk by making use of inhouse legal counsel, but also uses external advisors when required. The Group's legal departments constantly track and assess ongoing legal cases and help the Managing Board and company managers with corporate policy decisions. Neither Hypoport AG nor its subsidiaries are involved in current or foreseeable legal or arbitration proceedings that could have a significant impact on the Group's financial position. Appropriate provisions are recognised by each Group company for any potential financial charges arising from legal or arbitration proceedings.

In order to avoid tax risk, Hypoport constantly monitors changes in tax law and analyses any impact they may have on the Group. Internal and external experts review compliance with fiscal legislation in accordance with tax regulations and the administrative instructions issued by the tax authorities. The types of business carried out by service providers such as the Hypoport Group have little adverse impact on the environment. No material environmental risks arise from the Hypoport Group's operational activities.

In addition to the risks described above, general risks exist which cannot be foreseen and are consequently difficult to manage. They include political changes and risk factors such as natural disasters and terrorist attacks. Such factors may have a negative impact on the economic situation and may indirectly impair the future financial performance of the Hypoport Group.

8. Aggregate risk

Hypoport maintains a risk management system that enables it to address the risks relevant to our Company in an appropriate manner. We review the structure of the risk management system on an annual basis to ensure we can react promptly to changes in risk positions and to new legislation. All risks currently identified and weighted according to the likelihood of their occurrence have been compensated for by preventive measures and do not present any evident threat to the continued

existence of the Company. At present we have not identified any additional risks that might jeopardise the Company as a going concern. Despite the use of a proven risk management system, the possibility cannot be entirely ruled out that risks that are as yet unidentified or classed as immaterial could arise in the future and have a material impact on the Company's financial position and financial performance.

9. Disclosures pursuant to section 315 (2) no. 5 HGB

The following description of the material features of the internal control and risk management systems used for the consolidated financial reporting process is re-quired by section 315 (2) no. 5 HGB.

Main features of the internal control and risk management systems used by Hypoport AG and the Hypoport Group for the financial reporting process

The main features of Hypoport AG's existing internal control system applicable to the (consolidated) financial reporting process are described below.

The internal control system used in the Hypoport Group incorporates all the principles, procedures and measures needed to ensure that its financial reporting is effective, efficient and carried out correctly and to ensure that it complies with the relevant legislation.

The Company and the Group have a clear management and organisational structure in which key interdepartmental functions are managed centrally by the Com-pany while individual companies within the Group enjoy a high degree of independence.

Accounting, financial control and financial reporting – the areas primarily involved in the financial reporting process – have clearly segregated roles in order to prevent fraudulent acts and abuse. Their areas of responsibility have been clearly allocated.

By employing highly qualified professionals, offering training and continuing professional development and by strictly adhering to the double-checking principle in accounting, financial control and financial reporting, Hypoport ensures that local (HGB and German tax law) and international financial reporting standards (IFRS) are complied with in both the separate and the consolidated financial statements.

Centralised key functions that report directly to the Management Board ensure that there is integrity and accountability in respect of the finance function and financial reporting.

There is an effective system of standards and policies (e.g. accounting standards, payment guidelines, travel policy etc.), which is constantly updated. Various check-lists and descriptions of procedures are also available.

The areas involved in the financial reporting process are equipped with the necessary resources in terms of both quality and quantity.

Specific training and professional development courses generate a high degree of quality awareness among all those involved in the process throughout the Group network.

Incoming and outgoing accounting data is subject to regular random checks to ensure that it is complete and accurate. Software is used to carry out in-built validation checks – as part of payment runs, for example.

Appropriate controls have been integrated into all the processes relevant to financial reporting (e.g. checking by a second member of staff, analytical checks).

The Company's clearly defined work processes and the way in which it documents and follows up on all matters that have to be accounted for ensure that the entries in its bookkeeping system are complete and properly checked.

The accounting-related internal control system guarantees that bookkeeping records are checked to make sure that they are arithmetically and factually correct.

All material separate financial statements for the Group companies that are included in the consolidated financial statements are audited by an external auditor or sworn auditor at least once a year.

Updating and continuous enhancement of the Group reporting system is undertaken centrally at parent company level, where ongoing contact with the finance direc-tors or chief financial officers at the Group subsidiaries is also maintained. Interim Group reporting in accordance with IFRS, including the reconciliation of intercompany charges in accordance with the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and German Securities Trading Act (WpHG), is consolidated on a quarterly basis.

The financial reporting function, which acts as a direct point of contact for financial reporting and Group financial statements for the Management Board and the directors/managing directors of the subsidiaries, prepares and compiles the consolidated financial statements in accordance with IFRS.

The financial reporting function also acts as a central contact point at Group level for special issues in the Group, such as specific accounting questions. Special analysis requested by the Management Board during the year is also carried out by the financial reporting and financial planning functions.

Because all Group companies are required to report their financial results to the Group parent company in a standard format every month of the year, deviations of actual figures from the budget during the year are identified quickly and it is possible to take appropriate swift action.

Processes connected with financial reporting are regularly reviewed for efficiency and effectiveness and they are subject to an ad-hoc (non-process based) internal audit.

As far as possible, standard software is used for the Company's financial systems.

The IT systems used for financial reporting purposes are protected by special security devices against unauthorised access in order to ensure that accounting-related data cannot be accessed, used or altered by non-approved persons. Access authorisations are issued for specific functions. Only those areas that are responsible for recording the transactions concerned are given write access. Functions that process information use read access.

We centrally manage and monitor the relevant IT systems used in our financial reporting process, and we carry out regular system back-ups to prevent any data loss and system malfunctions as far as possible.

The main features of Hypoport AG's existing internal risk management system applicable to the (consolidated) financial reporting process are described below.

The objective of the risk management system is to identify potential risks at an early stage and, where possible, to take appropriate action to counter them as quickly as possible. The Management Board is responsible for setting up and mon-itoring the system. The risk management system is part of the Group's planning, control and reporting process.

The principles on which the risk management system is based include the responsibility of each employee to prevent losses to the Company, and they lay down certain procedures and aids for fulfilling this responsibility. This applies in particular to financial reporting.

Risk is assessed by comparing the likelihood of risks occurring with the potential losses they may cause, and outcomes of individual risks are collated to form a risk portfolio.

The risk management system includes quarterly reports that all departments, including financial reporting, are required to submit and a procedure for reacting quickly to sudden negative developments. Actions to avert or minimise risk are defined and categorised.

Notes on the main features of the internal control and risk management sys-tems used by Hypoport AG and the Hypoport Group for the financial reporting process

The internal control and risk management system in connection with the financial reporting process, the main features of which are described above, ensures that at all times commercial transactions are correctly recorded, processed and recognised in the Company's accounts and are incorporated into its financial reporting process.

Clearly defined areas of responsibility, in both financial reporting itself and in risk management and internal audit, as well as ensuring that the accounting function is adequately equipped with the necessary human and material resources, enable the areas involved in the financial reporting process to work efficiently. Precise statutory and corporate rules and guidelines ensure that the financial reporting process is conducted consistently and properly. Clearly defined checking mecha-nisms (particularly checking by a second person) within the areas involved in the financial reporting process itself, systematic controls undertaken by internal and external auditors and the early identification of risk by the risk management function ensure that financial reports are error free and coherent.

In particular, this ensures that financial reporting at Hypoport AG and across the Hypoport Group is carried out uniformly and in line with statutory requirements, generally accepted accounting principles, international accounting standards and Group policy. It also ensures that transactions are recorded, recognised and evaluated uniformly and accurately in all the Group financial reports that are published, so that the public is provided with complete, accurate information that is reliable and timely.

10. Limitations

The internal control and risk management system makes it possible for the organisational, control and monitoring structures built into the Hypoport Group to record, process and assess all company-related information and for the information to be presented appropriately in the consolidated financial statements.

However, due to the nature of the business, it is not possible to rule out discretionary personal decisions, defective controls, criminal acts and other circumstances that could impair the effectiveness and reliability of the internal control and risk management systems in use. As a result, even though the system is applied across the Group it is not possible to guarantee with absolute certainty that information in the consolidated financial statements has been recognised correctly, promptly or in full.

The statements made relate only to the subsidiaries included in Hypoport AG's consolidated financial statements whose financial and operating policies Hypoport AG is able to influence directly or indirectly in order to benefit from the activities undertaken by these companies.

11. Opportunities

The Hypoport Group has benefited from its diversified business model for a number of years. It enables us to use rising earnings in other business lines to compensate for temporarily difficult conditions in particular markets. As a result, Hypoport is ideally placed in a financial services market that remains highly diverse and extremely competitive. This puts the Group in an excellent starting position for the next growth phase that will begin as soon as the markets have recovered.

We assess and exploit the opportunities that arise for us and our business at all levels of the Group. We monitor trends and developments in our product areas and identify operational opportunities.

Our lean structures shorten our decision-making channels and allow us to respond quickly to customer preferences and market trends.

We concentrate closely on our target groups by using our multi-channel sales strategy to ensure that we optimise our customer focus.

Growing demand for financial provision for old age is a long-term trend that is set to continue as life expectancy increases and the birth rate falls. Privately funded pensions will continue to gain in importance given the current challenges faced by countries and their governments in overcoming the present economic crisis. Although the low-interestrate phase with its negative consequences for private pensions and investment is expected to persist in 2015, low interest rates continue to offer opportunities in the area of mortgages and building finance that we will systematically exploit.

Further opportunities for distribution will arise if we manage to increase the number of our advisors or enhance their productivity to a greater extent than planned. In recent years, we have made significant improvements in our sales support, particularly with regard to IT systems. In future, end-to-end electronic processes along our entire value chain should allow us to make our advisors more productive, cut unit costs and enhance our attractiveness as a partner company.

The importance of innovative, professional financial product distributors who offer impartial advice and allow customers to select the best product for them will continue to grow. The successful sale of financial products and services will involve growing levels of complexity for all market participants, which will make it increasingly necessary to provide all stakeholders with automated, technology-based support, such as that offered by EUROPACE.

The increasing regulation of the financial services sector provides us with the op-portunity to use acquisitions as a means of growth. The highly fragmented market for financial advisors in Germany will continue to consolidate as a result of the minimum standards introduced for training, transparency and record keeping. Small independent brokers, in particular, are increasingly finding it difficult to implement the new requirements in a commercially viable manner, and are looking for bigger, more powerful partners. The high quality of our advice and our non-captive status put us in an excellent position in the market.

III. Events after the balance sheet date

After the balance sheet date there were no particularly significant events that would have affected the presentation of the Company's financial position or financial performance.

IV. Outlook

Forecasts made by the International Monetary Fund (IMF) predict that the eurozone economy will grow by 1.2 per cent overall in 2015, a slightly higher rate than in the previous year, with the IMF's calculations suggesting that the German economy will grow by 1.3 per cent. In addition to this, the German Council of Economic Experts in its annual economic report believes that last year's modest growth will be maintained and that Germany's gross domestic product will increase by a total of 1.0 per cent in 2015.

For the coming months, the IMF expects low oil prices to have a positive impact on the major economies. In January, the European Central Bank countered fears of possible deflation in the EMU in the wake of falling inflation rates by approving a programme for buying government bonds with an anticipated volume of €1.14 trillion. This monetary-policy measure could provide additional stimulus for economic activity in Germany and the eurozone. The IMF also believes that the economy may benefit from the recent sharp fall in the euro exchange rate because it could result in growing exports in the global market.

However, several negative factors could hamper a sustained economic recovery, including expectations of weak capital spending by companies, partly due to the fact that lower growth in the emerging markets is depressing the eurozone's export sector. Despite the ECB's new monetary-policy actions, the EU Commission currently expects consumer price inflation in the eurozone to fall to 0.1 per cent. On-going geopolitical conflicts and the future political direction of Greece also remain significant and could have a critical impact on economic activity going forward.

The most recent eurozone economic outlook published by the ifo Institute of Economic Research, INSEE and ISTAT suggests that economic growth in the eurozone will pick up slightly in the coming months, but will remain fundamentally weak. The institutes are predicting robust growth for Germany, primarily driven by domestic factors. The situation in the labour market is expected to improve slowly, although the ifo, INSEE and ISTAT economic institutes also mention the downside risks referred to above that could further depress economic growth.

In February 2015, the GfK Group's consumer climate index rose to 9.3 point, its highest value since November 2001, confirming its forecast for strong consumer confidence. At the same time, the propensity to save among German consumers had reached an all-time low in January 2015. The GfK Group interprets this behaviour as consumers anticipating a relatively rapid economic recovery. Supported by the ECB's government-bond purchase programme, experts believe interest rates will remain at their historically low level in 2015. Loan products remain attractive in this persistently low interest-rate environment. Sales of basic banking products and personal insurance products are likely to remain limited by low potential returns in 2015.

The proliferation of regulation in financial services markets will make market participants wary again in 2015, particularly in the insurance industry, but also in the home loans market.

The consistently high level of demand among consumers for high-quality pension and insurance products and the advanced use of technology to distribute financial products will offer particular benefits for the Hypoport Group in 2015.

The Private Clients business unit will continue to restructure its insurance business in the current year. The business unit is also aiming to significantly expand its lending business and is working systematically on improving its margin structure.

The Institutional Clients business unit is forecasting another successful year thanks to its long-standing, close client relationships in the German housing sector. As the top innovator in the sector, the unit will continue to grow and to broaden its product range.

The Financial Service Providers business unit plans to continue its penetration of market segments using the Company's proprietary platform. It also aims to expand its range of products and services and consequently to extend the depth of services provided to individual customers.

Based on the capital spending decisions that we have already taken and the future projects that we are planning, we anticipate that the Hypoport Group will require financial resources of approximately €6.5 million in 2015. Most of these funds will be invested in the expansion and refinement of the EUROPACE, GENOPACE and FINMAS financial marketplaces. Allowing for the level of operating cash flow that we expect to generate, the Hypoport Group's net borrowing is likely to remain stable in 2015.

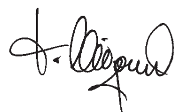
The portfolio of services offered by the Hypoport Group make it ideally placed in the market for 2015. Assuming that Europe and the German economy perform reasonably well, we expect the Group as a whole, and the individual Private Clients, Institutional Clients and Financial Service Providers business units, to achieve slight double-digit growth in revenue and earnings in the coming year.

This management report contains statements about economic and political developments as well as the future performance of the Hypoport Group. These statements are assessments that we have reached on the basis of the information available to us at the present time. If the assumptions underlying these assessments do not prove to be correct or if other risks emerge, the actual results could deviate from the outcome we currently expect.

Berlin, 2 March 2015

Hypoport AG – The Management Board

Ronald Slabke



Thilo Wiegand

Stephan Gawarecki

Hans Peter Trampe

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5. Consolidated financial statements

ASSETS	Note	31 Dec 2014 €'000	31 Dec 2013 €'000 restated	1 Jan 2013 €'000 restated
Non-current assets				
Intangible assets	(4,1)	30,953	29,568	27,684
Property, plant and equipment	(4,1)	2,227	2,210	2,559
Financial assets	(4,2)	83	69	115
Investments accounted for using the equity method	(4,3)	436	289	247
Trade receivables	(4,4)	4,181	4,344	4,640
Other assets	(4,5)	1,124	713	23
Deferred tax assets	(4,6)	383	412	384
		39,387	**37,605**	**35,652**
Current assets				
Trade receivables	(4,4)	25,442	20,101	20,802
Trade receivables from joint ventures	(4,4)	102	156	56
Other assets	(4,5)	3,255	4,828	4,667
Current income tax assets	(4,5)	202	5	957
Cash and cash equivalents	(4,7)	12,024	10,952	8,175
		41,025	**36,402**	**34,657**
		80,412	**73,647**	**70,309**
EQUITY AND LIABILITIES				
Equity				
Subscribed capital	(4,8)	6,195	6,195	6,195
Treasury shares	(4,11)	-79	-57	-61
Reserves	(4,12)	32,472	26,659	23,480
Equity attributal to non-controlling interes	(4,13)	264	256	230
		38,852	**33,053**	**29,844**
Non-current liabilities				
Financial liabilities	(4,14)	11,261	12,061	12,935
Provisions	(4,16)	96	105	241
Other liabilities	(4,15)	10	10	10
Deferred tax liabilities	(4,5)	942	409	1,639
		12,309	**12,585**	**14,825**
Current liabilities				
Provisions	(4,16)	105	59	78
Financial liabilities	(4,14)	4,642	4,758	5,365
Trade payables		16,493	15,198	13,694
Trade payables from joint ventures		28	10	7
Current income tax liabilities		268	325	116
Other liabilities	(4,15)	7,715	7,659	6,380
		29,251	**28,009**	**25,640**
		80,412	**73,647**	**70,309**

IFRS consolidated income statement
for the year ended 31 December 2014

	Note	2014 €'000	2013 €'000 restated	2013 €'000 as reported
Revenue	(3,1)	112,325	98,090	101,058
Selling expenses	(3,2)	- 55,948	- 49,113	- 51,479
Gross profit		**56,377**	**48,977**	**49,579**
Own work capitalised	(3,3)	4,176	4,248	4,248
Other operating income	(3,4)	1,825	2,770	2,776
Personnel expenses	(3,5)	- 35,331	- 32,684	- 32,831
Other operating expenses	(3,7)	- 14,496	- 15,230	- 15,616
Income from companies accounted for using the equity method	(3,8)	147	43	0
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**12,698**	**8,124**	**8,156**
Depreciation, amortisation expense and impairment losses	(3,6)	- 4,763	- 4,175	- 4,190
Earnings before interest and tax (EBIT)		**7,935**	**3,949**	**3,966**
Financial income	(3,9)	137	111	111
Finance costs	(3,9)	- 822	- 987	- 987
Earnings before tax (EBT)		**7,250**	**3,073**	**3,090**
Income taxes and deferred taxes	(3,10)	- 1,323	102	85
Net profit for the year		**5,927**	**3,175**	**3,175**
attributable to non-controlling interest	(4,13)	8	26	26
attributable to Hypoport AG shareholders	**(3,11)**	**5,919**	**3,149**	**3,149**
Earnings (loss) per share (€)	(3,11)	0.96	0.51	0.51

Consolidated statement of comprehensive income
for the period 1 January to 31 December 2014

	2014 €'000	2013 €'000
Net profit (loss) for the year	**5,927**	**3,175**
Total income and expenses recognized in equity*)	**0**	**0**
Total comprehensive income	**5,927**	**3,175**
attributable to non-controlling interest	8	26
attributable to Hypoport AG shareholders	**5,919**	**3,149**

*) There was no income or expense to be recognized directly in equity during the reporting period.

Consolidated statement of changes in equity for 2013 and 2014

€'000	Subscribed capital	Capital reserves	Retained earnings	Equity attributable to Hypoport AG shareholders	Equity attributable to non-controlling interest	Equity
Equity as at 1 Jan 2013	6,134	2,052	21,428	29,614	230	29,844
Sale of own shares	4	5	25	34	0	34
Purchase of own shares	0	0	0	0	0	0
Total comprehensive income	0	0	3,149	3,149	26	3,175
Equity as at 31 Dec 2013	**6,138**	**2,057**	**24,602**	**32,797**	**256**	**33,053**
€'000	Subscribed capital	Capital reserves	Retained earnings	Equity attributable to Hypoport AG shareholders	Equity attributable to non-controlling interest	Equity
Equity as at 1 Jan 2014	6,138	2,057	24,602	32,797	256	33,053
Sale of own shares	4	152	28	184	0	184
Purchase of own shares	-26	0	-286	-312	0	-312
Total comprehensive income	0	0	5,919	5,919	8	5,927
Equity as at 31 Dec 2014	**6,116**	**2,209**	**30,263**	**38,588**	**264**	**38,852**

IFRS consolidated financial statements
for the year ended 31 December 2014

	2014 €'000	2013*) €'000
Earnings before interest and tax (EBIT)	7,935	3,949
Non-cash income (+) / expense (-)	34	-538
Interest received (+)	29	25
Interest paid (-)	-564	-638
Income tax payments (-)	-761	-837
Depreciation and amortisation expense, impairment losses (+) / reversals of impairment losses (-) on non-current assets	4,763	4,175
Gains (-) / losses (+) on the disposal of non-current assets	1	27
Cashflow	**11,437**	**6,163**
Increase (+) / decrease (-) in current provisions	46	-19
Increase (-) / decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	-4,305	956
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	1,237	2,769
Change in working capital	**-3,022**	**3,706**
Cash flows from operating activities	**8,415**	**9,869**
Payments to acquire property, plant and equipment / intangible assets (-)	-6,166	-5,737
Proceeds from the disposal of financial assets (+)	4	38
Purchase of financial assets (-)	-19	-2
Cash flows from investing activities	**-6,181**	**-5,701**
Purchase of own shares (-)	-312	0
Proceeds from the issue of bonds and drawdown of loans von Finanzkrediten (+)	4,000	3,900
Redemption of bonds and loans (-)	-4,850	-5,291
Cash flows from financing activities	**-1,162**	**-1,391**
Net change in cash and cash equivalents	1,072	2,777
Cash and cash equivalents at the beginning of the period	10,952	8,175
Cash and cash equivalents at the end of the period	**12,024**	**10,952**

*) The comparative prior-year tax figures have been adjusted and are explained in section 2.1 of the notes to the consolidated financial statements

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1 Basis of presentation

1.1 Business background and company-law information

Hypoport AG (referred to below as 'Hypoport'), whose registered office is located in Berlin, Germany, is entered in the commercial register of the Berlin-Charlottenburg local court under HRB 74559. The Company's business address is Klosterstraße 71, 10179 Berlin, Germany.

As the parent company of the Hypoport Group, Hypoport AG is required by section 290 of the German Commercial Code (HGB) to prepare consolidated financial statements and a group management report. Because the Company's shares are listed in the Prime Standard segment of the Frankfurt Stock Exchange, this obligation applies irrespective of whether certain minimum size criteria are met. As a parent entity that is listed on a stock exchange, the Company is obliged to prepare its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). It is required by section 315a (1) HGB to comply with supplementary provisions of the German Commercial Code.

The consolidated financial statements for 2014 have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). Furthermore, a group management report has been added to the IFRS consolidated financial statements to meet the requirements of the HGB. The IFRS consolidated financial statements comprise the consolidated income statement, consolidated balance sheet, consolidated statement of changes in equity, the consolidated statement of comprehensive income, the consolidated cash flow statement and the notes to the consolidated financial statements. The disclosures required by section 315a (1) HGB are presented in the notes to the consolidated financial statements and in the remuneration report, which forms part of the group management report. The consolidated financial statements were completed on 2 March 2015 and are expected to be submitted to the Supervisory Board on 11 March 2015 to be approved for publication.

The consolidated balance sheet is broken down into current and non-current items in accordance with IAS 1.51 et seq.

The consolidated income statement is presented under the nature-of-expense method.

The consolidated financial statements and the separate financial statements for the entities included in the IFRS consolidated financial statements have been prepared in euros.

To improve clarity, all figures in the IFRS consolidated financial statements and the group management report are presented in thousands or millions of euros. We wish to point out that the application and aggregation of rounded amounts and percentages and the use of automated calculation methods may give rise to rounding discrepancies.

All figures on the quantities and volumes of financial products sold (e.g. volume of loans brokered, life insurance premiums, or volume of transactions processed on EUROPACE) include cancellations and, consequently, cannot be compared directly with the revenue figures shown, which exclude cancellations. The relevant figures shown in each case are calculated at a cut-off point in the product transaction process that is appropriate for the accrual method of accounting used. Cancellations that occur later in this process – e.g. as a result of additional credit checks or health checks performed by product suppliers or the exercise of cancellation rights by consumers – are not included in the relevant figures shown.

The financial year for all the companies in the Group is the same as the calendar year.

The Hypoport Group's presence in the financial services market is based on various business models.

These consolidated financial statements have been prepared on a going-concern basis.

1.2 Application of International Financial Reporting Standards (IFRS)

All pronouncements by the International Accounting Standards Board (IASB) that were required to be applied by 31 December 2014 have been adopted. All the principles of the framework, the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) and the earlier interpretations of the Standing Interpretations Committee (SIC) applicable at the balance sheet date have been applied.

The following standards that had been revised or newly issued by the IASB were required to be applied for annual periods beginning on or after 1 January 2014:

- IAS 32: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- IAS 36: Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
- IAS 39: Financial Instruments: Recognition and Measurement: Novation of Derivatives and
- Continuation of Hedge Accounting
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- Various: Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
- Various: Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

IAS 27: Separate Financial Statements

The revised version of IAS 27 only governs the recognition of investments in subsidiaries, associates and joint ventures, and associated disclosures in the notes, in the investor's separate financial statements. The rules governing consolidation that were previously included in IAS 27 are now contained in the recently issued IFRS 10. Apart from editorial changes there have been no material amendments to the rules governing separate financial statements. These amendments are not relevant to the Hypoport Group.

IAS 28: Investments in Associates and Joint Ventures

These amendments to IAS 28 were issued in June 2011 and require the equity method to be used for the recognition of investments in associates and interests in joint ventures. The rules governing the recognition of interests in joint ventures were still contained in IAS 31 until IFRS 11 was issued. These amendments are not currently relevant to the Hypoport Group.

IAS 32: Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 issued in December 2011 clarify that financial assets and financial liabilities may only be offset on the balance sheet if the present right to offset does not depend on a future event and is legally enforceable both in the ordinary course of business and in the event of the default, bankruptcy or insolvency of a party to the agreement. Furthermore, it specifies that gross settlement mechanisms are equivalent to net settlement, provided no credit risk or liquidity risk remains and assets and liabilities are processed in one settlement procedure. These amendments are not relevant to the Hypoport Group.

IAS 36: Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets

When IFRS 13 was required to be adopted from 1 January 2013, a provision was introduced in IAS 36 for the recoverable amount of any cash-generating unit to be disclosed in the notes to the financial statements as either material goodwill or a material intangible asset with an indefinite useful life. This disclosure is required regardless of whether an impairment loss has been recognised or reversed in the reporting period. The amendments published in May 2013 clarify that this disclosure requirement only applies to cash-generating units for which an impairment loss has been recognised or reversed in the reporting period and the recoverable value of which is based on fair value less costs of disposal. Further disclosure requirements have also been introduced for non-financial assets whose recoverable amount has been determined on the basis of fair value less disposal costs in cases where an impairment loss has been recognised or reversed. With the exception of the requirement for more extensive disclosures in the event that impairment losses are recognised or reversed in connection with non-financial assets within the scope of the provision, the amendments are not relevant for the Hypoport Group.

IAS 39: Financial Instruments: Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting

A novation of a hedging instrument to a central counterparty as a result of statutory requirements does not result in the unwinding of the hedge, provided the novation is stipulated as a result of a new law or the introduction of a law, a central counterparty becomes the counterparty of all parties to a derivative contract as a result of the novation, and there are no changes to the original contractual terms apart from the changes that are a necessary result of the novation. These amendments are not relevant to the Hypoport Group.

IFRS 10: Consolidated Financial Statements
IFRS 10 replaces SIC-12 Consolidation – Special Purpose Entities and the provisions of IAS 27 Consolidated and Separate Financial Statements that are relevant to consolidated financial statements with a standard model for defining consolidated entities based on the control of subsidiaries by a parent company. According to IFRS 10, an investor is deemed to control an investee when it has power over the investee, it is exposed to variable returns, and it has the ability to affect the level of the variable returns through its power over the investee. These amendments are not currently relevant to the Hypoport Group.

IFRS 11: Joint Arrangements
IFRS 11 supersedes SIC-13 Jointly Controlled Entities – Non-Monetary Contributions by Venturers as well as the former IAS 31. Until the end of 2013, Hypoport consolidated entities managed jointly with partners on a pro-rata basis in accordance with IAS 31. Under IFRS 11, which governs the accounting treatment of joint arrangements, a distinction has to be made between joint ventures and joint operations. A joint venture is where the partners have rights to the net assets of a jointly managed, legally independent entity owing to their position as shareholders. A joint operation is where the parties that have joint control have direct rights to the assets and direct obligations for the liabilities relating to the arrangement. This applies, in particular, if almost all of the joint arrangement's output is sold to the partners and there is no access to external sources of funding.

The equity method is now mandatory for the accounting treatment of long-term equity investments in joint ventures. In the case of a joint operation, the pro-rata share of the assets, liabilities, income and expenses must be recognised.

Following adoption of the new standard with effect from 1 January 2014, the following three Hypoport Group companies are now equity-accounted instead of being consolidated on a pro-rata basis: Hypoport on-geo GmbH, FINMAS GmbH and LBL Data Services B.V. The share of profit (loss) of equity-accounted investments is recognised as part of the profit or loss from operations (reported here as earnings before interest and tax [EBIT]), thereby reflecting the operational nature of the equity-accounted investments.

The table below shows the aggregate effects of the transition from pro-rata consolidation to the equity method for all joint ventures following first-time adoption of IFRS 11.C5 with effect from 1 January 2013.

Effects of initial use of IFRS 11	1 January 2013 €'000
Non-current assets	188
thereof property, plant and equipment	-59
investments accounted for using the equity method	247
Current assets	-626
thereof trade receivables	-224
other current items	-20
income tax assets	-2
cash and cash equivalents	-380
Total assets	**-438**
Current liabilities	-438
thereof trade payables	-369
other current liabilities	-69
Total equity and liabilities	**-438**

Further quantitative effects of the first-time adoption of the amendments to IFRS 11 on the Hypoport Group's financial position and financial performance are presented in section 2.1 Comparative figures for 2013.

IFRS 12: Disclosure of Interests in Other Entities
This new standard stipulates the disclosure requirements regarding investments in subsidiaries, associates, joint arrangements, and unconsolidated structured entities. Some of the disclosures required by IFRS 12 go far beyond the scope of the disclosure requirements applicable to date. Its main objective is the disclosure of the nature of an entity's interests in other entities, the risks associated with these interests and the effects of those interests on the financial position and financial performance of the group.

Transition Guidance (Amendments to IFRS 10, IFRS 11 and IFRS 12)
The transitional guidance issued in June 2012 includes exemptions when the new standards are adopted for the first time. Adjusted comparative information now only has to be disclosed for the immediately preceding comparative period. There is no longer a requirement to disclose comparative information for non-consolidated, structured entities for periods prior to first-time adoption of IFRS 12.

Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities
In the future, the amendments issued in October 2012 will release many investment companies from the requirement to consolidate subsidiaries controlled by them in their consolidated financial statements. Instead, they will be able to measure interests held for investment purposes at fair value. New disclosure requirements are also set out for investment entities. These amendments are not relevant to the Hypoport Group.

With the exception of the amendments to IFRS 11, the first-time application of the above IFRSs did not give rise to any material impact on the presentation of the financial position or financial performance of the Hypoport Group or the notes to these consolidated financial statements.

Furthermore, the IASB has issued the following standards, interpretations and amendments to existing standards that the Hypoport Group is not yet required apply to these financial statements:

- IAS 19: Employee Benefits: Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 February 2015, endorsed by the EU Commission)
- Various: Annual Improvements 2010-2012 Cycle (1 February 2015, endorsed by the EU)
- Various: Annual Improvements 2011-2013 Cycle (1 July 2014, endorsed by the EU)
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) (1 January 2016, not endorsed by the EU)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) (1 January 2016, not endorsed) by the EU)
- IAS 27: Separate Financial Statements: Equity Method in Separate Financial Statements" (1 January 2016, not endorsed by the EU)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) (1 January 2016, not endorsed by the EU)
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) (1 January 2016, not endorsed by the EU)
- IFRS 14: Regulatory Deferral Accounts (1 January 2016, not endorsed by the EU)
- Various: Annual Improvements 2012-2014 Cycle (1 January 2016, not endorsed by the EU
- IFRS 15: Revenue from Contracts with Customers (1 January 2017, not endorsed by the EU
- IFRS 9: Financial Instruments (1 January 2018, not endorsed by the EU
- IFRIC 21: Levies (17 June 2014, endorsed by the EU)

DEFINED BENEFIT PLANS: EMPLOYEE CONTRIBUTIONS (AMENDMENTS TO IAS 19)

These amendments published in November 2013 clarify that – as a practical expedient – contributions which are paid by employees themselves (or third parties) for defined benefit pension entitlements and which are not linked to years of service, can be recognised as a reduction in the service cost in the period in which the related service is rendered. This includes contributions set as a fixed percentage of annual salary. These changes will have no material impact on Hypoport's consolidated financial statements.

ANNUAL IMPROVEMENTS 2010-2012 CYCLE

Provisions arising from the annual improvement project that were published in December 2013 included amendments to the following seven standards: IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24. In addition to minor amendments to content, the requirements largely relate to clarifications regarding recognition, disclosure and measurement. Hypoport does not expect first-time adoption to have any material impact.

ANNUAL IMPROVEMENTS 2011-2013 CYCLE

Provisions arising from the annual improvement project that were published in December 2013 included amendments to four standards, including IFRS 3, IFRS 13, and IAS 40. In addition to minor amendments to content, the requirements largely relate to clarifications regarding recognition, disclosure and measurement. Hypoport does not expect first-time adoption to have any material impact on the Group's consolidated financial statements.

AMENDMENTS TO IAS 16: PROPERTY, PLANT AND EQUIPMENT AND TO IAS 38: INTANGIBLE ASSETS

The amendments published in May 2014 set out the conditions under which it is acceptable to select revenue-based methods for the depreciation of property, plant and equipment or amortisation of intangible assets. These amendments are not relevant to the Hypoport Group because it does not make use of any revenue-based depreciation or amortisation methods

AMENDMENTS TO IAS 16: PROPERTY, PLANT AND EQUIPMENT AND TO IAS 41: AGRICULTURE

Bearer plants that are used for the harvesting of biological assets over more than one period without acting as agricultural produce themselves, e.g. grape vines or olive trees, can currently be measured at fair value. The amendments published in June 2014 clarify that bearer plants will in future have to be treated as property, plant and equipment in accordance with IAS 16 and measured at amortised cost. By contrast, the produce of bearer plants will continue to be recognised at fair value under IAS 41. These changes will have no material impact on Hypoport's consolidated financial statements.

EQUITY METHOD IN SEPARATE FINANCIAL STATEMENTS (AMENDMENTS TO IAS 27 SEPARATE FINANCIAL STATEMENTS)

These amendments published in August 2014 permit the equity method to be used in separate financial statements to account for investments in subsidiaries, joint ventures and associates. The option of recognising such investments under IAS 39 or at cost remains unchanged. The amendments are not relevant to Hypoport AG, because no IFRS separate financial statements are prepared in accordance with section 325 (2a) HGB.

AMENDMENTS TO IAS 28: INVESTMENTS IN ASSOCIATES AND JOINT VENTURES AND TO IFRS 10: CONSOLIDATED FINANCIAL STATEMENTS

The amendments published in September 2014 clarify how the sale or contribution of assets by an investor to an associate or joint venture must be recognised. The amendments are effective on a prospective basis and come into effect on 1 January 2016. Hypoport is currently examining the provisions and does not expect the amendments to have a material impact on the Group's consolidated financial statements.

AMENDMENTS TO IFRS 11: JOINT ARRANGEMENTS

The provisions published in May 2014 specify the accounting treatment of acquisition of an interest in a joint operation that constitutes a business within the meaning of IFRS 3. Accordingly, the acquirer must measure identifiable assets and liabilities at fair value, report the costs associated with the acquisition as expenses, recognise deferred taxes and capitalise any residual amounts as goodwill. The disclosure requirements of IFRS 3 must also be observed. The amendments apply prospectively and are not expected to have any material impact on Hypoport's financial statements.

IFRS 14: REGULATORY DEFERRAL ACCOUNTS

This standard published in January 2014 allows companies adopting IFRS for the first time to continue to report price-regulated sales transactions in accordance with the accounting principles they previously applied. This standard is of no relevance to the Hypoport Group.

ANNUAL IMPROVEMENTS 2012-2014 CYCLE

Provisions arising from the annual improvement project that were published in September 2014 include amendments to four standards: IFRS 19, IAS 34, IFRS 5, and IFRS 7. In addition to minor amendments to content, the requirements largely relate to clarifications regarding recognition, disclosure and measurement. Hypoport does not expect first-time adoption of the amendments to have any material impact on its consolidated financial statements.

IFRS 15: REVENUE FROM CONTRACTS WITH CUSTOMERS

This standard published in May 2014 aggregates the requirements for revenue recognition that were previously included in various standards and interpretations. At the same time, it establishes consistent basic principles applicable to all categories of revenue-related transaction across all sectors that govern the amount of revenue to be recognised and the point in time at which or the period of time over which it is recognised. IFRS 15 replaces IAS 18 Revenue, IAS 11 Accounting for Construction Contracts and the interpretations IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue - Barter Transactions Involving Advertising Services. Hypoport is reviewing the impact of this standard on the Group's financial position and financial performance.

IFRS 9 FINANCIAL INSTRUMENTS:

When it published the fourth and final version of this new standard in July 2014, the IASB completed the project on the recognition of financial instruments that it had started in 2008 in response to the financial crisis. The new standard replaces the previous provisions in IAS 39 Financial Instruments: Recognition and Measurement governing the recognition and measurement of financial assets and contains new requirements for hedge accounting. The requirements for calculating impairment losses are replaced by the expected-loss model. The IASB has set 1 January 2018 as the mandatory date for first-time adoption. The process for adopting the provisions in EU law is currently suspended. Hypoport will review the impact that first-time adoption of this standard may have on the Group's financial position and financial performance in due course.

IFRIC 21: Levies
This interpretation published by the IFRS IC in May 2013 governs the timing and method of recognising obligations to pay government levies which do not constitute income taxes within the scope of IAS 12. It states that an obligation to pay a levy must be recognised as soon as the legally defined event occurs that triggers the payment obligation. The interpretation will have no impact on the financial position or financial performance of the Hypoport Group.

Hypoport does not intend to adopt these standards and interpretations, or the amendments resulting from them, on a voluntary basis before their effective dates.

The Company is currently analysing the potential impact of all the relevant aforementioned amendments and newly issued standards on the financial position and financial performance of the Hypoport Group.

The IASB has also issued further standards and interpretations which, as things stand, have no significant effects on these consolidated financial statements.

1.3 Basis of consolidation

Apart from Hypoport AG as the parent company, the IFRS consolidated financial statements include ten (2013: ten) domestic and international subsidiaries in which the Company directly or indirectly holds the majority of voting rights, and three (2013: three) joint ventures.

The following table shows the entities included in the consolidated financial statements in addition to Hypoport AG:

	Holding in %
Parent company	
Dr. Klein & Co. AG, Lübeck	100.00
Europace AG, Berlin	100.00
GENOPACE GmbH, Berlin	50.025
Hypoport B.V., Amsterdam	100.00
Hypoport Invest GmbH, Berlin (formerly Hypoport Vermögensverwaltungs-GmbH, Berlin)	100.00
Hypoport Mortgage Market Ltd., Westport (Irland)	100.00
Hypoport Systems GmbH, Berlin	100.00
Qualitypool GmbH, Lübeck	100.00
Starpool Finanz GmbH, Berlin	50.025
Vergleich.de Gesellschaft für Verbraucherinformation mbH, Berlin	100.00
Joint ventures	
FINMAS GmbH, Berlin	50.00
Hypoport on-geo GmbH, Berlin	50.00
LBL Data Services B.V., Amsterdam (formerly ATC Hypoport B.V., Amsterdam)	50.00

With the exception of Hypoport on-geo GmbH, FINMAS GmbH and LBL Data Services Hypoport B.V. (all joint ventures accounted for under the equity method owing to lack of control), all Hypoport Group companies are fully consolidated.

1.4 Principles of consolidation

The separate financial statements for the entities included in the Hypoport IFRS consolidated financial statements and the separate financial statements for the parent are prepared to the same balance sheet date using uniform accounting policies.

The consolidated financial statements include Hypoport AG and the subsidiaries over which it exerts direct or indirect control. Control is generally deemed to be exerted by the entity that holds a majority of voting rights. Subsidiaries are fully consolidated from the date of acquisition, i.e. the date on which the Group acquires control. They are deconsolidated as soon as control by the parent comes to an end.

Subsidiaries are consolidated in accordance with IFRS 3. This involves recognising all of the subsidiaries' assets and liabilities at fair value. The pro-rata equity calculated in this way is compared with the carrying amount of the investment concerned. Any positive differences that are attributable to separately identifiable intangible assets acquired as part of the business combination are shown separately from goodwill. If a useful life can be determined for these assets, they are amortised over their estimated useful life. Intangible assets with an indefinite useful life are tested for impairment annually and, where necessary, an impairment loss is recognised. Any remaining positive differences are recognised as goodwill and tested for impairment annually in accordance with IAS 36. The option of recognising any non-controlling interests at fair value (full-goodwill method) has not been utilised. As required by IFRS 3.19, these interests are recognised at their proportionate share of the identifiable net assets. When the acquisition costs incurred in business combinations are being determined, conditional purchase price components are recognised at their fair value at the date of first-time consolidation. Subsequent deviations from this value are recognised in profit or loss. Transaction costs are expensed as incurred in accordance with IFRS 3. Any negative differences or negative goodwill arising on consolidation are immediately recognised in profit or loss.

In contrast, it has been decided not to apply IFRS 3 retroactively to business combinations prior to 1 January 2004 in accordance with IFRS 1.15 in conjunction with Annex B. In accordance with IFRS 1, Annex B, B2, (j), the assets and liabilities of the subsidiary in this case have been restated as at 1 January 2004 as if IFRS had been specified for the separate financial statements of the subsidiary. The subsidiary's equity restated in this way has then been used for consolidation purposes. Any positive difference between the parent's share of these restated carrying amounts and the acquisition cost for the subsidiary in the separate financial statements of the parent has been reported as goodwill. Negative differences have been accounted for in consolidated reserves.

As a result of the amendments to IFRS 11, the Hypoport Group's interests in jointly controlled entities have been consolidated using the equity method from 1 January 2014 onwards. The carrying amount for long-term equity investments accounted for under the equity method in the consolidated financial statements will be increased or decreased annually to reflect any changes in the proportion of equity held by Hypoport. When equity-accounted investments are included for the first time, differences arising from first-time consolidation are treated in accordance with the principles of full consolidation. Changes in the proportion of equity, including write-downs on goodwill, are recognised in profit (loss) from equity-accounted long-term equity investments. If the Group's share in a loss relating to a joint venture is equivalent to or exceeds its original interest in the entity (including other unsecured receivables), no further losses are reported. Further losses are only reported if obligations have been assumed for the joint venture or payments have been made on its behalf. Long-term equity investments that have a minor impact on the Group's financial position and financial performance individually and whose impact is immaterial overall, are included in the consolidated financial statements at acquisition cost minus impairment losses.

The basis rollover method is used to recognise common control transactions.

The assets and liabilities in step acquisitions are recognised at their fair value at the acquisition date. Existing investments are measured at fair value through profit or loss. Goodwill is determined at the acquisition date. Differences arising from the acquisition or sale of investments in affiliated companies without any acquisition or loss of control are recognised in other comprehensive income. Trade receivables, loans and other receivables are fully offset against the corresponding liabilities and provisions as part of the elimination of intercompany balances between the subsidiaries included in consolidation.

Income and expenses resulting from goods supplied or services rendered within the Hypoport Group are eliminated. Material intercompany profits and losses resulting from goods supplied or services rendered within the Hypoport Group are fully eliminated; such profits and losses are eliminated on a pro-rata basis in cases where the equity method of consolidation is used.

Non-controlling interests in the equity and profit or loss of companies controlled by the parent company are shown separately in the consolidated financial statements.

The necessary deferred taxes are recognised on consolidation.

1.5 Currency translation

In the separate financial statements for the companies in the Group, all receivables and payables denominated in foreign currency are measured using the mid rate on the balance sheet date regardless of any existing hedging.

Where, in the case of receivables, the closing rate is lower or, in the case of payables, the closing rate is higher, the foreign currency value translated at the closing rate is reported. Any exchange differences arising as a result are recognised in consolidated income.

1.6 Use of assumptions and estimates

The preparation of the consolidated financial statements in accordance with IFRS requires that the Company make some assumptions and estimates with regard to the recognition and measurement of assets and liabilities, income and expense, and contingent liabilities. The assumptions and estimates relate for the most part to the definition of useful lives, the recognition and measurement of receivables and provisions, and the realisation of future tax relief. In individual cases, the actual values may differ from the assumptions and estimates. Any changes as a result of new information, more experience or subsequent developments are recognised immediately in income in accordance with IAS 8.

Material discretionary decisions largely relate to the capitalisation of development costs and the determination of their useful life as well as to the assumptions underlying the impairment test for goodwill.

2 Accounting policies

2.1 Comparative figures for 2013

The figures for 2013 have been restated owing to the amendments to IFRS 11. This new recognition method has not affected either the net profit (loss) for the period or the earnings (loss) per share reported by the Hypoport Group.

The table below shows the quantitative effects of retrospective first-time adoption of this standard on the main comparative figures reported by the Hypoport Group for 2013.

Overview balance sheet (€'000)	31.12.2013		
	adjusted	previous	change
ASSETS			
Non-current assets			
Intangible assets	29,568	29,568	0
Property, plant and equipment	2,210	2,279	-69
Investments accounted for using the equity method	69	69	0
Financial assets	289	0	289
Trade receivables	4,344	4,344	0
Other assets	713	713	0
Deferred tax assets	412	412	0
	37,605	37,385	220
Current assets			
Trade receivables	20,257	20,624	-367
Other current items	4,828	4,849	-21
Income tax assets	5	5	0
Cash and cash equivalents	10,952	11,538	-586
	36,042	37,016	-974
Total assets	73,647	74,401	-754
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	6,195	6,195	0
Treasury shares	-57	-57	0
Reserves	26,659	26,659	0
Non-controlling interest	256	256	0
	33,053	33,053	0
Non-current liabilities			
Financial liabilities	12,061	12,061	0
Provisions	105	105	0
Other liabilities	10	10	0
Deferred tax liabilities	409	409	0
	12,585	12,585	0
Current liabilities			
Provisions	59	59	0
Financial liabilities	4,758	4,758	0
Trade payables	15,208	15,875	-667
Current income tax liabilities	325	325	0
Other liabilities	7,659	7,746	-87
	28,009	28,763	-754
Total equity and liabilities	73,647	74,401	-754

Overview income statement (€'000)	Full Year 2013		
	adjusted	previous	change
Revenue	98,090	101,058	-2,968
Selling expenses (Commision and lead costs)	-49,113	-51,479	2,366
Gross profit	**48,977**	**49,579**	**-602**
Own work capitalised	4,248	4,248	0
Other operating income	2,770	2,776	-6
Personnel expenses	-32,684	-32,831	147
Other operating expenses	-15,230	-15,616	386
Income from companies accounted for using the equity method	43	0	43
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**8,124**	**8,156**	**-32**
Depreciation, amortisation expense and impairment losses	-4,175	-4,190	15
Earnings before interest and tax (EBIT)	**3,949**	**3,966**	**-17**
Financial income	111	111	0
Finance costs	-987	-987	0
Earnings before tax (EBT)	**3,073**	**3,090**	**-17**
Income taxes and deferred taxes	102	85	17
Net income for the year	**3,175**	**3,175**	**0**
attributable to non-controlling interest	26	26	0
attributable to Hypoport AG shareholders	**3,149**	**3,149**	**0**
Earnings per share (€)	**0.51**	**0.51**	**0**

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Overview cash flows statement (€'000)	Full Year 2013		
	adjusted	previous	change
Earnings before interest and tax (EBIT)	3,949	3,966	-17
Non-cash income (-) / expense (+)	-538	-555	17
Interest received (+)	**25**	**25**	**0**
Interest paid (-)	-638	-638	0
Income tax payments (-)	-837	-837	0
Depreciation and amortisation expense, impairment losses (+) / reversals of impairment losses (-) on non-current assets	4,175	4,190	-15
Gains (-) / losses (+) on the disposal of non-current assets	27	27	0
Cashflow	**6,163**	**6,178**	**-15**
Increase (+) / decrease (-) in current provisions	-19	-19	0
Increase (-) / decrease (+) in inventories, trade receivables and other assets not attributable to investing or financing activities	956	856	100
Increase (+) / decrease (-) in trade payables and other liabilities not attributable to investing or financing activities	2,769	3,085	-316
Change in working capital	**3,706**	**3,922**	**-216**
Cash flows from operating activities	**9,869**	**10,100**	**-231**
Payments to acquire property, plant and equipment / intangible assets (-)	-5,737	-5,762	25
Proceeds from the disposal of financial assets (+)	38	38	0
Purchase of financial assets (-)	-2	-2	0
Cash flows from investing activities	**-5,701**	**-5,726**	**25**
Proceeds from the issue of bonds and drawdown of loans under finance facilities (+)	**3,900**	**3,900**	**0**
Redemption of bonds and loans (-)	**-5,291**	**-5,291**	**0**
Cash flows from financing activities	**-1,391**	**-1,391**	**0**
Net change in cash and cash equivalents	**2,777**	**2,983**	**-206**
Cash and cash equivalents at the beginning of the period	**8,175**	**8,555**	**-380**
Cash and cash equivalents at the end of the period	**10,952**	**11,538**	**-586**

Overview segment reporting (€'000)	Full Year 2013								
	Institutional Clients			Financial Service Providers			Group		
	adjusted	previous	change	adjusted	previous	change	adjusted	previous	change
Segment revenue in respect of third parties	12,262	12,511	-249	29,669	32,388	-2.719	98,090	101,058	-2,968
Segment revenue in respect of other segments	0	0	0	675	675	0	0	0	0
Total segment revenue	12,262	12,511	-249	30,344	33,063	-2.719	98,090	101,058	-2,968
Gross profit	11,807	12,056	-249	19,537	19,890	-353	48,977	49,579	-602
EBITDA	4,278	4,302	-24	8,077	8,085	-8	8,124	8.156	-32
EBIT	3,748	3,757	-9	5,991	5,999	-8	3,949	3,966	-17
Segment assets	21,780	21,825	-45	28,917	29,626	-709	73,647	74,401	-754
Segment liabilities	2,411	2,456	-45	11,226	11,935	-709	40,594	41,348	-754
Segment capital expenditure	600	625	-25	3,899	3,899	0	5,737	5,762	-25
Segment depreciation/ amortisation expense, impairment losses	530	545	-15	2,086	2,086	0	4,175	4,190	-15
Significant non-cash expenses	819	819	0	6,682	6,682	0	9,945	9,945	0

2.2 Intangible assets

Goodwill arising on the consolidation of subsidiaries, capitalised development costs in connection with the development of transaction platforms, patents, software, licences and similar rights are reported under intangible assets. Any intangible assets acquired are reported at cost at the date of acquisition.

All intangible assets, with the exception of goodwill, have a finite useful life. They are amortised on a straight-line basis over the period of their use. The useful lives applied to these assets vary between three and 15 years. If there are any indications of impairment, depreciable intangible assets are subjected to an impairment test and, where required, an impairment loss is recognised to ensure that the carrying amount of the asset is reduced to the recoverable amount in accordance with IAS 36.

All amortisation expense and impairment losses on intangible assets are reported in the income statement under depreciation, amortisation expense and impairment losses.

In accordance with IFRS 3 and IAS 38, goodwill is not amortised. Instead, an impairment test is carried out in accordance with IAS 36 once a year (or in the intervening period if there are indications of impairment) and, where required, an impairment loss is recognised to ensure that the carrying amount of the asset is reduced to its recoverable amount (impairment-only approach).

An impairment loss is recognised in income if the recoverable amount for the asset is below the carrying amount. The recoverable amount is based on the fair value less costs to sell. The discounted cash flow method is used to calculate the fair value. The cash flows are derived from the Company's four-year strategic plan. This plan is based on expertise gained in the past, the latest financial results, and the strategic plan adopted. It takes appropriate account of sectoral and macroeconomic trends (such as developments in the housing market, movements in interest rates, regulation of the financial markets, changes in state pension and healthcare systems, etc.) as well as historical developments. The annual plans are based on certain bottom-up assumptions for the entire Hypoport Group. Certain cash flow parameters (such as depreciation, amortisation, impairment and taxes) are determined on the basis of defined criteria. The annuity method with a growth rate of zero per cent is used to calculate cash flows for post-planning periods. The cash flows are then discounted back to the balance sheet date using a discount rate that reflects the risks specific to the asset. The discount rate is based on the weighted average cost of capital (WACC). This interest rate reflects current market assessments of the effect of the time value of money as well as the risks specific to the cash-generating unit. As required by IAS 36, the Company determines the applicable WACC by using market information that is based on a peer group of Hypoport. This market information consists of beta factors, gearing levels, and market interest rates on loans.

In order to calculate the WACC, the Company also performs sensitivity analysis in which it makes assumptions that differ from its original estimates; Hypoport considers these assumptions to be improbable but still possible. In doing so, the Company factors in uncertainty in the form of estimates and carries out additional impairment tests for scenarios that are less favourable than estimated. These scenarios verified the recoverability of goodwill in particular in each case. The continued validity of the parameters used was monitored by the Management Board between the end of the reporting year and the date on which the consolidated financial statements were prepared.

If impairment is identified, an impairment loss is first recognised for any available goodwill in the cash-generating unit concerned. Any residual amount is then allocated pro rata to the other assets in the cash-generating unit concerned on the basis of the residual carrying amount of each individual asset at the balance sheet date. If the reasons for a previously recognised impairment loss no longer exist, the impairment loss is reversed (except in the case of goodwill), but the reversal cannot result in a carrying amount that is higher than the amortised carrying amount that would have applied if the impairment loss had never been recognised.

Provided they meet the preconditions of IAS 38, development costs are capitalised at cost if the costs can be clearly attributed and it is certain that the product is technically feasible and can be brought to market. Furthermore, there must be a sufficient probability that the development activity will generate future economic benefits. If the criteria for capitalisation are not satisfied, the costs are expensed as incurred.

The capitalised development costs comprise all costs directly attributable to the development process plus an appropriate portion of development-related overheads. Finance costs are capitalised. Software platforms are amortised on a straight-line basis from the point at which they come into operation over an estimated useful life of eight years if they are being used for the first time or five years in the case of enhancements. Capitalised development costs that are not yet amortised are tested for impairment annually in accordance with IAS 36.

2.3 Property, plant and equipment

Property, plant and equipment is recognised at cost and reduced by depreciation and any impairment losses. Property, plant and equipment is depreciated on a straight-line basis over its estimated useful life. Useful lives of between three and 15 years are applied to these assets.

If there are any indications of impairment, an impairment test is carried out. If the recoverable amount of an asset is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to the recoverable amount in accordance with IAS 36. If the reason for a previously recognised impairment loss no longer exists, the impairment loss is reversed such that the carrying amount of the asset is restored to the amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

2.4 Borrowing costs

Borrowing costs that are directly allocable to the acquisition, construction or manufacture of a qualifying asset are capitalised as part of acquisition and manufacturing costs. All other borrowing costs are expensed as incurred.

2.5 Financial assets

Financial assets include receivables from financial services, trade receivables, receivables from banks, cash on hand, marketable securities, financial investments and other long-term equity investments. Financial assets, such as equities or interest-bearing securities, are classified as held-for-trading if they are acquired with the intention of selling them in the short term. Gains and losses on held-for-trading financial assets are recognised in income.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not publicly traded in an active market, such as trade receivables. Once they have been initially recognised, loans and receivables are measured at amortised cost under the effective interest method, net of any impairment losses. Gains and losses are recognised in the net profit (loss) for the period if the loans and receivables are derecognised or impaired. The interest rate effects of using the effective interest method are also taken to income.

Dividends are taken to income as soon as a legal entitlement to payment arises.

Other long-term equity investments comprise investments in associates unless they are recognised under the equity method. These investments are carried at their fair value on the consolidated balance sheet. Where possible, the fair value is determined on the basis of market prices. If the fair value cannot be derived from comparable transactions during the period concerned and it has been decided not to base the investments' measurement on discounted future cash flows because these cash flows cannot be reliably determined, the carrying amount used is the acquisition cost minus impairment losses.

2.6 Impairment of financial assets

At each balance sheet date, the carrying amounts of financial assets are tested to see whether there is objective evidence of any impairment; such evidence could be serious financial difficulties on the part of the borrower or significant changes in the technological, economic, legal or market environment of the borrower. In the case of equity instruments, a sustained or significant fall in their fair value would constitute objective evidence that they may be impaired.

Loans and receivables: The amount of impairment on loans and receivables is the difference between the asset's carrying amount and the present value of its anticipated future cash flows, which are discounted using the financial asset's original effective interest rate. The impairment is recognised in income.

If the amount of the impairment loss decreases in a subsequent reporting period and if this decrease can be objectively attributed to an event that occurred after the impairment was recognised, the previously recognised impairment loss is reversed and taken to income.

Most impairment losses on loans and receivables (e.g. trade receivables) are charged to impairment accounts. The decision as to whether a credit risk is recognised through an impairment account or by a direct impairment loss on the receivable depends on how high the probability of default is estimated to be. If receivables are classified as irrecoverable, the respective impaired asset is derecognised.

2.7 Impairment of deferred tax assets

The Company reviews its deferred tax assets at each reporting date to identify any impairment. This assessment requires the senior management team to make assumptions about the level of future taxable profit as well as further positive and negative influencing factors. The actual utilisation of deferred tax assets depends on the Company's ability to generate the necessary taxable profit in future so that it can take advantage of tax loss carryforwards and tax allowances before they expire. Although loss carryforwards can still be carried forward indefinitely in Germany, annual utilisation in Germany is restricted by minimum taxation requirements.

In the year under review, the existing limit on offsetting losses imposed by the minimum taxation requirement meant that capitalisation restrictions for deferred taxes relating to losses were taken into account when offsetting deferred tax assets against deferred tax liabilities (IFRS IC decision, May 2014).

Having conducted this review, the Group recognised deferred tax assets worth €383 thousand as at 31 December 2014 (31 December 2013: €412 thousand). In the year under review, the minimum taxation requirements in Germany resulted in deferred tax assets amounting to €489 thousand (2013: €0 thousand) not being recognised.

The total amount of deferred tax assets recognised might be reduced if future taxable profit or income turns out to be lower than expected or if amendments to tax legislation limit the utilisation of tax loss carryforwards or tax allowances in terms of their timing or amount. Conversely, the total amount of deferred tax assets recognised would have to be increased if future taxable profit or income turned out to be higher than expected.

2.8 Leases

Under IAS 17, a leasing partner is classified according to whether beneficial ownership in the leased asset is attributable to the lessee (finance lease) or the lessor (operating lease). The classification is based on the extent to which the risks and rewards incident to ownership lie with the lessee or lessor. Hypoport AG has entered into operating leases as a lessee, in particular for vehicles and photocopiers. The related lease costs are expensed as incurred. The Hypoport Group does not currently have any significant leases classified and recognised as finance leases.

2.9 Trade receivables and other assets

Trade receivables and other assets are recognised at the lower of amortised cost and market value. Appropriate impairment losses are recognised to account for any identifiable risks. These impairment losses are reversed if the reasons for previously recognised write-downs no longer apply. Irrecoverable receivables are derecognised. Payments subsequently received for amounts that have already been derecognised are taken to income and offset against the impairment losses on trade receivables reported on the face of the income statement.

All receivables due for payment in more than one year are classified in the Group as non-current.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash, demand deposits and overdraft facilities. Utilised overdraft facilities are shown on the face of the balance sheet as liabilities to banks under current financial liabilities.

Cash is measured at nominal value.

2.11 Treasury shares

Treasury shares in the parent purchased within the Group are deducted from equity at cost. Income or expense related to the purchase, sale, issue or recall of treasury shares is recognised directly in equity under reserves.

2.12 Provisions

A provision is recognised when an entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at their expected settlement value in accordance with IAS 37 or, where appropriate, in accordance with IAS 19. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation. Estimates of the outcome and financial impact of the obligation depend on management's assessment as well as empirical values obtained from similar transactions and, where necessary, appraisals provided by independent experts (such as lawyers). The underlying information includes information obtained as a result of events that occur between the end of the reporting period and the date on which the consolidated financial statements are prepared. Where the provision being measured involves a large population of events, the obligation is estimated by weighting all possible outcomes by their associated probabilities. Where there is a continuous range of possible outcomes, and each point in that range is as likely as any other, the mid-point of the range is used.

In cases where an obligation is expected to result in an outflow of resources after more than one year and if the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. When estimating the future outflow of economic benefits, the Company factors in inflation assumptions where appropriate. Provisions for onerous contracts are measured at the lower of the expected cost of performing the contract and the expected cost of terminating it. Additions to provisions are recognised in profit or loss.

Accruals are reported under other liabilities.

Claims for reimbursements from third parties are recognised separately from provisions if their recovery is virtually certain.

If the amount of the obligation is reduced as a result of a change in assessments, the provision is reversed pro rata and recognised as income.

2.13 Financial liabilities

Financial liabilities include trade payables, liabilities to banks, bonds and other liabilities.

Financial liabilities recognised at amortised cost: Once they have been initially recognised, financial liabilities are measured at amortised cost under the effective interest method.

2.14 Trade payables and other liabilities

Liabilities are recognised if it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and this amount can be reliably determined.

Other current liabilities are recognised at their repayment or settlement value. Non-current liabilities are generally recognised at amortised cost using the effective interest method. Liabilities are classified as non-current if the agreement concerned does not require repayment within twelve months.

2.15 Contingent liabilities

In accordance with IAS 37.27, contingent liabilities are not recognised on the balance sheet. However, contingent liabilities are disclosed in the notes unless the possibility of an outflow of resources embodying economic benefits is remote.

2.16 Employee benefits

The employees in the Group are for the most part insured under the mandatory statutory pension insurance scheme and therefore pay into a government defined-contribution plan. The Group does not have any legal or constructive obligation under this pension entitlement to make any contributions over and above those required by the scheme. Contributions to defined-contribution plans are made in the year in which employees perform the work with which the contributions are earned. The Company also pays contributions to private pension insurance providers in line with statutory or contractual requirements or on a voluntary basis under a defined-contribution pension plan. Once the Company has paid these contributions it is not obliged to provide any further benefits. The regular contribution payments are recognised as an expense for the respective year within EBIT.

2.17 Recognition of revenue and expense

Provided that persuasive evidence of an arrangement exists, revenue is recognised to the extent that it is sufficiently probable that future economic benefits will flow to Hypoport and the amount of revenue can be measured reliably. This is the procedure irrespective of when payment is received. If the inflow of economic benefits is deemed to be improbable owing to customer-related credit risks, revenue is recognised to the extent that the customer has already made irrevocable payments. Revenue is measured at the fair value of the consideration received or receivable minus any rebates or discounts granted and excluding any taxes or levies payable.

Hypoport recognises revenue (commissions) from the brokerage of loans when the relevant loan agreement is signed, irrespective of when payment is received. Special volume-related commissions are generally recognised when the relevant target figure is achieved.

Hypoport recognises revenue (commissions) from the brokerage of insurance contracts when the policy is issued. The Company recognises adequate provisions to cover its obligation to repay part of the commissions it has received in the event that brokered insurance contracts are terminated before they mature; these provisions for such cancellation risks are based on empirical values. Regular chargebacks arising from the cancellation of commissions are recognised as selling expenses. In accordance with IAS 18, revenue arising on service transactions is recognised on performance of the services provided that the amount of income, the percentage of completion at the balance sheet date, the costs already incurred in the transaction and the expected costs to complete can be reliably measured and it is sufficiently probable that the transaction will lead to an inflow of resources embodying economic benefits.

Operating expenses are recognised when a service is used or at the point the expense is incurred. Interest income and expense are recognised under the effective interest method.

Dividends on long-term equity investments are recognised in profit or loss as soon as a legal entitlement arises.

Income taxes are recognised by the company concerned in accordance with local legislation.

2.18 Income taxes and deferred taxes

Current income taxes are calculated on the basis of the taxable income determined by the Company using the tax rates applicable at the balance sheet date.

Deferred taxes are determined using the liability method in accordance with IAS 12. Deferred income taxes represent the net tax expense/income in respect of temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base. Deferred taxes are recognised to account for timing differences between the carrying amount of assets and liabilities on the IFRS consolidated balance sheet and the corresponding balance sheet for tax purposes (with the exception of goodwill) and for recoverable loss carryforwards.

As the result of an agenda decision taken by the IFRS Interpretation Committee in May 2014, the accounting treatment of deferred tax assets on loss carryforwards from 2014 onwards will still take account of the minimum taxation requirement in circumstances where, in the absence of the expectation of future taxable earnings, deferred tax assets are only recognised in the amount of any surplus deferred tax liabilities. This change in accounting policy is applied retrospectively from the beginning of the comparative period, i.e. 1 January 2013. Prior-year figures are not affected by this change in accounting policy.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. At each balance sheet date, the Group reviews the carrying amount of deferred tax assets and reassesses unrecognised deferred tax assets; the amounts are remeasured, where required.

Hitherto unrecognised deferred tax assets are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. On the other hand, the carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the deductible temporary difference can be utilised, either as a whole or in part.

In accordance with IAS 12, deferred taxes are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. The impact on deferred taxes of changes to tax legislation is recognised in income in the period in which the relevant tax law comes into force. Currently, the German companies in the Group are subject to an overall tax rate of 30 per cent, comprising the corporation tax rate, solidarity surcharge and an average trade tax rate. Non-German subsidiaries are currently subject to tax rates of between 12.5 per cent and 25.5 per cent.

Where there is any uncertainty concerning the tax circumstances of individual companies in the Group, deferred taxes on as yet unused tax loss carryforwards are determined on the basis of a limited planning horizon of four years. Tax provisions that limit the use of loss carryforwards in individual companies are also taken into account.

3 DISCLOSURES FOR INDIVIDUAL ITEMS ON THE INCOME STATEMENT

3.1 Revenue

Revenue for the most part comprises commissions received, special commissions and fees in respect of services. The breakdown by business unit is as follows:

Revenue	2014 € million	2013 restated € million	2013 as reported € million
Financial Product Sales – Institutional Clients	14.5	12.2	12.5
Financial Product Sales – Private Clients	63.8	56.0	56.0
B2B Financial Marketplaces – Financial Service Providers	33.8	29.7	32.4
Other	0.2	0.2	0.2
	112.3	98.1	101.1

3.2 Selling expenses

The table below gives a breakdown of selling expenses.

Selling expenses	2014 €'000	2013 restated €'000	2013 as reported €'000
Commissions	50,684	42,559	42,559
Lead costs	5,264	6,554	8,920
	55,948	49,113	51,479

Fee and commission expenses include write-offs of €127 thousand (2013: €572 thousand) relating to insurance commission receivable and impairment charges of €248 thousand (2013: €225 thousand) on advances paid for insurance commission.

3.3 Own work capitalised

Own work capitalised of €4.176 million (2013: €4.248 million) comprises work on the development and enhancement of internally generated financial marketplaces. Of the total development costs of €7.256 million reported for 2014 (2013: €6.979 million), €3.080 million was therefore expensed as incurred (2013: €2.731 million).

3.4 Other operating income

Other operating income essentially comprised income of €583 thousand from employee contributions to vehicle purchases (2013: €553 thousand), income of €426 thousand from sub-leases (2013: €401 thousand), and income of €307 thousand from the reversal of provisions and liabilities (2013: €531 thousand).

3.5 Personnel expenses

Personnel expenses are broken down as follows:

Personell expenses	2014 €'000	2013 restated €'000	2013 as reported €'000
Wages and salaries	30,612	28,085	28,212
Social security contributions	4,559	4,470	4,490
Post-employment and other employee benefits	160	129	129
	35,331	32,684	32,831

The cost of defined-contribution pension plans amounted to €2.210 million (2013: €2.100 million).

3.6 Depreciation, amortisation expense and impairment losses

Of the depreciation/amortisation expense and impairment losses of €4.763 million (2013: €4.175 million), €3.798 million (2013: €3.120 million) was attributable to intangible assets and €965 million (2013: €1.055 million) to property, plant and equipment.

3.7 Other operating expenses

The breakdown of other operating expenses is shown in the table below.

Other operating expenses	2014 €'000	2013 restated €'000	2013 as reported €'000
Operating expenses	5,456	5,601	5,621
Selling expenses	2,576	2,724	2,749
Administrative expenses	5,124	5,234	5,564
Other personnel expenses	670	682	683
Other expenses	670	989	999
	14,496	15,230	15,616

The operating expenses consisted mainly of building rentals of €1.982 million (2013: €1.910 million) and vehicle-related costs of €1.440 million (2013: €1.503 million). The other selling expenses relate to advertising costs and travel expenses of €2.576 million (2013: €2.724 million). The administrative expenses largely comprised IT-related costs of €2.283 million (2013: €2.473 million) and legal and consultancy expenses of €1.123 million (2013: €663 thousand). The other personnel expenses mainly consisted of training costs of €531 thousand (2013: €490 thousand).

3.8 Profit (loss) from equity-accounted long-term equity investments

Profit (loss) from equity-accounted long-term equity investments relates to the pro-rata net profit (loss) for the period of the three joint ventures FINMAS GmbH, LBL Data Services B.V. and Hypoport on-geo GmbH. As in 2013, no impairment losses were recognised in the share of profit (loss) of equity-accounted investments.

Further disclosures regarding equity-accounted long-term equity investments can be found in 4.3 Equity-accounted long-term investments.

3.9 Net finance costs

The breakdown of net finance costs is as follows:

Net finance costs	2014 €'000	2013 €'000
Financial income		
Other interest and similar income	135	106
Income from other securities and lending of financial assets	2	5
Finance costs		
Interest expense and similar charges	822	987
	-685	-876

The finance costs mainly comprise interest expense and similar charges of €561 thousand (2013: € 616 thousand) incurred by the drawdown of loans and use of credit lines as well as discounts of €185 thousand (2013: €324 thousand) on non-current receivables and other non-current assets.

3.10 Income taxes and deferred taxes

This item includes current and deferred tax income and expense in the following amounts:

Income taxes and deferred taxes	2014 €'000	2013 restated €'000	2013 as reported €'000
Income taxes and deferred taxes	1,323	-102	-85
current income taxes	761	1,156	1,173
deferred taxes	562	-1,258	-1,258
in respect of timing differences	999	-165	-165
in respect of tax loss carryforwards	-437	-1,093	-1,093

The current income tax benefit of €173 thousand (2013: expense of €63 thousand) relates to tax income from previous years. Taxes are determined on the basis of the relevant tax legislation for the individual companies.

The total losses carried forward for corporation tax and trade tax purposes at the reporting date amounted to €9.915 million (2013: €6.391 million) and €9.272 million (2012: €5.913 million) respectively. The loss carryforwards can be carried forward indefinitely in Germany. No deferred tax assets were recognised on the losses carried forward for corporation tax and trade tax purposes. In both cases the loss carryforwards amounted to €1.647 million.

The tax rates computed on the basis of current legislation are unchanged year on year at 30.0 per cent for companies in Germany and between 12.5 per cent and 25.5 per cent for subsidiaries outside Germany.

Any payment of dividends to the parent companies' shareholders has no impact on income taxes. The table below reconciles the tax expense anticipated for 2013 and 2014 to the tax expense actually reported for those years.

Reconcitiation of Expected to Actual Income Tax Expense	2014 €'000	2013 restated €'000	2013 as reported €'000
Ergebnis vor Steuern	7,250	3,073	3,090
Tax rate to be applied	30.0%	30.0%	30.0%
Expected tax expense	-2,175	-922	-927
Effect of non-deductible expenses	-213	-197	-197
Effect of differing tax rates	1,275	1,184	1,184
Adjustment of loss carry forwards	60	0	0
Tax expense for previous years	173	-63	-63
deffered taxes of loss carry forwards	-549	0	0
Other tax-related effects	106	100	88
Current tax expense	-1,323	102	85
Tax rate for the Group	18.2%	-3.3%	-2.8%

3.11 Earnings per share

The figure for earnings per share is determined in accordance with IAS 33. Basic earnings (loss) per share is calculated by dividing the net profit (loss) for the period attributable to the shareholders of Hypoport AG by the weighted average number of outstanding shares. Diluted earnings (loss) per share is calculated by dividing the net profit (loss) for the period by the total weighted average number of outstanding shares, adjusted for the dilutive effect of potential new shares. The figure for the earnings (loss) per share becomes diluted if the average number of shares is increased as a result of adding in the issue of potential shares in connection with options.

There was no dilutive effect in the current reporting period or in the previous year. The weighted number of outstanding shares is calculated on the basis of a daily balance.

Earnings Per Share	2014	2013
Net incomefor the year (€'000)	5,927	3,175
of which attributable to Hypoport AG stockholders	5,919	3,149
Basic weighted number of outstanding shares ('000)	6,135	6,137
Earnings per share (€)	**0.96**	**0.51**

As a result of the purchase and sale of treasury shares, the number of shares in issue fell by 22,508, from 6,138,383 as at 31 December 2013 to 6,115,875 as at 31 December 2014.

4 DISCLOSURES FOR INDIVIDUAL ITEMS ON THE BALANCE SHEET

4.1 Intangible assets and property, plant and equipment

For information on the change in intangible assets and property, plant and equipment in the year under review, please see the consolidated statement of changes in non-current assets on the final page of these notes.

The additions to internally generated financial marketplaces include €12 thousand (31 December 2013: €17 thousand) in borrowing costs at an average funding rate of 3.45 per cent (31 December 2013: 3.45 per cent). Most of the intangible assets – with a carrying amount of €14.7 million (31 December 2013: €13.6 million) – related to internally generated financial marketplaces. Their remaining useful lives amounted to between one and eight years.

The carrying amounts for goodwill as at 31 December 2014 once again related to goodwill arising on the first-time consolidation of subsidiaries. For the purposes of impairment testing, the goodwill has been assigned to the following cash-generating units, which reflect the segments in the Group:

Acquired goodwill €'000	Institutional Clients	Private Clients	Financial Service Providers	Total
Cost of acquisitions as at 1 January 2014	6,943	7,653	230	14,826
Additions	0	0	0	0
Cost of acquisitions as at 31 December 2014	6,943	7,653	230	14,826

The revenue growth rates for the detailed planning period 2015 to 2018 used in the discounted cash flow calculations were between 2.0 per cent and 2.4 per cent for the Corporate Real Estate Clients segment (2013: between 4.6 per cent and 11.7 per cent), between 4.9 per cent and 9.7 per cent for the Private Clients segment (2013: between 9.6 per cent and 18.1 per cent), and between minus 0.8 per cent and plus 7.8 per cent for the Financial Service Providers segment (2013: between plus 0.2 per cent and plus 5.1 per cent). A growth rate of zero per cent was used for cash flows beyond the planning period.

The standard discount rate used to reflect the risks specific to the asset in 2014 was 7.70 per cent (2013: 7.46 per cent).

The sensitivity analysis we conducted revealed that there was no need for any impairment charges on goodwill even if our key underlying assumptions varied within a realistic range. This sensitivity analysis assumed a 10 per cent reduction in future gross profits and a 1 per cent increase in the weighted cost of capital, as variances of this magnitude are realistically possible. In our experience, greater variances than this are unlikely.

The impairment tests carried out gave no indication of any impairment.

4.2 Financial assets

The table below gives a breakdown of non-current financial assets.

Financial Assets	2014 €'000	2013 €'000
Loans to employees	41	45
Loans to third parties	33	15
Other shareholdings	9	9
	83	69

Because the above parties have been granted the option of making unscheduled repayments at any time, the carrying amounts of these loans at the balance sheet date do not differ significantly from their fair values.

Other long-term equity investments comprise shares in the associate GMG Hypoport Ltd., Cape Town, South Africa (40 per cent shareholding, equity in 2013: €10 thousand, net loss for 2013: €5 thousand).

Specific write-downs of €0 thousand (31 December 2013: €11 million) were recognised. There are no material overdue receivables.

4.3 Equity-accounted investments

In the consolidated financial statements, three joint ventures (2013: three) are accounted for using the equity method. They are FINMAS GmbH, Berlin (Hypoport's interest: 50 per cent), Hypoport on-geo GmbH, Berlin (Hypoport's interest: 50 per cent) and LBL Data Services B.V., Amsterdam (Hypoport's interest: 50 per cent). All of these interests are held directly by the Group.

Investments accounted for using the equity method	2014 €'000	2013 restated €'000	2013 as reported €'000
Investments accounted for using the equity method as of the beginning of the year	289	246	0
Proportional net income	147	43	0
Investments accounted for using the equity method as of the end of the year	436	289	0

There are no obligations or contingent liabilities relating to the investments in joint ventures.

The following table shows the aggregate income-statement and balance-sheet data for the equity-accounted investments.

Financial information on companies for using the equity method (Hypoport stake)	2014 €'000	2013 €'000
Income statement information		
Revenue	4,508	2,968
Selling expenses	-3,787	-2,366
Personnel expenses	-203	-147
Other operating expenses	-314	-386
Income taxes and deferred taxes	-45	-17
Earnings before interest and tax	192	60
Earnings before tax	192	60
Net income	147	43
Balance sheet information		
Noncurrent assets	57	69
Thereof property, plant and equipment	57	69
Current assets	832	1.140
Thereof cash and cash equivalents	494	586
Total assets	**889**	**1,209**
Equity	436	289
Noncurrent liabilities	0	0
Current liabilities	707	920
Thereof financial liabilities	0	0
Total equity and liabilities	**1,143**	**1,209**

4.4 Trade receivables

Trade receivables	2014 €'000	2013 restated €'000	2013 as reported €'000
Trade receivables from	29,623	24,445	24,812
third parties	102	156	156
joint ventures	29,725	24,601	24,968

In the case of trade receivables it is assumed that their carrying amount (net of any impairment losses) corresponds to their fair value.

The table below shows impairment losses on receivables.

Impairments of Trade Receivables	2014 €'000	2013 €'000
Balance as at 1 January	36	62
Addition to impairment of receivables	85	29
Irrecoverable receivables written off	18	55
Balance as at 31 December	103	36

Impairment charges of €162 thousand (31 December 2013: €329 thousand) were directly recognised.

The Hypoport Group usually grants its clients a credit period of 30 days, although some companies grant up to 90 days. The table below gives a breakdown of its overdue, but not impaired, receivables by age.

Past-Due Trade Receivables	2014 €'000	2013 €'000
1 to 90 days	273	88
90 to 180 days	53	35
180 to 360 days	67	14
More than 360 days	0	54
Total	393	191

4.5 Current income tax assets and other assets

The breakdown of current income tax assets and other assets is as follows:

Current other assets	2014 €'000	2013 restated €'000	2013 as reported €'000
Financial assets			
Overpayments to suppliers	206	180	180
	206	180	180
Non-finacial assets			
Advance payment of commissions	2,180	3,758	3,758
Advances	535	553	553
Prepaid expenses	202	5	5
Current income tax assets	12	95	95
VAT credits	5	129	150
Other	317	113	113
	3,251	4,653	4,674
	3,457	4,833	4,854

The following asset amounts are only recoverable after one year and are therefore reported as non-current assets:

Non-current other assets	2014 €'000	2013 €'000
Advance payment of commissions	1,103	690
Rent deposits	21	22
	1,124	712

Specific write-downs of €756 thousand (31 December 2013: €526 thousand) were recognised. In the year under review, €230 thousand was added (2013: €1.316 million used). There are no material overdue receivables.

4.6 Deferred tax assets and deferred tax liabilities

The breakdown of deferred tax assets and deferred tax liabilities (including comparison with prior-year figures) is as follows:

Deferred tax assets	2014 €'000	2013 €'000
Deferred tax assets		
In respect of tax loss carryforwards	2,303	1,866
Rental and lease obligations	31	43
Other temporary differences	6	0
Consolidation	374	392
Offsetting	2,331	1,889
	383	412

Deferred tax liabilities	2014 €'000	2013 €'000
Deferred tax liabilities		
Intangible assets	1,552	1,373
Property, plant and equipment	21	24
Receivables	1,698	866
Other temporary differences	0	33
Provisions	2	2
Offsetting	2,331	1,889
	942	409

4.7 Cash and cash equivalents

The breakdown of cash and cash equivalents (including comparison with prior-year figures) is as follows:

Cash and cash equivalents	2014 €'000	2013 restated €'000	2013 as reported €'000
Cash at banks	12,020	10,950	11,536
Cash on hand	4	2	2
	12,024	10,952	11,538

4.8 Subscribed capital

The Company's subscribed capital remains unchanged at €6,194,958.00 (31 December 2013: €6,194,958.00) and is divided into 6,194,958 (31 December 2013: 6,194,958) fully paid-up, registered no-par-value shares.
The Annual Shareholders' Meeting held on 13 June 2014 voted to carry forward Hypoport AG's distributable profit of €21,582,732.04 to the next accounting period.

4.9 Authorised capital

The Annual Shareholders' Meeting held on 1 June 2012 voted to set aside the unused authorisation granted on 1 June 2007 and to issue a new authorisation. The Management Board was authorised – subject to the consent of the Supervisory Board – to increase the Company's subscribed capital by up to a total of €3,097,479.00 by issuing new registered no-par-value shares for cash or non-cash capital contribution on one or more occasions on or before 31 May 2017. The Management Board can decide – subject to the consent of the Supervisory Board – to disapply the shareholders' statutory pre-emption rights.

4.10 Conditional capital

The conditional capital created by an Annual Shareholders' Meeting resolution adopted on 26 August 2002 no longer exists.

4.11 Treasury shares

Hypoport held 79,083 treasury shares as at 31 December 2014 (equivalent to €79,083.00, or 1.28 per cent, of the subscribed capital of Hypoport AG), which are intended to be issued to employees. The change in the balance of treasury shares and the main data relating to transactions in 2014 are shown in the following table:

Change in the balance of treasury shares in 2014	Number of shares	Proportion of subscribed capital %	Cost of purchase €	Sale price €	Gain or loss on sale €
Opening balance as at 1 January 2014	56,575	0.913	574,492.08		
Sold in January 2014	10	0.000	106.64	90.00	-16.64
Sold in April 2014	3,120	0.050	32,429.35	27,456.00	-4,973.35
Sold in May 2014	142	0.002	1,456.92	1,527.21	70.29
Sold in June 2014	40	0.001	410.40	482.40	72.00
Buy in August 2014	6,990	0.113	83,607.72		
Buy in September 2014	6,019	0.097	72,868.35		
Buy in Oktober 2014	4,998	0.081	57,280.59		
Buy in November 2014	5,544	0.089	67,483.37		
Sold in December 2014	225	0.004	2,308.50	2,666.88	358.38
Buy in December 2014	2,494	0.040	30,495.43		
Balance as at 31 December 2014	79,083	1.277			

The sale of treasury shares was recognised directly in equity and offset against retained earnings.

4.12 Reserves

The breakdown of reserves can be found in the attached consolidated statement of changes in equity.

Capital reserves include the premium from the capital increase carried out in 2001 (€400 thousand), the premium from the issuance of shares under the 2002-2004 employee share ownership programme from 2006 to 2009 (€1.187 million), amounts equivalent to the par value of the treasury shares recalled in 2006 (€99 thousand), an amount equivalent to the imputed share of subscribed capital for the treasury shares recalled in 2007 (€247 thousand) and income from the issuance of shares to employees (€277 thousand, of which €152 thousand relates to 2014).

Retained earnings include the profits generated by the entities included in the consolidated financial statements prior to the first-time consolidation on 1 January 2004, the capital gains on the sale of treasury shares, the losses on the recall of treasury shares and three negative goodwill amounts arising from business combinations. These negative goodwill amounts are reported under retained earnings, because profits had been retained after the acquisition but before the date of first-time consolidation.

All the remaining adjustments made under the first-time adoption of IFRS on 1 January 2004 and recognised directly in equity, together with a statutory reserve of €7 thousand (2013: €7 thousand), are also reported under this item.

4.13 Non-controlling interests and financial information for non-controlling interests in subsidiaries

Total non-controlling interests in the period under review amounted to €264 thousand (2013: €256 thousand), of which €164 thousand (2013: €156 thousand) related to the non-controlling interest in the equity of Starpool Finanz GmbH (minority interest of 49.975 per cent) and €100 thousand (2013: €100 thousand) to GENOPACE GmbH (minority interest of 49.975 per cent).

There is a control and profit-and-loss transfer agreement between Hypoport AG and GENOPACE GmbH, as a result of which the entire net loss for 2014 of GENOPACE GmbH amounting to €151 thousand (2013: loss of €222 thousand) remained within the Group.

The aggregate financial information for Starpool Finanz GmbH, which offers as essential Packager revenue neutral sales-support for the platform partners in the Group represented.

Summarised balance sheet Starpool Finanz GmbH	2014 €'000	2013 €'000
Current		
Assets	6,999	5,561
Liabilities	(6,766)	(5,374)
Total current assets	233	187
Non-current		
Assets	93	123
Liabilities	(0)	(0)
Total non-current liabilities	93	123
Net assets	**326**	**310**

Summarised statement of comprehensive income Starpool Finanz GmbH	2014 €'000	2013 €'000
Revenue	16,964	13,671
Pre-tax profit	23	76
Income tax expense	(7)	(25)
Post-tax profit	16	51
Other comprehensive income	0	0
Total comprehensive income	16	51
Total comprehensive income attributable to non-controlling interest	8	26
Dividends received attributable to non-controlling interest	0	0

Summarides cash flow statement Starpool Finanz GmbH	2014 €'000	2013 €'000
Cash flow	60	88
Change in working capital	(1,759)	1,389
Cash flows from operating activities	(1,699)	1,477
Cash flows from investing activities	(14)	(68)
Cash flows from financing activities	0	0
Net change in cash and cash equivalents	(1,713)	1,409
Cash and cash equivalents at the beginning of the period	3,300	1,891
Cash and cash equivalents at the end of the period	1,587	3,300

The information listed above relates to amounts before the elimination of intercompany profits and losses.

4.14 Financial liabilities

The table below gives a breakdown of financial liabilities

Financial liabilities	2014 €'000	2013 €'000
Non-current		
Liabilities to banks		
Loans	10,966	11,733
Other liabilities		
Rental and lease obligations	295	328
	11,261	12,061
Current		
Liabilities to banks		
Loans	4,600	4,683
Other liabilities		
Rental and lease obligations	42	75
	4,642	4,758
	15,903	16,819

Of the loan liabilities reported, €0 thousand was subordinated (31 December 2013: €500 thousand).

Some of the financial liabilities are subject to fixed interest rates. Others are subject to variable interest linked to the Euribor rate plus a bank margin. The interest rates varied between 2.60 per cent and 5.25 per cent (2013: between 3.45 per cent and 5.25 per cent). These interest rates are the normal market rates for the financial liabilities and the companies concerned.

The Hypoport Group has various credit lines with domestic banks. The table below shows all overdraft facilities and the amounts utilised at the relevant balance sheet dates.

Credit line	2014 €'000	2013 €'000
Credit line	1,500	1,500
Amount utilised	0	0
Credit line available	1,500	1,500

The average interest rate on the overdraft facilities utilised was 4.30 per cent (2013: 4.47 per cent).

The table below shows the interest-rate risk and agreed interest refix dates associated with financial liabilities at the balance sheet date.

Maturities of contractual cash flows from financial liabilities	2014 €'000	2013 €'000
6 months or less	2.298	2,715
6 to 12 months	2.301	1,968
1 to 5 years	10,468	11,733
More than 5 years	499	0
	15,566	16,416

The table below gives a breakdown of the residual maturities of non-current financial liabilities.

Maturities of non-current financial liabilities	2014 €'000	2013 €'000
Between 1 and 2 years	4,344	3,975
Between 2 and 5 years	6,297	7,926
More than 5 years	620	160
	11,261	12,061

The carrying amounts and fair values of non-current financial liabilities are shown below.

Carrying amounts and fair values of non-current financial liabilities	Carrying amount 2014 €'000	Carrying amount 2013 €'000	Fair value 2014 €'000	Fair value 2013 €'000
Liabilities to banks	10.966	11,733	11,352	12,924
Rental and lease obligations	295	328	295	328
	11,261	12,061	11,647	13,252

The fair values of non-current financial liabilities are based on discounted cash flows, which were calculated using interbank swap rates plus a risk and liquidity margin.

The stated carrying amounts of current financial liabilities are roughly the same as their fair values.

4.15 Other liabilities

The breakdown of other liabilities is as follows:

Current other liabilities	2014 €'000	2013 restated €'000	2013 as reported €'000
Tax liabilities			
Value-added tax	364	198	214
Wage tax and church tax	405	395	397
	769	593	611
Personnel			
Financial assets			
Bonuses	3,400	2,227	2,248
Outstanding holiday entitlements	434	465	467
Wages and salaries	477	376	376
Non-financial assets			
Employers' liability insurance association	139	122	122
Disabled persons levy	56	42	43
Social security contributions	40	36	36
Partial retirement	73	47	47
	4,619	3,315	3,339
Other			
Financial assets			
Outstanding invoices	385	370	370
Commissions to be passed on	96	89	89
Year-end costs	148	99	99
Non-financial assets			
Advance payment of commissions	1,296	2,844	2,844
Deferred income	346	303	303
Sundry	56	46	91
	2,327	3,751	3,796
	7,715	7,659	7,746

The following liability amounts are only recoverable after one year and are therefore reported as non-current liabilities:

Non-current other liabilities	2014 €'000	2013 €'000
Rent deposits	10	10
	10	10

4.16 Provisions

The changes in provisions in the year under review were as follows:

Provisions	01.01.2014 €'000	Utilisation €'000	Reversals €'000	Additions €'000	31.12.2014 €'000
Non-current provisions	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Cancellations	77	77	0	77	77
Rental and lease obligations	28	9	0	0	19
	105	86	0	77	96
Current provisions					
Litigation	0	0	0	54	54
Cancellations	53	53	0	51	51
Other	6	6	0	0	0
	59	59	0	105	105

The provisions for cancellations relate to the probable repayment of commissions to insurers owing to policyholders' withdrawal.

5 Cash flow statement disclosures

Cash flows from investing and financing activities are determined directly on the basis of the cash inflows and outflows. In contrast, cash flow from operating activities is determined indirectly from the net profit (loss) for the year. This indirect method of determining the cash flows takes into account changes in the balance sheet items in connection with operating activities and adjusts them for the effect of currency translation and changes to the entities included in the consolidation. Apart from income tax payments, interest receipts and payments are also assigned to the cash flows from operating activities because they are primarily used to finance operating activities.

Investing activities include additions to property, plant and equipment, financial assets and intangible assets, as well as additions in respect of the capitalisation of development costs.

Cash and cash equivalents, as reported in the cash flow statement, comprises all liquid funds recognised on the balance sheet, i.e. cash on hand and at banks.

The composition and reconciliation of cash and cash equivalents with the balance sheet is explained in section 4.7.

6 Segment reporting

The Hypoport Group prepares its segment reporting by business unit in line with its internal organisational and reporting structure. This organisational structure breaks the Group down into three target-group-oriented business units (Financial Product Sales – Institutional Clients, Financial Product Sales – Private Clients and B2B Financial Marketplaces – Financial Service Providers) and two function-oriented business units (Information Technology and Administration). The target-group-oriented business units bring together different business lines with similar opportunities and risks.

The Financial Product Sales – Institutional Clients business unit focuses on the provision of financial support for housing companies, borrowing, management consultancy and support for property transactions and the insurance portfolio. This unit also supports issuers with the provision of information technology and a range of services.

The Financial Product Sales – Private Clients business unit offers mortgage finance, personal loans, insurance, current accounts and deposit accounts through three distribution channels (online, branch-based and agent sales).

B2B Financial Marketplaces – Financial Service Providers focuses on financial product distributors and product suppliers. The core product in this business unit is the EUROPACE marketplace, which was originally introduced in 1999. Independent distributors use EUROPACE to process their financing transactions with the product suppliers they represent.

Administrative expenses in respect of management, administration, accounting and human resources together with IT costs are reported under the heading 'Reconciliation', which also includes any consolidation effects.

The disclosures for the individual segments are all based on the same standard accounting policies applicable to the consolidated amounts in the consolidated financial statements.

Where a segment comprises several companies, the effects of intercompany transactions are eliminated in the course of consolidation. The supply of goods and services between segments is always invoiced at market prices. In cost transfers within the Group, the direct costs actually incurred are transferred between the relevant entities.

The segment disclosures are derived directly from the internal reporting used by the top level of operating decision-makers in the Company for management purposes. Financial liabilities and the corresponding interest expense and similar charges are not determined for individual business units for internal control purposes. Financial liabilities and the corresponding interest expense and similar charges are shown in the reconciliation table.

Segment assets are deemed to comprise direct operating receivables and non-current assets used for the relevant segment's operating activities.

Segment liabilities comprise the trade payables and provisions attributable to the operating activities concerned.

The reported revenue of €112.3 million (2013: €98.1 million) included €4.1 million (2013: €3.9 million) generated by customers domiciled in European countries other than Germany, and the remaining revenue was generated by customers in Germany. Within the Group, one product partner generated revenue of €25.5 million (2013: two product partners generated revenue of €22.8 million and €12.0 million respectively).

In the Institutional Clients operating segment, two product partners generated revenue of €1.9 million and €1.5 million respectively (2013: €1.0 million and €1.2 million). In the Private Clients operating segment, two product partners generated revenue of €11.0 million and €6.8 million respectively (2013: €10.1 million and €7.8 million). In the Financial Service Providers operating segment, revenue of €14.6 million was attributable to one product supplier (2013: €12.7 million and € 4.1 million attributable to two product partners respectively).

The segment breakdown of business performance in 2014 was as follows:

2014 (€'000)	Institutional Clients	Private Clients €'000	Financial Service Providers €'000	Reconciliation €'000	Group €'000
Segment revenue in respect of third parties	**14,459**	**63,841**	**33,798**	**227**	**112,325**
2013 (restated)	12,262	55,984	29,669	175	98,090
2013 (as reported)	12,511	55,984	32,388	175	101,058
Segment revenue in respect of other segments	**0**	**81**	**596**	**-677**	**0**
2013 (restated)	0	108	675	-783	0
2013 (as reported)	0	108	675	-783	0
Total segment revenue	**14,459**	**63,922**	**34,394**	**-450**	**112,325**
2013 (restated)	12,262	56,092	30,344	-608	98,090
2013 (as reported)	12,511	56,092	33,063	-608	101,058
Gross profit	**13,971**	**21,349**	**20,841**	**216**	**56,377**
2013 (restated)	11,807	17,475	19,537	158	48,977
2013 (as reported)	12,056	17,475	19,890	158	49,579
Segment earnings before interest, tax, depreciation and amortisation (EBITDA)	**5,036**	**2,803**	**8,583**	**-3,724**	**12,698**
2013 (restated)	4,278	-917	8,077	-3,314	8,124
2013 (as reported)	4,302	-917	8,085	-3,314	8,156
Segment earnings before interest and tax (EBIT)	**4,459**	**1,919**	**5,622**	**-4,065**	**7,935**
2013 (restated)	3,748	-1,624	5,991	-4,166	3,949
2013 (as reported)	3,757	-1,624	5,999	-4,166	3,966
Segment assets	**20,602**	**22,378**	**34,509**	**2,923**	**80,412**
2013 (restated)	21,780	20,719	28,917	2,231	73,647
2013 (as reported)	21,825	20,719	29,626	2,231	74,401
Segment liabilities	**1,791**	**8,820**	**13,576**	**17,373**	**41,560**
2013 (restated)	2,411	9,302	11,226	17,655	40,594
2013 (as reported)	2,456	9,302	11,935	17,655	41,348
Segment capital expenditure	**627**	**494**	**3,842**	**1,203**	**6,166**
2013 (restated)	575	578	3,899	660	5,712
2013 (as reported)	625	578	3,899	660	5,762
Segment depreciation/amortisation expense, impairment losses	**577**	**884**	**2,961**	**341**	**4,763**
2013 (restated)	530	707	2,086	852	4,175
2013 (as reported)	545	707	2,086	852	4,190
Significant non-cash expenses	**966**	**2,957**	**8,745**	**49**	**12,717**
2013 (restated)	819	2,384	6,659	60	9,922
2013 (as reported)	819	2,384	6,682	60	9,945

Of the total non-current assets of €39.387 million (31 December 2013: €37.605 million), €10.646 million (31 December 2013: €10.003 million) was located in European countries other than Germany, €9.835 million (31 December 2013: €9.368 million) of which was located in Ireland. Non-current assets located in Germany totalled €28.741 million (31 December 2013: €27.602 million).

The carrying amounts of and contributions to profits from equity-accounted joint ventures were €276 thousand (2013: €188 thousand) and €88 thousand (2013: loss of €2 thousand) respectively in the Financial Service Providers segment, and €160 thousand (2013: €101 thousand) and €59 thousand (2013: €45 thousand) respectively in the Institutional Clients segment.

7 OTHER DISCLOSURES

7.1 Other financial commitments

At the balance sheet date, there were total other financial commitments of €12.047 million (31 December 2013: €11.760 million) relating to non-cancellable rentals, leases and maintenance agreements covering a number of years. Included in these other financial commitments were commitments of €4.026 million (31 December 2013: €3.449 million) due within one year, €7.324 million (31 December 2013: €6.524 million) due in one to five years, and €697 thousand (31 December 2013: €1.787 million) due in more than five years. The cost of rentals and leases (minimum leases) amounted to €2.867 million in 2014 (2013: €2.810 million). Rental income of €426 thousand (2013: €401 thousand) was generated by subleases.

The Group has options to extend its main office leases for five years.

7.2 Legal disputes

Neither Hypoport AG nor its subsidiaries are involved in, or were involved in, any legal or arbitration proceedings that could have had a significant impact on the Group's financial position as at 31 December 2014 and no proceedings of this type are foreseen.

As in previous years, appropriate provisions were recognised by each Group company for all potential financial charges arising from legal or arbitration proceedings. Overall, charges of this type are not expected to have any material impact on the Group's future financial position.

7.3 Related parties

IAS 24 requires disclosure of the names of persons or entities that control, or are controlled by, Hypoport AG. Transactions between Hypoport AG and its subsidiaries are eliminated during consolidation and therefore do not have to be reported in this section.

IAS 24 also requires disclosure of the names of persons who can exercise significant influence over the Company.

The parties covered by the requirements also include key management personnel, their close family members and other entities via which a named person exercises control or significant influence over Hypoport AG. The parties covered by this requirement during the reporting period were the members of the Group Management Board and Supervisory Board of Hypoport AG and their close family members.
Related party transactions are conducted on an arm's-length basis.

The total remuneration for the members of the Group Management Board in 2014 amounted to €1.664 million (2013: €896 thousand); the total remuneration for the members of the Supervisory Board came to €79 thousand (2013: €76 thousand). In all cases, all the benefits were due for payment within one year.

The table below shows the number of shares in Hypoport AG directly or indirectly held by the members of the Group Management Board and Supervisory Board as at 31 December 2014.

	Shares (number) 31.12.2014	Shares (number) 31.12.2013
Group Management Board		
Ronald Slabke	2,288,381	2,245,831
Thilo Wiegand	30,000	30,000
Stephan Gawarecki	187,800	187,800
Hans Peter Trampe	144,690	144,690
Supervisory Board		
Dr. Ottheinz Jung-Senssfelder	14,000	14,000
Prof. Dr. Thomas Kretschmar	800,000	814,286
Christian Schröder	18,700	19,000

Ronald Slabke, Berlin, holds 36.94 per cent of Hypoport's shares. Of these, the 34.77 per cent of the voting shares held by Revenia GmbH, Berlin, are attributable to him pursuant to section 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). All the shares in Revenia GmbH are held by Ronald Slabke, the Chief Executive Officer of Hypoport AG.

Thomas Kretschmar is a member of the board of Kretschmar Familienstiftung, Berlin, which holds 12.91 per cent of Hypoport's shares.

Hans Peter Trampe, Berlin, holds 2.34 per cent of Hypoport's shares.

Stephan Gawarecki, Preetz, holds 3.03 per cent of Hypoport's shares. Of these, the 3.03 per cent of the voting shares held by Gawarecki GmbH, Preetz, are attributable to him pursuant to section 22 (1) sentence 1 no. 1 WpHG.

The companies in the Hypoport Group have not carried out any further disclosable transactions with members of either the Supervisory Board or the Group Management Board or with companies on whose management or supervisory bodies these persons are represented. This also applies to close family members related to these persons.

Revenue of €135 thousand was generated by joint ventures in 2014 (2013: €183 thousand). As at 31 December 2014, receivables from joint ventures amounted to €102 thousand (31 December 2013: €156 thousand) and liabilities to such companies amounted to €28 thousand (31 December 2013: €10 thousand).

7.4 Management Board

The members of the Management Board were as follows:

- Ronald Slabke (Chief Executive Officer), graduate in business administration, Berlin, responsible for human resources, IT, finance and administration, new markets and strategic investments, member of the supervisory boards of Dr. Klein & Co. AG and EUROPACE AG
- Thilo Wiegand, graduate in banking, Grossalmerode, responsible for the Financial Service Providers business unit, member of the supervisory board of Dr. Klein & Co. AG
- Hans Peter Trampe, graduate in business administration, Berlin, responsible for the Institutional Clients business unit, member of the supervisory board of Europace AG
- Stephan Gawarecki, graduate in business administration, Preetz, responsible for the Private Clients business unit and marketing, member of the supervisory board of Europace AG

The total remuneration paid to the members of the Management Board in 2014 amounted to €1.664 million (2013: €896 thousand); for further information please refer to the remuneration report in the group management report (I.9).

7.5 Supervisory Board

The following persons were members of the Company's Supervisory Board in 2014:

- Dr Ottheinz Jung-Senssfelder (chairman of the Supervisory Board), attorney, Erlangen; directorships at other companies: chairman of the supervisory board at mwb fairtrade Wertpapierhandelsbank AG, Gräfelfing; chairman of the supervisory board at BRANDAD Systems AG, Fürth
- Thomas Kretschmar (vice-chairman of the Supervisory Board), member of the board of Kretschmar Familienstiftung, Berlin, member of the supervisory board of Dr. Klein & Co. AG, managing director Mind Institute SE, Berlin
- Christian Schröder, graduate in business administration, auditor, Lübeck.

The total remuneration paid to the members of the Supervisory Board in 2014 amounted to €79 thousand (2013: €76 thousand); for further information please refer to the remuneration report in the group management report (I.9).

7.6 Investments pursuant to section 21 (1) WpHG

In addition to the investments listed in section 7.3, Deutsche Bank AG, Frankfurt, holds 9.69 per cent of Hypoport's shares. These voting rights are fully attributable via Deutsche Postbank AG pursuant to section 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Sparta AG, Hamburg has informed us that its voting rights in Hypoport AG exceeded the 5 per cent threshold on 2 April 2012. Sparta AG holds 5.07 per cent of the shares in Hypoport AG.

Pursuant to section 21 (1) WpHG, Deutsche Balaton Aktiengesellschaft, Heidelberg, Germany informed us on 11 December 2013 that its voting share in Hypoport AG, Berlin, Germany had exceeded the 3 per cent threshold on 9 December 2013 and stood at 3.71 per cent (equivalent to 230,110 voting rights) on that date. Of this, 0.61 per cent of the voting rights (equivalent to 37,800 voting rights), are attributable to Deutsche Baklaton Aktiengesellschaft pursuant to section 22 (1) sentence 1 no. 1 WpHG. Pursuant to section 21 (1) WpHG, VV Beteiligungen Aktiengesellschaft, Heidelberg, Germany also informed us on 11 December 2013 that its voting share in Hypoport AG, Berlin, Germany had exceeded the 3 per cent threshold on 9 December 2013 and stood at 3.71 per cent (equivalent to 230,110 voting rights) on that date. Of this, 3.71 per cent of the voting rights (equivalent to 230,110 voting rights), are attributable to VV Beteiligungen Aktiengesellschaft pursuant to section 22 (1) sentence 1 no. 1 WpHG. The voting rights attributable to it are held via the following company controlled by it, whose voting share in Hypoport AG is 3 per cent or more: Deutsche Balaton Aktiengesellschaft. Pursuant to section 21 (1) WpHG, Delphi Unternehmensberatung Aktiengesellschaft, Heidelberg, Germany also informed us on 11 December 2013 that its voting share in Hypoport AG, Berlin, Germany had exceeded the 3 per cent threshold on 9 December 2013 and stood at 3.71 per cent (equivalent to 230,110 voting rights) on that date. Of this, 3.71 per cent of the voting rights (equivalent to 230,110 voting rights) are attributable to Delphi Unternehmensberatung Aktiengesellschaft pursuant to section 22 (1) sentence 1 no. 1 WpHG. The voting rights attributable to it are held via the following companies controlled by it, whose voting shares in Hypoport AG are each 3 per cent or more: Deutsche Balaton Aktiengesellschaft and VV Beteiligungen Aktiengesellschaft. Pursuant to section 21 (1) WpHG, Mr Wilhelm Konrad Thomas Zours, Germany also informed us on 11 December 2013 that his voting share in Hypoport AG, Berlin, Germany had exceeded the 3 per cent threshold on 9 December 2013 and stood at 3.71 per cent (equivalent to 230,110 voting rights) on that date. Of this, 3.71 per cent of the voting rights (equivalent to 230,110 voting rights) are attributable to Mr Wilhelm Konrad Thomas Zours pursuant to section 22 (1) sentence 1 no. 1 WpHG. The voting rights attributable to him are held via the following companies controlled by him, whose voting shares in Hypoport AG are each 3 per cent or more: Deutsche Balaton Aktiengesellschaft, VV Beteiligungen Aktiengesellschaft and Delphi Unternehmensberatung Aktiengesellschaft.

7.7 Share-based payment

The Company's employees receive a certain number of shares in Hypoport AG that is determined

by their period of service as well as shares amounting to €360.00 if the Company achieves certain targets. The total related expense recognised in 2014 was €184 thousand (2013: €33 thousand). Total liabilities in relation to share-based remuneration amounted to €13 thousand (2013: €15 thousand).

7.8 Auditors' fees and services

The fees of €102 thousand incurred for services rendered by the auditors BDO AG Wirtschaftsprüfungsgesellschaft in 2014 related to audits of financial statements (2013: fees of €102 thousand) and the fee of €3 thousand (2013: €3 thousand) related to other attestation services.

7.9 Average number of persons employed during the financial year

In 2014, the Company employed an average of 561 (2013: 556) people in addition to the members of the Management Board.

The table below gives a breakdown of the average numbers of employees by business unit.

	31 Dec 2014		31 Dec 2013		Change	
	Number	%	Number	%	Number	%
Financial Product Sales Private Clients	183	33	193	35	-10	-5
Financial Product Institutional Clients	71	13	67	12	4	6
B2B Financial Marketplaces Financial Service Providers	99	18	112	20	-13	-12
Information Technology	103	18	99	18	4	4
Administration	105	19	85	15	20	24
	561		556		5	1

7.10 Financial risk management

As a result of its business activities, the Hypoport Group is exposed to various financial risks; these include market risk, credit risk, liquidity risk and interest-related cash flow risk. It does not use any derivative financial instruments to hedge against specific risks.

The Hypoport Group is exposed to only a very limited currency risk because only very small amounts of its assets and liabilities are denominated in currencies other than the Company's functional currency.

If the exchange rate of the euro to the US dollar had been 10 per cent higher or lower on 31 December 2014, and assuming that all other variables had remained constant, the Hypoport Group's net profit (loss) for the year would have been €0 thousand (31 December 2013: €0 thousand) higher or lower.

If the exchange rate of the euro to the pound sterling had been 10 per cent higher or lower on 31 December 2014, and assuming that all other variables had remained constant, the Hypoport Group's net profit (loss) for the year would have been €0 thousand (31 December 2013: €0 thousand) higher or lower.

The Hypoport Group's credit risk stems primarily from its trade receivables, advance commissions, and other financial assets. In 2014 it recognised impairment losses of €406 thousand (2013: €942 thousand) to cover the probability of irrecoverable receivables. Such receivables are estimated by the management of the Hypoport Group on the basis of past experience and current economic conditions.

The credit risk relating to cash and cash equivalents is limited because these are all held at investment-grade banks.

There is no significant concentration of credit risk in the Group because this risk is spread across a large number of counterparties and clients.

The maximum credit risk is shown by the carrying amount of each financial asset reported on the face of the balance sheet.

The main source of liquidity risk lies in the rapid expansion of the Group. The risks associated with the expansion of the Group are monitored by the Management Board and currently are not material given the high level of liquidity and excellent equity ratio in the Group.

The table below gives a breakdown of the contractual residual maturities of the Hypoport Group's financial liabilities. It shows the non-discounted cash flows of financial liabilities based on the earliest date on which the Hypoport Group can be obliged to pay. The table contains payments of both interest and principal.

	Maturities					
€'000	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Fixed-rate financial liabilities	43	1,235	3,773	10,988	505	16,544
2013	50	1,833	3,311	12,421	0	17,615
Rental and lease obligations	5	7	31	170	124	337
2013	6	12	56	164	164	402
2014	48	1,242	3,804	11,158	629	16,881
2013	56	1.845	3.367	12.585	164	18.017

Because the Hypoport Group does not hold any significant interest-bearing assets, its net profit (loss) for the year and its operating cash flow are largely immune to changes in market interest rates.

The Group's interest-rate risk stems from non-current, interest-bearing liabilities. Floating-rate liabilities expose the Group to interest-related cash flow risks. Its financial risk policy requires that the vast majority of liabilities it assumes should be subject to fixed interest rates. In 2014 and 2013, only its unutilised credit lines carried floating interest rates.

7.11 Additional information on financial instruments

The table below shows the carrying amounts and fair values of individual financial assets and liabilities for each category of financial instrument and reconciles these amounts to the corresponding balance sheet items. Because the balance sheet items 'Other receivables' and 'Other liabilities' contain financial instruments as well as non-financial assets and non-financial liabilities, these amounts are reconciled in the column 'Non-financial assets/liabilities'.

	Measured at amortised cost		Measured at fair value	Non-financial assets/ liabilities	
€'000	Carrying amount 31.12.2014*)	Pro forma: fair value	Carrying amount	Carrying amount	Carrying amount on balance sheet at 31 Dec 2014
Trade receivables	29,725	-	-	-	29,725
Loans and receivables	29,725	29,725	-	-	29,725
Financial assets	83	-	-	-	83
Loans and receivables	83	83	-	-	83
Other assets	206	-	-	4,173	4,379
Loans and receivables	206	206	-	-	206
Non-financial assets			-	4,173	4,173
Cash and cash equivalents	12,024	-	-	-	12,024
Loans and receivables	12,024	12,024	-	-	12,024
Total financial assets	**-**	**-**	**-**	**-**	**42,038**
Thereof: loans and receivables	-	-	-	-	42,038
Financial liabilities	15,903	-	-	-	15,903
Measured at amortised cost	15,903	16,289	-	-	15,903
Trade payables	16,493	-	-	-	16,493
Measured at amortised cost	16,493	16,493	-	-	16,493
Other liabilities	4,940	-	-	2,775	7,715
Measured at amortised cost	4,940	4,940	-	-	4,940
Non-financial liabilities	-	-	-	2,775	2,775
Total financial liabilities	**-**	**-**	**-**	**-**	**37,336**
Thereof: measured at amortised cost	-	-	-	-	37,336

*) The comparative prior-year tax figures have been adjusted and are explained in section 2.1

	Measured at amortised cost		Measured at fair value	Non-financial assets/ liabilities	
€'000	Carrying amount 31.12.2013*)	Pro forma: fair value	Carrying amount	Carrying amount	Carrying amount on balance sheet at 31 Dec 2013
Trade receivables	24,601	-	-	-	24,601
Loans and receivables	24,601	24,601	-	-	24,601
Financial assets	69	-	-	-	69
Loans and receivables	69	69	-	-	69
Other assets	180	-	-	5,360	5,540
Loans and receivables	180	180	-	-	180
Non-financial assets	-	-	-	5,360	5,360
Cash and cash equivalents	10,952	-	-	-	10,952
Loans and receivables	10,952	10,952	-	-	10,952
Total financial assets	-	-	-	-	**35,802**
Thereof: loans and receivables	-	-	-	-	35,802
Financial liabilities	16,819	-	-	-	16,819
Measured at amortised cost	16,819	18,010	-	-	16,819
Trade payables	15,198	-	-	-	15,198
Measured at amortised cost	15,198	15,198	-	-	15,198
Other liabilities	3,626	-	-	4,033	7,659
Measured at amortised cost	3,626	3,626	-	-	3,626
Non-financial liabilities	-	-	-	4,033	4,033
Total financial liabilities	-	-	-	-	**35,643**
Thereof: measured at amortised cost	-	-	-	-	35,643

*) The comparative prior-year tax figures have been adjusted and are explained in section 2.1

In accordance with level two of the measurement hierarchy specified by IFRS 13, the fair values of receivables, loans and primary liabilities are calculated as the present value of future cash inflows and outflows. These cash flows are discounted using an interest rate prevailing at the balance sheet date and factor in the respective maturities of assets and liabilities as well as the credit rating of Hypoport AG. If a market value or market price is available, this is recognised as the fair value.

Because most trade receivables, trade payables, other receivables, other liabilities, and cash and cash equivalents have short maturities, their carrying amounts at the balance sheet date do not differ significantly from their fair values.

The table below breaks down the income, expenses, gains and losses resulting from financial instruments into the following categories:

in TEUR	Loans and receivables	Held-to-maturity investments	Fair value / held for trading	Liabilities measured at amortised cost	2014
Interest and similar income	135	-	-	-	135
Interest expense and similar charges	-	-	-	-822	-822
Impairment losses	-406	-	-	-	-406
Net result	**-271**	**0**	**0**	**-822**	**-1,093**

in TEUR	Loans and receivables	Held-to-maturity investments	Fair value / held for trading	Liabilities measured at amortised cost	2013
Interest and similar income	106	-	-	-	106
Interest expense and similar charges	-	-	-	-987	-987
Impairment losses	-942	-	-	-	-942
Net result	**-836**	**0**	**0**	**-987**	**-1,823**

7.12 Capital risk management

Hypoport AG's statutes do not specify any capital requirements. The Hypoport Group pursues two main objectives in terms of its capital management: firstly, to ensure that the Company continues to operate as a going concern so that it can continue to generate returns for its shareholders and provide its other stakeholders with the services they require; and secondly, to maintain the optimum capital structure so that it can lower its cost of capital and meet the minimum capital requirements resulting from its borrowings. The financial covenants agreed for a loan were complied with.

The Hypoport Group monitors its capital in terms of its level of gearing, which is the ratio of net debt to equity. Net debt consists of total financial liabilities minus cash and cash equivalents. Equity comprises the total shares in issue plus reserves.

The table below shows the Company's gearing as at 31 December 2014 and 31 December 2013:

	2014 €'000	2013 restated €'000	2013 as reported €'000
Financial liabilities	15,903	16,819	16,819
Minus cash and cash equivalents	12,024	10,952	11,538
Net debt	3,879	5,867	5,281
Equity	38,852	33,053	33,053
Gearing	10%	18%	16%

7.13 Exemption from disclosure requirements under section 264 (3) HGB

The fully consolidated German subsidiaries listed below have met the conditions specified by section 264 (3) HGB and are therefore exempted from the requirements to disclose their separate financial statements documentation and to prepare a management report:

- Dr. Klein & Co. Aktiengesellschaft, Lübeck, Germany
- Europace AG, Berlin, Germany
- GENOPACE GmbH, Berlin, Germany
- Hypoport Systems GmbH, Berlin, Germany
- Qualitypool GmbH, Lübeck, Germany
- Vergleich.de Gesellschaft für Verbraucherinformation mbH, Berlin, Germany.

7.14 Declaration of compliance with the German Corporate Governance Code

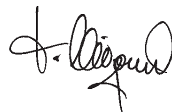
Hypoport AG has issued the declaration required by section 161 of the German Stock Corporation Act (AktG) and has made it permanently available to the public on the Company's website at www.hypoport.com.

7.15 Events after the reporting period

No material events have occurred since the balance sheet date.

Berlin, 2 March 2015

Hypoport AG – The Management Board



Ronald Slabke Thilo Wiegand

Stephan Gawarecki Hans Peter Trampe

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Consolidated statement of changes in non-current assets 2014

	Cost			
	Balance 1 Jan 2014 €'000	Additions €'000	Disposals €'000	Balance 31 Dec 2014 €'000
I. Intangible assets 1. Patents, licences, trademarks and similar rights and assets, including licences for such rights and assets				
1.1 Software	4,257	747	0	5,004
1.2 Development costs	37,718	3,142	0	40,860
thereof extraordinary	0	0	0	0
2. Goodwill	14,826	0	0	14,826
3. Advance payments and development costs in progress	0	1,294	0	1,294
	56,801	5,183	0	61,984
II. Property, plant and equipment 1. Land, leasehold improvements and buildings, including buildings on land owned by others	21	0	0	21
2. Office furniture and equipment	8,300	981	175	9,106
3. Advance payments and constructions in progress	0	2	0	2
	8,321	983	175	9,129
	65,122	6,166	175	71,113

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Cumulative depreciation, amortisation and impairment				Carrying amount	
Balance 1 Jan 2014 €'000	Additions €'000	Disposals €'000	Balance 31 Dec 2014 €'000	Balance 31 Dec 2014 €'000	31 Dec 2013 €'000
3,121	469	0	3,590	1,414	1,136
24,112	3,329	0	27,441	13,419	13,606
0	0	0	0	0	0
0	0	0	0	14,826	14,826
0	0	0	0	1,294	0
27,233	3,798	0	31,031	30,953	29,568
21	0	0	21	0	0
6,090	965	174	6,881	2,225	2,210
0	0	0	0	2	0
6,111	965	174	6,902	2,227	2,210
33,344	4,763	174	37,933	33,180	31,778

HYPOPORT
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Consolidated statement of changes in non-current assets 2013

	Cost				
	Balance 1 Jan 2013 €'000	Additions €'000	Disposals €'000	Reclassi-fication €'000	Changes basis of consolidation €'000
I. Intangible assets 1. Patents, licences, trademarks and similar rights and assets, including licences for such rights and assets					
1.1 Software	3,656	546	0	55	0
1.2 Development costs	33,260	4,458	0	0	0
thereof extraordinary	0	0	0	0	
2. Goodwill	14,826	0	0	0	0
3. Advance payments and development costs in progress	55	0	0	-55	0
	51,797	5,004	0	0	0
II. Property, plant and equipment 1. Land, leasehold improvements and buildings, including buildings on land owned by others	25	0	4	0	0
2. Office furniture and equipment	7,736	733	108	0	-61
	7,761	733	112	0	-61
	59,558	5,737	112	0	-61

	Cumulative depreciation, amortisation and impairment					Carrying amount	
Balance 31 Dec 2014 €'000	Balance 1 Jan 2014 €'000	Additions €'000	Disposals €'000	Changes basis of consolidation €'000	Balance 31 Dec 2013 €'000	Balance 31 Dec 2013 €'000	31 Dec 2012 €'000
4,257	2,681	440	0	0	3,121	1,136	975
37,718	21,432	2,680	0	0	24,112	13,606	11,828
0	0	0	0		0	0	0
14,826	0	0	0	0	0	14,826	14,826
0	0	0	0	0	0	0	55
56,801	24,113	3,120	0	0	27,233	29,568	27,684
21	23	1	3	0	21	0	2
8,300	5,120	1,054	82	-2	6,090	2,210	2,616
8,321	5,143	1,055	85	-2	6,111	2,210	2,618
65,122	29,256	4,175	85	-2	33,344	31,778	30,302

6. Report of the Supervisory Board

The Supervisory Board hereby reports on the discharge of its responsibilities in the 2014 financial year.

In 2014 the Supervisory Board continued to apply due care and diligence in discharging the responsibilities incumbent upon it under the law, the Company's statutes, its rules of procedure and the German Corporate Governance Code. The Supervisory Board regularly advised the Management Board on the running of the Company and continuously supported and monitored its actions. This advisory and monitoring function was based on the detailed written and oral reports submitted by the Management Board, which informed the Supervisory Board in a regular, comprehensive and timely fashion about the Company's strategic planning and budgeting, changes in its business performance and financial position, its strategic development, its risk management, important transactions and the current position of the Company and the Hypoport Group. The Supervisory Board was informed at regular intervals either during or in advance of Supervisory Board meetings. The Management Board and the Supervisory Board were also in regular contact outside the meetings, so the Supervisory Board was kept abreast of particularly important events at all times. The Supervisory Board also obtained information about key developments for itself and supported the Management Board in an advisory capacity. All decisions and actions of fundamental importance that required approval were discussed with the Supervi-sory Board at an early stage and submitted to the Supervisory Board for approval.

The Supervisory Board held five scheduled meetings in 2014. In addition, three regular Supervisory Board meetings were held by telephone. Two further resolutions were adopted in writing (by email) at the request of the Supervisory Board chairman following detailed preparation and dissemination of information in each case. All members of the Supervisory Board attended every meeting and took part in the other resolutions adopted outside meetings.

No members of the Supervisory Board were subject to conflicts of interest.

Key points of the Supervisory Board's deliberations

The Supervisory Board's deliberations centred primarily on matters concerning the corporate strategy and business activities of the Company and the Hypoport Group, important transactions, the effectiveness of the internal control and risk management system, and decisions and action taken by the Management Board that required approval.

At the meeting held on **24 January 2014** the Supervisory Board noted with approval the budget for 2014 submitted by the Management Board.

In addition, the Supervisory Board adopted a resolution on compliance with the German Corporate Governance Code and issuance of a declaration of conformity in accordance with section 161 of the German Stock Corporation Act (AktG).

A representative of BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, attended the meeting held on **14 March 2014** and presented a comprehensive report on their audit of the single-entity and consolidated financial statements for 2013. As required by section 171 AktG, the Supervisory Board reviewed and approved the single-entity and consolidated financial statements for 2013 as well as both management reports.

Furthermore, the Supervisory Board examined the Management Board's proposal for the appropriation of profit, which it approved and voted to adopt.

In addition, the Supervisory Board discussed its own report on the 2013 financial year and voted to adopt it.

The Management Board reported on the fourth quarter of 2013, adding that 2013 had been a difficult year overall and that results had failed to meet targets. The Management Board also reported that the start of the 2014 financial year had been in line with expectations.

Furthermore, the meeting approved the reappointment of Stephan Gawarecki and Hans Peter Trampe as members of the Management Board of Hypoport AG, as well as the extension of their employment contracts while maintaining their current financial terms and conditions.

After the Supervisory Board had made appropriate preparations and discussed the draft agenda for the 2014 Annual Shareholders' Meeting, on **15 April 2014** it adopted a written resolution approving the convening of the 2014 Annual Shareholders' Meeting and its agenda.

The Supervisory Board meeting held by telephone on **2 May 2014** mainly discussed the interim report for the first quarter of 2014. It also decided to amend the audit subject in the internal audit plan.

In the meeting on **13 June 2014** the Management Board reported on the first quarter of 2014. The meeting also discussed the Company's second-quarter performance to date as well as recent developments and trends in the Institutional Clients business unit.

The main topic of discussion at the Supervisory Board meeting held by telephone on **1 August 2014** was the Management Board's report on the Hypoport Group's performance in the second quarter of 2014.

With the written resolution adopted on **12 August 2014** the Supervisory Board approved the Management Board's resolution to conduct a share repurchase programme intended to provide treasury shares for employee share ownership schemes and other means of issuing shares to employees of the Company and the Hypoport Group.

At the meeting held on **12 September 2014** the Management Board reported on the second quarter of 2014 and on specific developments and trends in the individual business units. The Management Board and Supervisory Board also examined the risk report in detail.

The main item on the agenda of the Supervisory Board meeting held by telephone on **31 October 2014** was the interim report for the period ended 30 September 2014. Furthermore, the schedule for 2015 was discussed and approved.

The Company's operating performance in the third quarter of 2014 as well as the latest developments and trends in the business units were extensively discussed with the Management Board at the Supervisory Board meeting held on **12 December 2014**. The Management Board and Supervisory Board also examined the medium-term internal audit plan and acknowledged the internal audit report with a special focus on payments processing. The discussion included consideration of the quality of the internal audit, which was deemed to be satisfactory.

When the Management Board members were not present, the Supervisory Board reviewed the effectiveness of its own work over the course of 2013. This review revealed no shortcomings of any kind.

No committees

The Supervisory Board of Hypoport AG has not set up any committees because it consists of only three members.

German Corporate Governance Code

In 2014 the Supervisory Board once again discussed the content of the German Corporate Governance Code and adopted the necessary resolutions on compliance with its recommendations and on individual exceptions from these recommendations. Further information on corporate governance at the Company can be found in the corporate governance report. The remuneration report contains detailed information on the level and structure of remuneration for the Supervisory Board and Management Board. The Management Board and Supervisory Board voted to issue the declaration of conformity required by section 161 AktG and have made it permanently available on the Company's website.

The Supervisory Board and Management Board are aware that good corporate governance that safeguards the interests of shareholders and the capital markets is essential for the Company's success. The Management Board and Supervisory Board regard the recommendations and suggestions of the German Corporate Governance Code and the pertinent statutory legislation as an integral part of the function that they perform for the Company. They examine compliance with these standards at regular intervals, thereby ensuring that the Company's shareholders and employees and, not least, the Company itself take due account of the standards.

Single-entity and consolidated financial statements

The Management Board submitted to the Supervisory Board the 2014 single-entity financial statements that it had prepared in accordance with the German Commercial Code (HGB), the 2014 consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS), both management reports, the proposal for the appropriation of profit, and the corresponding independent auditors' reports.

BDO AG Wirtschaftsprüfungsgesellschaft, Hamburg, the auditors appointed by the Company, audited its single-entity financial statements, the consolidated financial statements and both management reports for the year ended 31 December 2014 and they issued an unqualified opinion in each case. As required by section 171 AktG, the Supervisory Board reviewed and discussed the single-entity and consolidated financial statements for 2014 and both management reports. At the Supervisory Board meeting held on 11 March 2015 to discuss the Company's financial statements the auditors reported in person to the Supervisory Board and provided exhaustive answers to the questions put to them. The Supervisory Board also examined the Management Board's proposal for the appropriation of profit.

The Supervisory Board agreed with the auditors' findings. Having completed its own examination, it had no objections to raise. The Supervisory Board reviewed and approved the single-entity and consolidated financial statements for 2014 prepared for the Company by the Management Board. The single-entity financial statements for 2014 have thus been adopted. After itself examining the Management Board's explanation of its proposed appropriation of profit, and after considering all the arguments, the Supervisory Board approved the proposal.

The Supervisory Board would like to thank the Management Board and all employees for their hard work and valuable support.

Berlin, 11 March 2015

Ottheinz Jung-Senssfelder
Chairman of the Supervisory Board

7. Corporate Governance

Corporate governance report

The Management Board and Supervisory Board of Hypoport AG are committed to the principles of responsible corporate governance. Hypoport AG is of the firm belief that transparent corporate governance adds value to the Company over the long term. It is also essential if Hypoport AG is to honour the trust placed in it by investors, financial markets, business partners, customers, employees and the public at large. The Management Board and Supervisory Board regard the recommendations and suggestions of the German Corporate Governance Code and the pertinent statutory legislation as an integral part of the function that they perform for the Company. They examine compliance with these standards at regular intervals, thereby ensuring that the Company's shareholders and employees and, not least, the Company itself are fully compliant.

Declaration of conformity with the German Corporate Governance Code

The Management Board and Supervisory Board have carefully examined the German Corporate Governance Code as amended on 24 June 2014, which was published in the German Federal Gazette on 30 September 2014. The declaration of conformity was submitted by the Management Board and Supervisory Board of Hypoport AG on 23 January 2015 and is reproduced below. The declaration of conformity has been made permanently available to the public and can be viewed at www.hypoport.de/corporate-governance.html.

Declaration of conformity with the recommendations of the German Corporate Governance Code (DCGK) pursuant to section 161 of the German Stock Corporation Act (AktG)

The Management Board and Supervisory Board of Hypoport AG, Berlin, hereby declare the following:

After the most recent declaration of conformity was submitted on 24 January 2014, Hypoport AG complied – with the exception of the recommendations listed below – with the recommendations made by the German government commission on the German Corporate Governance Code as amended on 13 May 2013, which were publicly announced by the Federal Ministry of Justice in the official section of the German Federal Gazette and were published in the German Federal Gazette on 10 June 2013. Since 1 October 2014, Hypoport AG has – with the exception of the recommendations listed below – complied with the corresponding recommendations made by the German government commission on the German Corporate Governance Code as amended on 24 June 2014, which were published in the German Federal Gazette on 30 September 2014. In future, Hypoport AG will continue to comply with the recommendations made by the German government commission on the German Corporate Governance Code as amended on 24 June 2014 with the exception of the recommendations listed below.

1. Paragraph 3.8 (3) of the German Corporate Governance Code recommends that an appropriate excess should be agreed when taking out directors' and officers' liability insurance for members of a supervisory board. The D&O insurance concluded by Hypoport AG for members of its Supervisory Board does not at present specify any excess.

   Hypoport AG does not believe that an excess of this type would increase the motivation and sense of responsibility with which the members of its Supervisory Board perform their role. Consequently, Hypoport AG does not intend to change its D&O insurance contracts for members of the Supervisory Board.

2. Paragraph 4.2.3 (2) of the German Corporate Governance Code recommends that the level of remuneration for members of the Management Board overall and with respect to their variable remuneration components should be capped. The existing employment contracts of the members of the Management Board of Hypoport AG contain no such caps on the amount of remuneration.

   Hypoport AG is of the view that the existing remuneration structure for members of the Management Board – which is designed to ensure a sustainable corporate culture, comprises both fixed and variable components (with variable remuneration components being assessed over a period of several years) and takes account of both positive and negative developments and trends – is, on the whole, appropriate without the imposition of any caps on the amount of remuneration and, even in its existing form, does not encourage individuals to take inappropriate risks. Moreover, the Company is of the view that the existing remuneration structure has proved itself over a period of several years to be appropriate and suited to furthering the Company's interests. Even if no caps are imposed on the amount of remuneration, the specific way in which this remuneration system is designed should ensure that the existing remuneration structure does not create incentives that are contrary to or incompatible with the sustainable corporate culture of Hypoport AG. For these reasons the Company is of the view that it is not necessary to amend the Management Board members' existing employment contracts. On an ongoing basis and, in particular, in connection with the extension of existing Management Board members' employment contracts, however, the Supervisory Board of Hypoport AG will carefully and properly examine and then decide whether it should in future comply with the recommendation made in paragraph 4.2.3 (2) of the German Corporate Governance Code – including with respect to the imposition of a cap on the amount of remuneration – or whether the existing remuneration structure should be retained without any such cap being imposed.

3. Paragraph 5.1.2 of the German Corporate Governance Code recommends, among other things, that an age limit should be specified for members of the management board. Paragraph 5.4.1 makes the same recommendation for members of the supervisory board. No age limit has been specified for members of either the Management Board or the Supervisory Board of Hypoport AG.

Hypoport AG believes that setting an age limit would be an inappropriate general restriction on the Supervisory Board's selection of suitable Management Board members and it would restrict shareholders in their selection of Supervisory Board members, because a director's experience and personal and professional skills, rather than his or her age, are the relevant factors for recruiting members of the Management or Supervisory Boards.

4. Paragraph 5.3.1 of the German Corporate Governance Code recommends that supervisory boards should set up properly qualified committees in line with the specific circumstances of the company concerned and the number of persons on its supervisory board. Accordingly, paragraph 5.3.2 of the German Corporate Governance Code recommends that an audit committee be set up and paragraph 5.3.3 recommends that a nominations committee should be formed. The Supervisory Board of Hypoport AG has not set up any committees.

   Because the Supervisory Board consists of only three members, as specified in the Company's statutes, all aspects of its work are carried out by the entire Supervisory Board. Consequently, Hypoport AG does not consider it necessary to form committees. The Supervisory Board in particular believes that the formation of committees would unnecessarily impede its work because it has such a small number of members.

5. Paragraph 5.4.1 (2) of the German Corporate Governance Code recommends that the Supervisory Board should set specific targets for its composition which, while taking account of the Company's particular situation, cover the Company's international activities, potential conflicts of interest, a specific age limit for members of the Supervisory Board, and diversity. In particular, these specific targets are supposed to include appropriate quotas for the number of female Supervisory Board members. Paragraph 5.4.1 (3) states that the Supervisory Board should take these targets into account when proposing candidates for election, and that both the targets and the status of their implementation should be published in the corporate governance report. The Supervisory Board of Hypoport AG has not yet set such targets for its composition.

   The term of appointment of the current members of the Company's Supervisory Board is due to end in 2015 because the current Supervisory Board members were elected at the Company's Annual Shareholders' Meeting in 2010. Consequently, the Supervisory Board was and still is of the view that there is currently no need to set the specific targets for its composition recommended by paragraph 5.4.1 (2) of the German Corporate Governance Code. The Supervisory Board is of the opinion that its current composition takes full and proper account of the Company's particular situation. The Supervisory Board is also of the view that the question of whether it should set specific targets for its composition – which take account of the Company's particular situation, especially its size and the number of members of the Supervisory Board – should not be conclusively discussed and decided until Hypoport AG actually has to organise the next scheduled Supervisory Board elections, which are due to be held in 2015. In this connection the Supervisory Board will conduct a full and proper assessment based on the actual circumstances prevailing at the time and then decide accordingly whether it should in future comply with the recommendation made in paragraph 5.4.1 (2) of the German Corporate Governance Code – while taking account of the particular situation of Hypoport AG – or whether the Company should retain its existing model.

6. Paragraph 5.4.6 (2) sentence 2 of the German Corporate Governance Code recommends that any performance-related remuneration granted to the members of the Supervisory Board should be designed to enhance the Company's long-term development and performance. Since the Company's statutes were amended accordingly in 2010, the remuneration for members of the Supervisory Board of Hypoport AG has consisted of fixed and variable components. The variable remuneration amounts to 0.1 per cent of any positive earnings before interest and tax (EBIT) as reported in the Company's IFRS consolidated annual financial statements, but in any event no more than €5,000 for each full financial year, although the chairman of the Supervisory Board receives twice this amount of remuneration and the vice-chairman receives 1.5 times this amount. Because variable remuneration is based on EBIT, which is an annual performance indicator, the Company does not comply with the recommendation that such remuneration should be designed to enhance the Company's long-term development and performance, and nor has it done so in the past.Hypoport AG is of the view that the existing remuneration arrangements can be retained for as long as the current Supervisory Board members remain in post.

   Although this means that the Company does not comply with the recommendation made in paragraph 5.4.6 (2) sentence 2 of the German Corporate Governance Code, Hypoport AG is of the opinion that the Supervisory Board's remuneration is, in particular, appropriate in relation to the Supervisory Board members' responsibilities and the Company's situation. Although the variable remuneration component is not assessed over a period of several years, the Company is of the view that the Supervisory Board's remuneration in its current form is practicable, appropriate and suited to furthering the Company's interests. In particular, the specific way in which this type of remuneration is designed and the limits imposed on the amount of remuneration should ensure that this arrangement does not create incentives to earn purely short-term returns. This is partly due to the ratio of variable remuneration to fixed remuneration. Even if it reaches its maximum amount, the additional variable remuneration component constitutes less than 50 per cent of the equally appropriate fixed remuneration component. For these reasons the Company is of the view that it is currently not necessary to comply with the recommendation made in paragraph 5.4.6 (2) sentence 2 or to propose to the Annual Shareholders' Meeting that the Company's statutes be amended. Hypoport AG will continuously and properly examine the nature and structure of the Supervisory Board's remuneration based on the actual circumstances prevailing at the time and, within this context, the Company will then decide in each case whether it should in future comply with the recommendation made in paragraph 5.4.6 (2) sentence 2 of the German Corporate Governance Code or whether it should retain its existing model.

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Disclosures of corporate governance practices

Management Board and Supervisory Board

The Management Board is responsible for running the Company. Its remit includes formulating the Company's targets, objectives and strategy; managing and monitoring its business activities; and establishing and monitoring an effective risk management system. The statutes of Hypoport AG specify that its Management Board should comprise a minimum of two persons. Apart from this stipulation it is the responsibility of the Supervisory Board to determine the number of members on the Management Board, which currently consists of four members. The Management Board informs the Supervisory Board in a regular, comprehensive and timely fashion about the Company's strategic planning and budgeting, changes in its business performance and financial position, its strategic development, its risk management, important transactions, and the current position of the Company and the Hypoport Group.

The Supervisory Board of Hypoport AG consists of three members. The chairman of the Supervisory Board is elected from among the members of this body. The current members of the Supervisory Board were elected at the 2010 Annual Shareholders' Meeting for the period up to the end of the Annual Shareholders' Meeting that votes on the formal approval of the actions of the Supervisory Board for the 2015 financial year. The Supervisory Board of Hypoport AG has not yet set any targets for its composition.

The Supervisory Board appoints the members of the Management Board. It monitors the Management Board and advises it on the running of the Company. Material decisions taken by the Management Board must be approved by the Supervisory Board. The Supervisory Board meets at least four times a year and, if necessary, meets without the participation of the Management Board or individual members of the Management Board. The Supervisory Board reviews and approves the single-entity and consolidated financial statements prepared by the Management Board, thereby adopting the single-entity financial statements.

Informative corporate communications

Open and informative corporate communications form an integral part of good corporate governance. This requires all content to be clearly expressed and readily understandable and, in particular, all target groups to have equal access to the information provided by the Company. Hypoport AG therefore attaches great importance to the dissemination of uniform, comprehensive and timely information. Information on the Company's business situation and financial results is published in its annual, half-yearly and quarterly reports. Information is also published in the form of ad-hoc announcements and press releases. In addition, all reports, notifications, presentations, statements and other releases are made permanently available in the Press and Investor Relations sections of the Company's website. The scheduled dates of major recurring events – i.e. the dates on which the annual and interim reports are published and the date on which the Annual Shareholders' Meeting is held – are disclosed in a financial calendar, which is published sufficiently far in advance of these dates and is made available on the Company's website.

Furthermore, Hypoport AG maintains an insider list in the manner prescribed by section 15b of the German Securities Trading Act (WpHG). The persons concerned have been informed about their legal obligations and the potential sanctions in this connection.

Financial reporting and auditing of financial statements
Since 2005 the Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Once the consolidated financial statements have been prepared by the Management Board, they are audited by the independent auditors and then reviewed and approved by the Supervisory Board. The Supervisory Board also reviews and approves the single-entity financial statements prepared by the Management Board, which are thus adopted. The consolidated financial statements are published within 90 days after the end of the financial year.

It has been agreed with the Company's independent auditors that the chairman of the Supervisory Board should be notified immediately of any reasons for exclusions or exemptions or of any misrepresentations in the declaration of conformity that come to light during the course of the audit. The independent auditors notify the Supervisory Board chairman immediately of any matters or events of material importance to the Supervisory Board's work that arise during the course of the audit.

Management Board and Supervisory Board shareholdings and directors' dealings The members of the Management Board and Supervisory Board hold a considerable number of shares in Hypoport AG. The table below shows the numbers of shares in Hypoport AG directly or indirectly held by the members of the Management Board and Supervisory Board as at 31 December 2014.

	Number of shares
Group Management Board	
Ronald Slabke	2,288,381
Thilo Wiegand	30,000
Stephan Gawarecki	187,800
Hans Peter Trampe	144,690
Supervisory Board	
Dr. Ottheinz Jung-Senssfelder	14,000
Prof. Dr. Thomas Kretschmar	800,000
Christian Schröder	18,700

Directors' dealings are published at www.hypoport.de/directors_dealings.html as soon as they are notified in accordance with section 15a WpHG.

A list of all the directors' dealings published in 2014 can also be found on the Company's website at www.hypoport.de/directors_dealings.html.

The modus operandi of the Management Board and Supervisory Board
The Supervisory Board has appointed a chairman of the Management Board. The Supervisory Board approved the latest version of the rules of procedure for the Management Board on 6 August 2010. These rules of procedure govern the internal workings of the Management Board, the allocation of its responsibilities, and its cooperation with the Supervisory Board.

As specified by the Management Board's business allocation plan and rules of procedure, each member of the Management Board has his own area of responsibility. However, the members of the Management Board are collectively responsible for the overall day-to-day management of the Hypoport Group. Moreover, certain material acts can only be carried out on the basis of a decision taken by the Management Board as a whole. The Management Board is quorate if all members of the Management Board participate in the vote. Decisions are taken by a simple majority of the votes cast. In practice, the Management Board often takes decisions by reaching a consensus.

The Company's statutes stipulate that if only one person has been appointed to the Management Board, Hypoport AG is represented in and out of court by this one person; if two or more persons have been appointed to the Management Board, the Company is represented either by two Management Board members jointly or by one Management Board member in conjunction with one person with full commercial power of attorney (Prokurist). If two or more persons have been appointed to the Management Board, the Supervisory Board can authorise one or more Management Board members to represent the Company on their own. The Supervisory Board can exempt members of the Management Board from the restrictions under section 181 German Civil Code (BGB) within the limits specified by section 112 German Stock Corporation Act (AktG). To date, the Supervisory Board has not given individual power of representation to any member of the Management Board.

The Supervisory Board discharges the responsibilities incumbent upon it under the law, the Company's statutes, its rules of procedure and the German Corporate Governance Code. The Supervisory Board regularly advises the Management Board on the running of the Company and monitors its actions. This advisory and monitoring function is based on detailed written and oral reports submitted by the Management Board, which inform the Supervisory Board in a regular, comprehensive and timely manner about the Company's planning and budgeting, its business performance, its strategic development, its risk management, important transactions, and the current position of the Company and the Hypoport Group. Decisions of fundamental importance are discussed with and submitted to the Supervisory Board for approval.

The provisions of section 11 (3) of the statutes state that the Supervisory Board is quorate if all its members participate in a vote. The Supervisory Board provides itself with rules of procedure pursuant to section 9 (3) of the statutes. The currently applicable rules of procedure were issued on the basis of a resolution adopted by the Supervisory Board on 31 March 2008. The Supervisory Board has not set up any committees at present because it consists of only three members.

The members of the Supervisory Board are elected for the period up to the end of the Annual Shareholders' Meeting that votes on the formal approval of the acts of management for the fourth financial year after the term of appointment commences. The Annual Shareholders' Meeting may stipulate a shorter term of appointment. The next elections to the Supervisory Board are due to be held at the Annual Shareholders' Meeting in June 2015.

Shareholders and the Annual Shareholders' Meeting

The shareholders of Hypoport AG exercise their rights at the Company's Annual Shareholders' Meeting. This meeting provides the Company's shareholders with a forum in which to exercise their voting rights, obtain information and conduct a dialogue with the Management Board and Supervisory Board. The Annual Shareholders' Meeting is held within the first six months of each financial year. The chairman of the Supervisory Board chairs the Annual Shareholders' Meeting. The Annual Shareholders' Meeting decides on all matters assigned to it by law.

Hypoport organises and runs its Annual Shareholders' Meetings in such a way that all shareholders are informed in a timely, comprehensive and effective manner both prior to and during the meeting. The aim is to make it as easy as possible for shareholders to attend the meeting. All documentation to be made available is published on the Company's website as required by law. Shareholders who are unable to attend the Annual Shareholders' Meeting in person have the option of appointing in writing or by email a bank, a shareholder association or another person as a proxy – or of having an employee of Hypoport AG appointed by the Company as a proxy – to exercise their voting rights in accordance with their instructions. Furthermore, the Management Board is authorised to enable shareholders to cast their vote in writing or by email (postal vote) without attending the Annual Shareholders' Meeting.

Berlin, March 2015

Hypoport AG

Management Board and Supervisory Board

HYPOPORT
THE FINANCE INTEGRATOR

8. Responsibility statement

"We assure that, to the best of our knowledge and in accordance with the accounting standards applied, the consolidated financial statements give a fair presentation of the Company's financial position and financial performance, the group management report gives a fair presentation of the Hypoport Group's business, profits and position and that the material opportunities and risks of its expected development are described."

Berlin, 2 March 2015

Hypoport AG – The Management Board

Ronald Slabke

Thilo Wiegand

Stephan Gawarecki

Hans Peter Trampe

HYPOPORT
THE FINANCE INTEGRATOR

9. Auditor's Report

We have audited the consolidated financial statements prepared by the HYPOPORT AG, Berlin, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, statement of cash flows and the notes to the consolidated financial statements, together with the group management report for the business year from 1 January 2014 to 31 December 2014. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to sec. 315a para. 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to sec. 315a para. 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the group's position and suitably presents the opportunities and risks of future development.

Lübeck, 6 March 2015

BDO AG
Wirtschaftsprüfungsgesellschaft

Herbers	Beecker
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)

10. Single-entity financial statements of Hypoport AG (abridged version)

The single-entity financial statements and the management report of Hypoport AG have been prepared in accordance with German generally accepted accounting principles (German Commercial Code [HGB]) and the provisions of the German Stock Corporation Act (AktG).

The balance sheet and the income statement meet the classification criteria prescribed in sections 266 and 275 HGB. The income statement is presented under the nature-of-expense method pursuant to section 275 (2) HGB.

The full version of the single-entity financial statements, which have received the unqualified opinion of Hypoport AG's auditors, is published in the electronic Federal Gazette under no. HRB 74559 B.

Income statement
for the year ended 31 December 2014

	2014 €'000	2013 €'000
Revenue	9,201	9,433
Own work capitalised	1,193	960
Other operating income	2,570	2,549
Personnel expenses	-13,455	-14,357
Depreciation, amortisation and write-downs on intangible fixed assets and on property, plant and equipment	-472	-381
Other operating expenses	-5,721	-5,860
Income from long-term equity investments	2,196	2,451
Income from profit transfer agreements	7,629	8,473
Income from other securities and lending of financial assets	36	131
Other interest and similar income	175	468
Expense in respect of loss transfers	-151	-222
Interest expense and similar charges	-560	-635
Profit from ordinary activities	**2,641**	**3,010**
Income taxes	173	-526
Other taxes	-12	-37
Net profit (loss) for the year	**2,802**	**2,447**
Profit brought forward	21,582	19,135
Distributable profit	**24,384**	**21,582**

HYPOPORT
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Balance sheet as at 31 December 2014

Assets	31 Dec 2014 €'000	31 Dec 2013 €'000
Fixed assets		
Intangible assets	2,769	1,987
Property, plant and equipment	141	147
Financial assets	25,946	26,745
	28,856	**28,879**
Current assets		
Trade receivables	4,856	3.320
Receivables from affiliated companies	21,916	22.883
Receivables from other long-term investees and investors	66	310
Other assets	257	185
Cash and cash equivalents	3,495	1,143
	30,590	**27,841**
Prepaid expenses	**88**	**61**
	59,534	**56,781**
Equity and liabilities		
Equity		
Subscribed capital	6,195	6,195
Treasury shares	-79	-57
Issued capital	6,116	6,138
Capital reserves	2,210	2,057
Retained earnings	7,082	7,340
Distributable profit	24,385	21,582
	39,793	**37,117**
Provisions	**1,671**	**1,295**
Liabilities		
Liabilities to banks	15,567	16,417
Trade payables	348	716
Liabilities to affiliated companies	1,866	1,039
Other liabilities	289	184
Sonstige Verbindlichkeiten	18,070	18,356
Deferred income	**0**	**13**
	59,534	**56,781**

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