2013

Annual Report

COR & FJA

Consolidated key ratios pursuant to IFRS

in million euros	2013	2012	2011
Turnover	131.3	136.7	135.2
EBITDA	-1.6	-9.1	6.7
EBIT	-6.7	-19.3	1.9
EBT	-7.6	-20.3	-0.4
Annual net profit / loss	-6.7	-24.6	-1.3
Earnings per share in euros	-0.14	-0.59	-0.05
Balance sheet total	102.3	106.0	130.0
Equity	42.8	50.0	76.3
Liquid funds	14.4	11.3	15.4
Cash flow from operating activity	-0.3	-1.5	-7.3
Cash flow from investment activity	1.9	-1.7	-8.1

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COR & FJA

Contents

COR&FJA underwent a strategic reorientation process in many areas during the 2013 financial year and has now established itself in an excellent position in the field of standard software for life insurance companies.

ntation

Geocaching is an electronic form of hide and seek or treasure hunt. The caches are posted in the Internet with their geographic coordinates and the seekers use GPS receivers to locate them.

The Board
Members of the Management Board

Bernhard Achter
MEMBER OF THE MANAGEMENT BOARD
International, Consulting and IT Services

Dr Christian Hofer
CHAIRMAN OF THE MANAGEMENT BOARD

Non-Life and Central Functions

Rolf Zielke
MEMBER OF THE MANAGEMENT BOARD

Life and National Market

Letter from the Management Board

Dear shareholders, customers, business associates and colleagues,

With EBITDA of -1.6 million euros and aggregate turnover of 131.3 million euros, COR&FJA AG generated a result in the last financial year that was satisfactory in overall terms when the ongoing restructuring process is taken into account. As a result, we were able – following the difficult phase around the end of 2012 – to steer the company's commercial development back into calmer waters in 2013 while successfully advancing its strategic realignment.

A retrospective view of the 2013 financial year

The offshoots of the crisis on the financial markets, together with the persistently restrained level of market demand that resulted, again left their mark on COR&FJA in 2013: a number of customers postponed their decision-making processes until well into the year or even cancelled entire budgets that had already been adopted for the development of new software solutions. This resulted in several of the projects already included in the corporate plans not coming to fruition, and therefore contributed to a decline in turnover in our business activities with existing and new customers. This, together with necessary expenditure within the framework of the company's ongoing restructuring process, was the reason why we had to make two downward adjustments to our target figures during the course of 2013.

On the other hand, the programme to reduce the company's costs made a discernible difference in the financial year ended and helped to improve the company's costs and earnings situation. Prominent among the beneficial effects of this was the considerable reduction in the services purchased from external IT service providers and further cost-cutting effects such as those flowing from the optimisation of our rented office space.

In addition, the restructuring of our subsidiary COR&FJA Metris GmbH progressed successfully and was completed on schedule by the end of 2013. In connection with this we decided that, among other things, the complementary solutions offered by COR&FJA Metris and msg systems ag in the claims management area should be dovetailed more closely as regards both content and marketing in the future; we believe that this will lead to greater demand on the market.

At the end of 2013 we announced a spectacular sales success: shortly before Christmas, AXA Deutschland decided to embark on a joint project with IBM and COR&FJA to install the policy management system COR.FJA Life Factory as its central administration platform, together with the subsequent migration of the life-insurance contract portfolios. The order volume for COR&FJA amounts to more than 40 million euros and the overall term of the project will be around five years. It can certainly be said that in winning one of the biggest insurance companies on the German market, we have simultaneously sealed the largest individual order in our corporate history. The trust thereby shown in us by two major globally-active corporations is an eye-catching signal on the market that is impossible to overstate as far as its strategic and commercial significance for COR&FJA is concerned.

This success at AXA Deutschland represented the positive conclusion of a financial year that had begun turbulently with a change in the company's management and the adoption and announcement of negative financial statements for 2012. As a consequence of this we, as the Management Board, announced at that time that we would subject all areas of COR&FJA to a critical assessment, which we would take as a basis to reorient the company strategically in the 2013 financial year – with the aim of taking COR&FJA back to profitability by 2014 at the latest.

COR&FJA's strategic reorientation

On 18 February 2014, we successfully completed the sale of our subsidiary COR&FJA Banking Solutions GmbH, which we had announced last autumn, by transferring the shares in the subsidiary to the French company Sopra Banking Software S.A. Following an internal restructuring process in the summer of 2013, we had concentrated our former Banking segment within COR&FJA Banking Solutions – which meant that the segment was no longer operated by us. By carrying out this sale we have reached a milestone in the reorientation of the COR&FJA Group, and in future, our company's main priority in Europe is going to be its core business in the field of developing and selling standard software solutions for life insurance companies. This is the business segment in which we have achieved our greatest successes in the past, building up a significant part of our outstanding reputation among customers in the process.

Another part of our strategic reorientation was the sale of our equity stake in the Frankfurt-based management consultancy plenum AG, which we had had in our sights since October 2013 and finally carried out just a few weeks ago.

In mid-2013, we decided that the non-life insurance solution COR.FJA P&C, which had been offered up until then, would no longer be marketed actively and that product development in this area would be discontinued. This was the company's reaction to the fact that despite substantial efforts in the past, it had been unable to place this product on the market successfully. This policy management solution for the Non-life Insurance segment will be covered within the scope of the collaboration with msg systems ag. In 2013 we also took the strategic decision to consolidate efforts on existing foreign markets for the time being rather than entering new ones and to continue optimising the profitability of business areas in the markets where the company already operates in Europe and the USA.

Just as importantly, the Consulting segment was quite substantially repositioned in terms of both its strategy and its personnel during the 2013 financial year, as part of COR&FJA's strategic reorientation. In the process, the resources previously allocated to several locations and areas of responsibility in the German-speaking countries and in Eastern Europe came to be bundled under joint functional and marketing management. In this context, holistic management consulting is no longer the focal point of the service portfolio and the establishment of in-house HR capacities in the general management consulting area is no longer planned. Instead we are concentrating, especially in the Insurance segment, on functionally-oriented actuarial consulting, process optimisation as well as automation and migration consulting – thereby on thematic areas aimed at increasing market shares on the one hand and optimising the cost ratio of COR&FJA's customers on the other.

The company's strategic reorientation in 2013 that we have described has been reflected in the development of the COR&FJA share price. Since the late summer, the price has shown a highly positive overall trend and the volume of liquidity in the share has increased noticeably. This shows that investors are clearly welcoming the path embarked upon by the company and that the capital market's interest in the COR&FJA share is generally on the rise again. We will be encouraging this pleasing trend by maintaining our regular communication activities close to the market and as transparently as possible.

Outlook for the 2014 financial year

In view of the current market and sales situation, we are expecting to generate turnover of roughly 100.0 million euros and an operating result before interest, taxes, depreciation of property, plant and equipment and amortisation of intangible assets (EBITDA) of some 11.0 million euros in the current 2014 financial year. This EBITDA figure includes non-recurring income from the sale of the Banking segment.

As well as cultivating our existing customers and winning new ones, we are pressing ahead with the further technical and functional optimisation and completion of our broad product range in the Insurance segment. In doing so, we will reduce still further our previously high levels of investment in creating new product offerings that could not be positioned successfully on the market and, in this way, again bring down the comparatively high costs incurred for the freelance employees hired during the high-investment phase.

Another project that remains a central theme is the enhancement of our policy management system COR.FJA Life Factory on the basis of a modern Java JEE architecture. This year we are going to make around 6,500 person days of development capacity available for these activities. This enhancement is our reaction to the stringent demands of the life insurance sector in the areas of customising and process and product flexibility.

In parallel, the further expansion of product-independent consulting activities is an essential development component in 2014. We want to maintain the positive trend in this area from 2012 and

2013 and are putting our faith in the unique selling point of being able to transform tried-and-tested solutions from our product area into solutions for non-product customers more economically than the respective competitors.

In addition to these ongoing advancements of our central products and services, we are going to implement systematically the strategic realignment adopted by the COR&FJA Group. Based on our agreement to concentrate on the company's core business of developing and selling standard software for the life insurance market, the decision to discontinue product development in the Non-life Insurance segment, the implementation of the new internationalisation strategy and the sale of the plenum shares, the company has reoriented itself promisingly in significant respects. Beyond that, we are currently continuing to strive first and foremost for organic growth.

Today, with a staff of some 900, COR&FJA is promisingly positioned in the field of software and consulting services for insurance companies and has positive market opportunities and a good competitive position. To ensure that this remains the case in the future, we and our General Works Council signed an agreement on the development of a new remuneration model several days ago. The new remuneration model puts much greater emphasis on the functions and performance of the employees and guarantees remuneration in line with the prevailing market conditions.

This will enable us to bond our employees – and therefore their expertise – to the company in the long term while significantly advancing the important theme of long-term staff development. Not least because the employees at COR&FJA have been and continue to be an essential element in our return to a successful course of business. They have all performed outstanding work in the 2013 financial year, something for which the Management Board would like to express its thanks and its appreciation to the entire staff.

We will be delighted if you, our shareholders, customers, business partners and colleagues, continue to accompany us along our chosen path and place your trust in us.

Yours sincerely,

Hofer

Dr Christian Hofer
CHAIRMAN OF THE MANAGEMENT BOARD

COR&FJA's comprehensive product spectrum ranges from the development and implementation of standard software to consulting services and IT operations management, offering ideal solutions to meet all customer requirements.

Among the more physically oriented styles of yoga, Ashtanga Yoga is regarded as one of the most important and sophisticated practices, but also as one of the most difficult.

COR&FJA
The group

Sophisticated IT system solutions and services for insurance companies and company pension schemes

The COR&FJA Group is one of the leading software and consulting companies for the international financial services industry, focusing on insurance companies and providers of company pension schemes. The solutions range from the development and implementation of standard software and the provision of extensive consultancy services to taking over IT operations (Application Service Providing).

With decades of market experience and a committed team of highly qualified specialists, COR&FJA supports its customers with holistic, modern, tested state-of-the-art solutions. The software architecture used is component-based and service-oriented. A unique combination of specialist knowledge, process skills and IT expertise makes COR&FJA a one-stop shop for solutions to complicated problems. The COR&FJA name stands for first-class solutions, lasting business relationships and long-term success.

COR&FJA is the market leader for the life assurance segment in German-speaking countries, and has a strong market position in Europe.

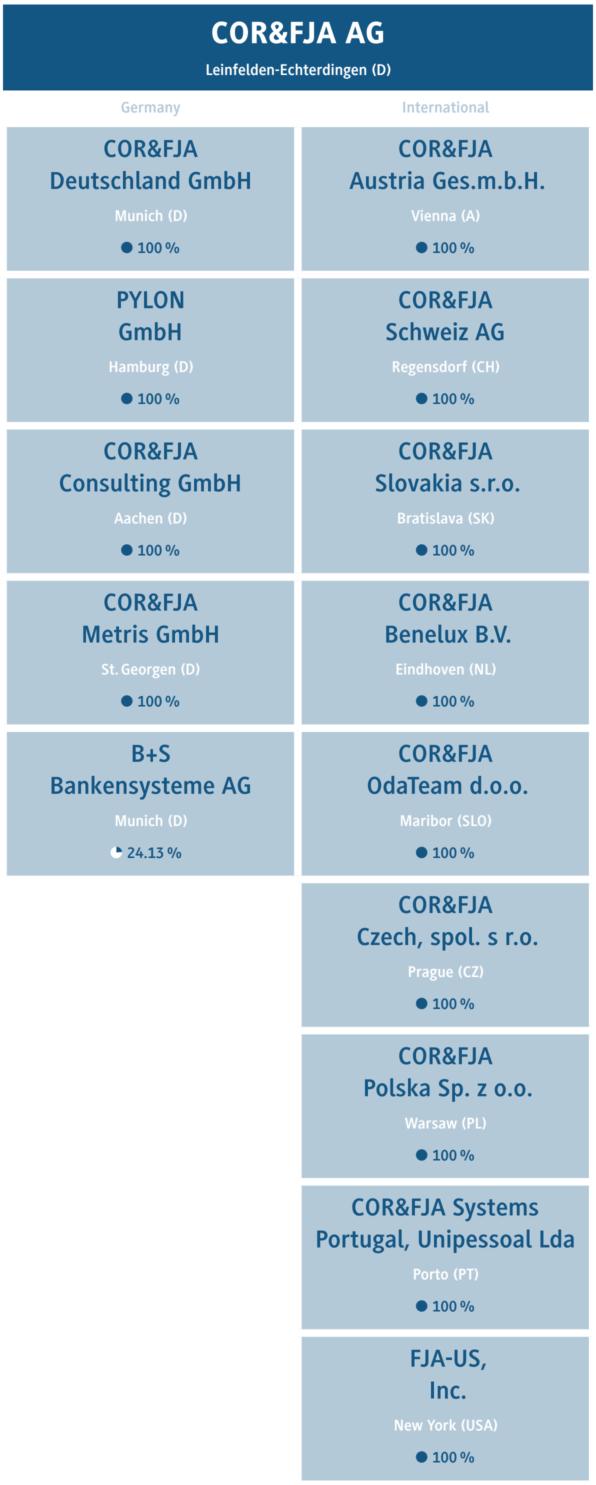
With its modern, flexible, reliable IT solutions, COR&FJA provides its customers with considerable time savings and cost benefits, thereby enabling them to strengthen their competitive position. Because the solutions are systematically tailored to the requirements of a service-oriented architecture, COR&FJA's software can be integrated or upgraded quickly.

The standard software always supports multiple clients, currencies and languages and can, therefore, be rapidly and flexibly deployed, even in an international context. Today, COR&FJA's solutions are already in use in more than 30 countries, including the US and Australia. This product range is supplemented by consulting services with a particular focus on product innovations and risk management, migration and process management.

COR&FJA sees itself as a partner for insurance companies and banks. The continuous enhancement of the company's products and services is always oriented strictly towards customers' needs and market requirements in order to ensure that these solutions maintain their value in the future as well.

Structure / Locations

The COR&FJA Group, which has its head office in Leinfelden-Echterdingen near Stuttgart and offices in Munich, Aachen, Düsseldorf, Hamburg, Cologne and St. Georgen, as well as subsidiaries in the Netherlands, Austria, Switzerland, Slovakia, Slovenia, Poland, the Czech Republic, Portugal and the US, currently employs about 900 staff.



The solutions portfolio

COR&FJA provides a wide range of efficient, state-of-the-art, flexible standard software products and consulting services for insurance companies. COR&FJA can also provide the high-quality standard software solutions and services in the form of ASP models (application service providing) or software as a service (SaaS) if required. This enables our customers to benefit from the specialisation and technical quality of the IT solutions on offer and to gain financial flexibility by avoiding large investments in IT infrastructure and software licences.

Standard software for the international insurance market – Flexibility and cost benefits for a competitive edge

Today, insurance companies are exposed more than ever to increasing costs and competitive pressure. Demand for a high level of customer service and attractive prices, the challenge of coping with new statutory requirements as well as the necessity of launching new products on the market quickly and cost-effectively mean insurance companies are facing new challenges all the time.

COR&FJA's solutions portfolio consists of numerous upgradable standard software components. The high configurability, use of a product server and modern, service-oriented technology mean adjustments can be made rapidly to products and processes, enabling us to react promptly to customer requirements and changes in the market.

The individual components fully represent the relevant insurance company business processes and can either be combined to meet customer-specific needs or used as standalone services. The spectrum ranges from front-end functions such as handling enquiries and risk assessment to contract management, commission management and collection. Additional COR&FJA modules, individual add-ons or software components from third parties can be incorporated via existing standardised interfaces. This enables each customer to set up its IT environment specifically to meet its own needs without having to dispense with the advantages of standard software.

COR&FJA's main products and services

COR.FJA Life Factory

Policy management for life insurance companies

As a universal standard system, COR.FJA Life Factory and its supplementary systems cover the key business processes conducted by life assurance companies and pension fund institutions over the lifecycle of an insurance contract – both for business with private customers and for company pension schemes. As the system is based on modern, service-oriented architecture (SOA) based on Java JEE, it can be readily integrated into the IT environment of an insurance company. COR.FJA Life Factory offers outstanding potential for customisation and is particularly suitable for the requirements of large insurance companies.

COR.FJA Life

Policy management for life insurance companies

COR.FJA Life supports contract management for all common life assurance and pension products. Individual add-ons, additional COR&FJA modules or software components from third parties can be flexibly incorporated via standardised interfaces. The solution has fully integrated standardised processes, supports multiple languages and currencies, and can be quickly and economically installed.

COR.FJA Symass

All-sector system for insurance companies in Eastern Europe

COR.FJA Symass in particular meets the needs of insurance companies looking for a streamlined, cost-effective management system which covers the core functions of insurance companies and can be implemented very flexibly. The system enables new products to be rapidly developed and launched, and supports multiple clients, languages and currencies.

FJA Product Machine

Software for product development, introduction and maintenance

The FJA Product Machine enables insurers to centralise all of their product-relevant information, product rules, legal requirements and marketing necessities. This enables insurers to create, test and market new insurance products even more flexibly. This enables insurers to create, test and market new insurance products even more flexibly. The result is that health insurers can be more responsive to market trends and depict products with a high time to market.

COR.FJA Merica

Risk evaluation module for personal insurance companies

COR.FJA Merica is a component-based standard solution for the complete proposal examination and risk evaluation process (Straight-Through Processing) in the life, health and accident insurance segments. The system offers dynamic question generation, making it suitable for use in tele-underwriting as well.

COR.FJA Alamos

Software for risk management and product development

The standard software package COR.FJA Alamos (Asset Liability and Model Office System) allows insurance companies to conduct a qualitative and quantitative analysis of the effects of planned management decisions, possible market developments or other factors in advance.

Pension settlement and documentation system

COR.FJA RAN controls, monitors and keeps records of all planned and unplanned business transactions that occur in relation to the disbursement of ongoing benefits in individual and collective business. The system supports all the business processes involved in ongoing pension payments arising from annuity, occupational disablement, accident and pension contracts.

Standard software for the transmission of premium data to the German central allowance authority for pension assets [Zentrale Zulagenstelle für Altersvermögen, ZfA]

COR.FJA TaxConnect supports the legally required processes and premium data messages to the ZfA. The system brings the relevant data from the participant systems together in a database of their own, thereby making cross-component data viewing and management possible. The software also satisfies all of the requirements arising from the church tax deduction criteria (KiStAM).

Solutions for managing allowances processes

The standard software for managing Riester products is an automated solution with full traceability that handles the processes involving the provider, the German central allowance authority for pension assets (Zentrale Zulagenstelle für Altersvermögen, ZfA) and the people entitled to such allowances. It supports statutory activities and reporting requirements relating to pension allowances through various business processes.

Broker portal for mapping sales channels and back office processes

COR.FJA's Sales & Service System offers insurers a web-based service platform that supports and enables end-to-end processing of all sales and business processes. Starting with fast and easy-to-use customer research, the solution provides customer-related information, transactions and canvassing data. The system can be installed quickly and economically on the basis of a standardised customising process.

Business transaction management and processing of documentation

COR.FJA Office provides functions (capture, distribution, processing and archiving of data) that are required for convenient, paper-saving processing. COR.FJA Office can be used as an intelligent front office for processing, in conjunction both with the leading archive and document management systems, and with corresponding Enterprise Content Management solutions.

Service portal for time value accounts and company pension plans

The COR.FJA Pension System is a solution for looking after and managing company time value accounts and contribution-based company pension plans for corporate clients, banks, insurance companies and occupational pension institutions. COR&FJA offers a service that includes both the administration of accounts and contracts as well as the provision of a computer centre and productive operations. Administrative processing is carried out as a web application via the COR.FJA Pension service portal.

Standard software for central management for actuarial calculations

COR.FJA iLIS is a standard software package for the central management of all data required for actuarial calculations. It ensures that all data is up-to-date, of high quality and audit-proof, and that it incorporates the GDV standard model. COR.FJA iLIS also controls processes by activating adjacent systems and supplying them with the required input data. This makes it possible to significantly improve and optimise the efficiency and quality of the processes involved in actuarial calculations and financial reporting.

Solution for compressing large insurance portfolios

Variations can be calculated simply and efficiently with different compression ratios using the standard software COR.FJA ClustRed (Cluster Reduction) in order to optimise the compression ratio given a specified quality. This enables projection calculations and stochastic analyses to be carried out efficiently, irrespective of the actual size of the portfolio, yet nevertheless delivering reliable projections with significantly better runtimes.

Web-based standard software for product-driven settlement

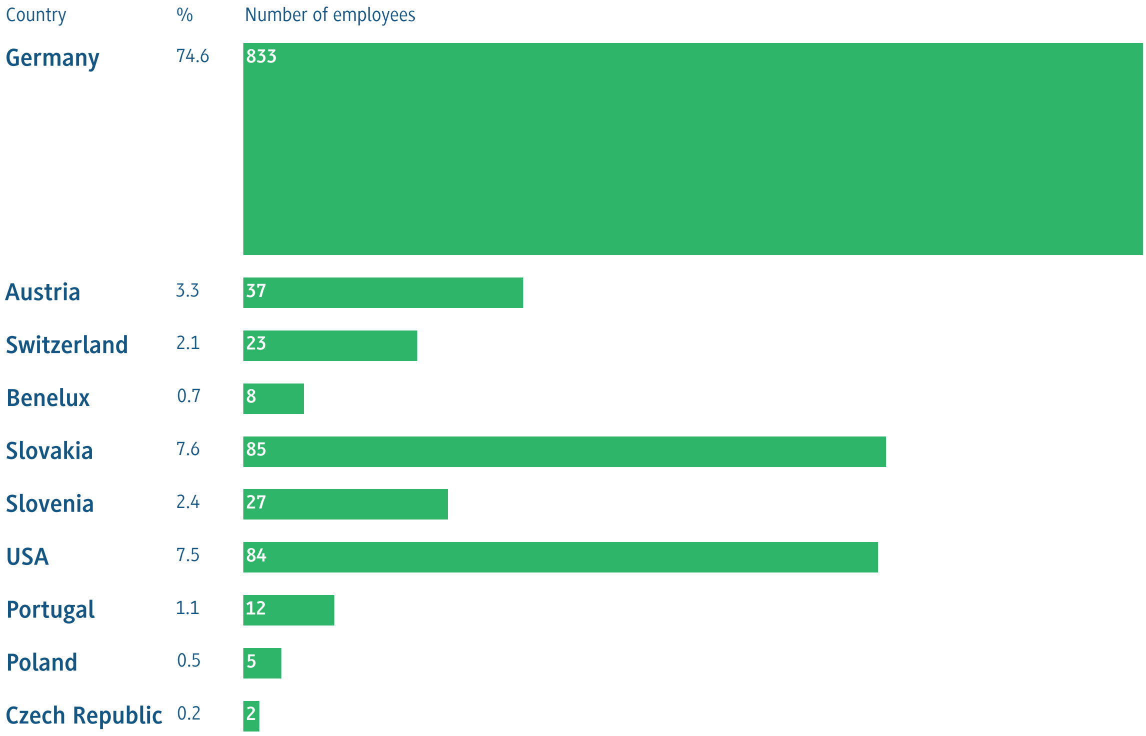
In the field of claims management, openClaims provides insurance companies with a platform that supports internal processes as well as the processing of claims by field representatives. Each module on the openClaims platform can be used on its own or intermeshed seamlessly with other modules to develop a high level of savings potential throughout the entire process when combined with the msg.CLAIMS product from msg systems.

Insurance consulting

Drawing on our extensive technical and sector know-how, COR&FJA supports insurance companies in the conceptual planning and successful implementation of their projects, even independently of the product range. Our consultancy services cover product strategy, development and implementation, risk management and portfolio migration. Furthermore, we also offer detailed specialist advice on actuarial and business-case related matters.

Employees

On 31 December 2013, a total of 1,116 people were permanent employees of the COR&FJA Group[1]. To some extent, the decline as of the balance sheet date can be attributed to the fact that some of the posts that became vacant as a result of the general economic climate that has prevailed since the beginning of 2013 have not been filled again. In addition, most of the compulsory redundancies at the subsidiary COR&FJA Metris GmbH, which were announced as early as April 2013, became effective during the third quarter of the year. The number of permanent employees has now been reduced to around 900 as a consequence of the sale of the Banking segment, which was successfully concluded in 2014, and the disposal of the equity stake in plenum AG.



Vacancies

At present, the company has just under 20 vacancies (March 2014) for both graduates and experienced professionals. In order to maintain its position in the continuing stiff competition for highly qualified employees, COR&FJA is also taking advantage of the networks and know-how of employees within the sector. Personal recommendations by the company's own employees frequently prove successful since they have the best knowledge of the working environment, the type of work involved and the requirements. In addition, the Internet is by far the most important source of job applications for the company. This medium accounted for approximately three quarters of the almost 1,000 job applications received in 2013. Accordingly, the Internet is of strategic significance in acquiring new employees, and will continue to be a key recruitment tool in the future.

[1] 31 December 2012: 1,178 permanent employees

University relations

'University relations' are another aspect of importance for the company in the field of long-term staff recruitment. During the 2013 financial year, COR&FJA continued its endeavours to promote its good reputation at those universities which are of interest to the company, the purpose being to attract promising graduates with suitable qualifications. The company was in attendance at recruitment events at selected universities and also intensified its involvement by means of guest contributions, lectures or teaching assignments within the framework of regular courses of study. Apart from this, COR&FJA again invited a group of students from a selected university to visit the company's premises in 2013. One-day events of this kind focus on the various employment opportunities and job profiles that COR&FJA can offer graduate mathematicians, in particular, but also graduates in other subjects.

In this way, COR&FJA can approach and integrate young talented people while they are still studying, bringing the latest know-how from the universities directly into the company. At the same time, COR&FJA can position itself as an attractive employer for junior staff and talented graduates. In view of the general demographic trend, COR&FJA will continue to intensify these activities and to focus even more on younger target groups. Examples of this include visits to career orientation fairs for school pupils, attendance at university and graduate recruitment fairs, and participation in internship schemes associated with the pertinent fields of study which are open to students all over Germany.

Further professional training

In the area of further professional training for employees, COR&FJA is supporting staff who are training to be DAV actuaries at the Deutsche Aktuarakademie (DAV – the German actuarial academy) while working. The company is paying their course fees and giving them time off to attend lectures.

Welcome Day

COR&FJA organises Welcome Days at extended intervals for all new members of staff. With the participation of the Management Board, Human Resources Department, Works Council representatives and, in particular, specialists from the operational areas, the company presents its strategic focus and targets in its various business segments. In addition, the new employees can get to know one another in a relaxed atmosphere, identify common ground and begin to build up contacts with new colleagues from other areas.

Onboarding

The company's familiarisation (Onboarding) programme, which COR&FJA developed in-house, launched in 2011 and successfully relaunched in 2013. It concentrates on the needs and requirements of new members of staff who have generally gathered around three years of professional experience since completing their studies. In contrast to many comparable schemes initiated in larger companies and groups, COR&FJA does not impose any strict age limits for participation. In the meantime, this programme is being actively discussed at universities, career fairs and in interviews with young job applicants, where it is regularly met with great interest.

In specific terms, the Onboarding Programme comprises a series of individual modules relating to a highly diverse range of subjects which are scheduled over several days. The term 'onboarding new employees' actually refers to the process of bringing new employees on board, i.e. rapidly integrating, accommodating and incorporating them into the company. In doing so, the programme becomes active at the very interface between graduation and/or initial professional experience on the one hand, and employment at COR&FJA on the other, thus paving the way for an easier start. It facilitates the integration of new employees, identification with the company and the rapid networking of the new members of staff within the company.

The programme is made up of several two-day soft-skills workshops, which provide a framework for the centrepiece – the internally-developed 'one week in your life' workshop. Tailored to the requirements of COR&FJA and lasting for several days, this intuitive, practical event guides personnel through all of the phases of project business at COR&FJA. The members of the trainer team are colleagues from different departments, who not only attend the workshops in their capacity as trainers, but have also been actively involved in the development of the programme's content. The balanced alternation of theory and practice improves the transfer of knowledge and ensures that the knowledge communicated in all areas is consistent.

New remuneration model

The development of a new remuneration model was one of the central human resources issues during 2013 and an appropriate agreement was concluded with the General Works Council in April 2014. The new remuneration model was based on the competence development model (KEM) that has already been used within the company for some time; it was enhanced in a targeted manner and adapted as appropriate with the help of a consultancy firm that enjoys an excellent reputation on the IT market. The new remuneration model focuses on the function and performance of the employees to a much greater extent than the KEM and ensures that remuneration is in line with market requirements. This means that in future, the company will be able to retain its employees in the long term – along with the knowledge that they have acquired – and make significant advances with respect to long-term staff development.

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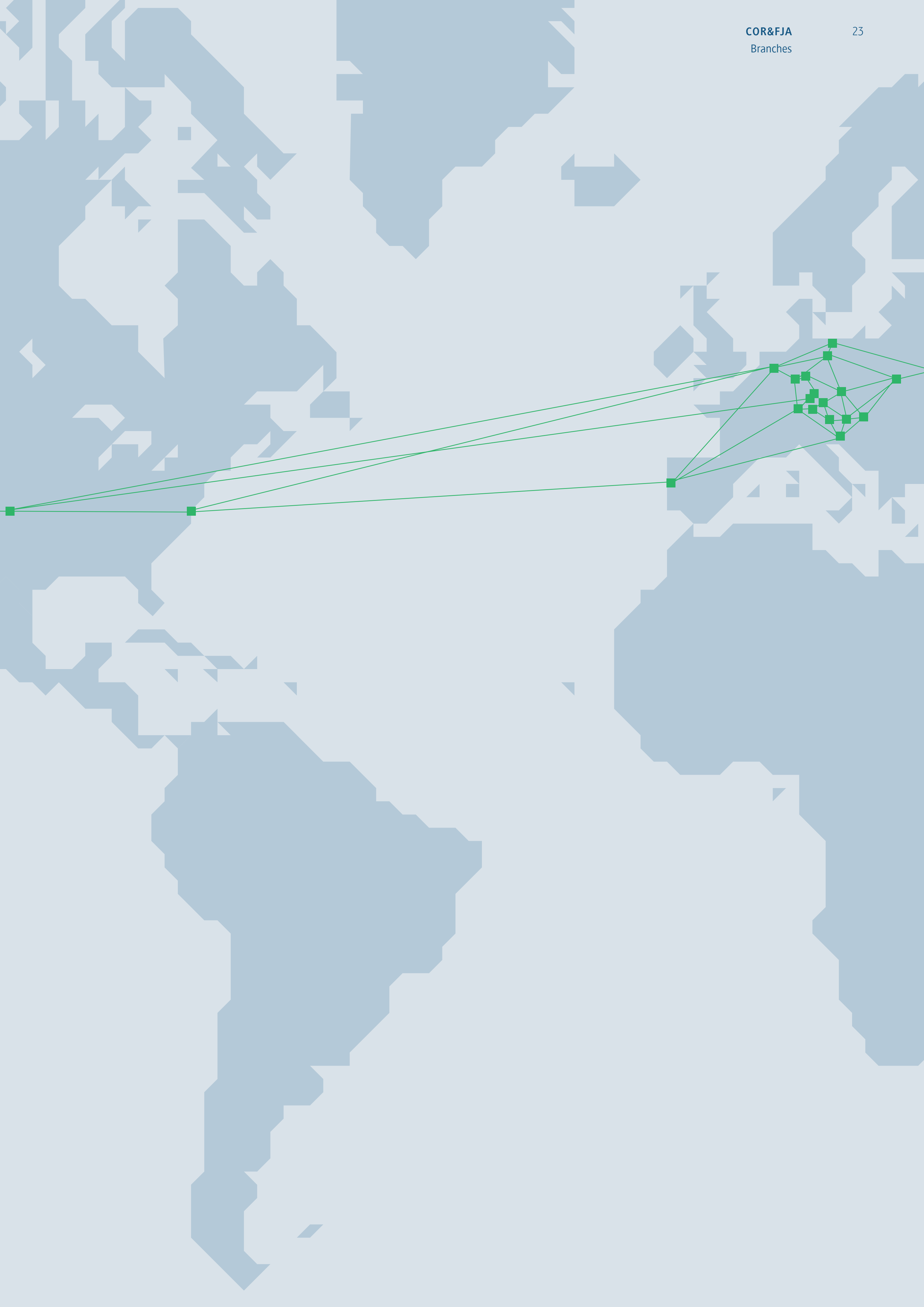
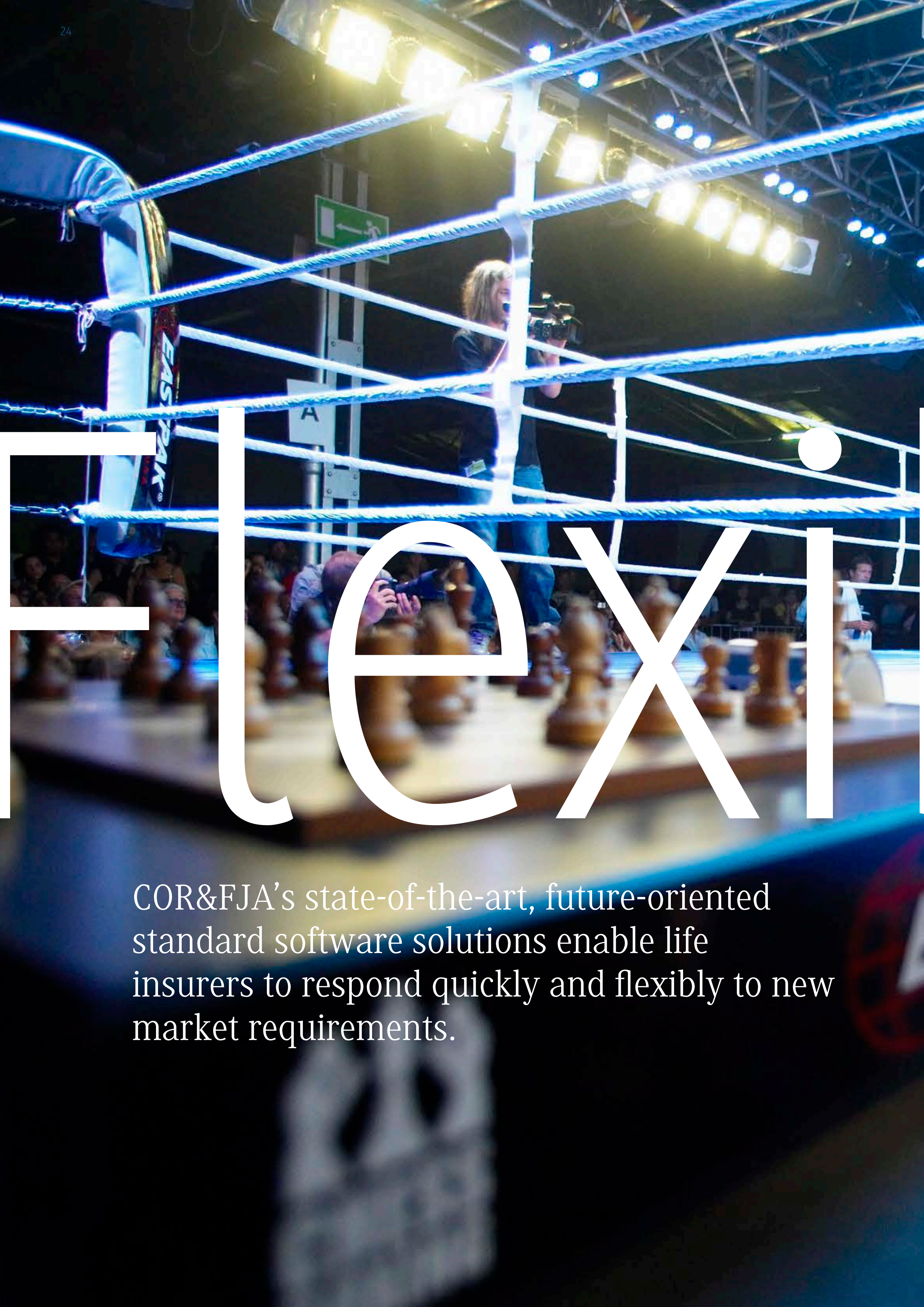




Flexi

COR&FJA's state-of-the-art, future-oriented standard software solutions enable life insurers to respond quickly and flexibly to new market requirements.

There are eleven rounds in a chess boxing match – six rounds of chess and five rounds of boxing. Chess and boxing take place in alternating rounds interrupted by brief intervals for changing clothes.

The Supervisory Board

Report by the Supervisory Board

Dear shareholders,

The Supervisory Board diligently performed the duties incumbent on it according to the law, company statutes and rules of procedure in the 2013 financial year, and monitored the activities of the Management Board in managing the company, guiding it in an advisory capacity. It compared the company's actual business performance against its business targets at each meeting and scrutinised the operational and strategic performance of COR&FJA AG in detail. The reasons behind any divergences and their possible knock-on effects on the company's short, medium and long-term plans were also discussed.

The individual meetings always focused on the key figures representing the COR&FJA Group's current earnings, financial and assets position, as well as any decisions requiring a vote. The Management Board also kept the Supervisory Board informed about other central issues, such as the fundamental trend in the market climate, recent developments in the sales and project situations in the various divisions, short and longer-term corporate policy and strategy, and possible cooperative ventures and investments. The situation on COR&FJA's foreign markets was also discussed at regular intervals.

Cooperation between Supervisory Board and Management Board

The Management Board notified the Supervisory Board regarding all company-related issues. The meetings of the Supervisory Board were shaped by constructive discussions and very in-depth and frank exchanges of opinions. Where necessary, the Management Board informed the Supervisory Board about any occurrences of special interest during the periods between the individual meetings.

To prepare for their decisions, members of the Supervisory Board were provided with detailed documents by the Management Board prior to the meetings. In these documents, the Management Board generally provided the Supervisory Board with monthly details of the main financial figures. It submitted the 3-month, 6-month and 9-month report and draft annual report in good time. Deviations from planning were explained to the Supervisory Board in detail by the Management Board.

The members of the Supervisory Board were supported by the results of discussions held by the respective responsible committees until the Supervisory Board was elected again during the Annual General Meeting held on 25 June 2013. In the course of this AGM, the statutory Supervisory Board of COR&FJA AG was then reduced from six members to three by resolution of the Annual General Meeting. There has been little point in forming any committees since then, with the result that the functions and duties previously performed by the Audit Committee and the Personnel Committee are now performed by all of the members of the Supervisory Board.

Information was also exchanged on a regular basis during the periods between the individual meetings. Preliminary discussions without the Management Board were usually conducted on the eve of the Supervisory Board meetings. All members of the Management Board were always present at every Supervisory Board meeting.

Activities of the Supervisory Board in 2013

The Supervisory Board convened a total of six ordinary and one extraordinary Supervisory Board meetings during the 2013 financial year. The Supervisory Board members received written reports from the Management Board in preparation for each ordinary Supervisory Board meeting. In performing its functions and duties, the Supervisory Board drew on the written and verbal information provided by the members of the Management Board and, as already outlined above, the results of work carried out by the committees.

The former Chairman of the Management Board, Ulrich Wörner, resigned as member and Chairman of the Management Board with immediate effect during the extraordinary meeting held on 31 January 2013 because of a difference of opinion regarding the company's business policy. The Management Board service agreement was simultaneously terminated with immediate effect. Supervisory Board member Dr Christian Hofer was subsequently appointed as a member and Chairman of the Management Board with effect from 1 February 2013 after resigning from his position as member of the company's Supervisory Board.

The Management and Supervisory Boards discussed, in particular, the details of the commercial situation in the various divisions as well as the budget plans for 2013 during the subsequent ordinary Supervisory Board meeting held on 31 January 2013. Another topic of discussion was the current status of an important project in the insurance segment and the course of action to be adopted.

At the meeting held on 1 March 2013, the Management Board again drew attention to the status of the insurance project mentioned above and to the situation at one of COR&FJA's subsidiaries, with the strategies to be adopted for these circumstances then being discussed in great detail. The budget plans for 2013 and the Management Board's long-term target agreements were also discussed and adopted. Other subjects under discussion included fundamental deliberations concerning the company's strategic reorientation and changes to the areas of responsibility within the divisions.

At the accounts meeting on 30 April 2013, the Supervisory Board and the auditor jointly discussed the annual financial statements and consolidated financial statements as well as the condensed management report and Group management report for the 2012 financial year. The Management Board also presented the current business situation in the individual divisions, along with the consequent corporate strategy for the future. Apart from this, the agenda for the 2013 Annual General Meeting was discussed and adopted.

The Annual General Meeting held on 25 June 2013 was followed by a meeting of the Supervisory Board. The Chairman and Deputy Chairman of the Supervisory Board were elected during this meeting and the Management Board's target agreements were amended slightly. Apart from reporting on the company's current commercial and financial position, the Management Board also reported to the Supervisory Board in detail regarding the current status of the company's strategic reorientation process.

At the Supervisory Board meeting on 24 September 2013, the central themes were the current economic development of the Group as well as the status of COR&FJA's main sales projects. Apart from this, the Management Board explained the current status of each of the restructuring projects and outlined planned changes to the organisational structure within the company.

On 3 December 2013, Dr Christian Hofer's appointment as Chairman of the Management Board was extended beyond the originally agreed term of 15 months by a further two months up to 30 June 2014, and Bernhard Achter was appointed as a new member of COR&FJA AG's Management Board for a period of three years with effect from 1 January 2014. Other issues discussed by the Supervisory Board and the Management Board included the current business situation and plans for 2014, as well as the draft declaration of compliance with the German Corporate Governance Code. The ongoing cost-cutting programme, the current status of the Banking segment's sale, and the sale of holdings were also debated.

The work of the committees

As mentioned above, the Supervisory Board had formed two committees in order to perform its functions and duties efficiently before the election took place within the framework of the Annual General Meeting held on 25 June 2013. The purpose of these committees was to prepare the topics to be discussed and decided upon at the plenary session in detail. These were the Audit Committee, chaired by Johann

Zehetmaier, and the Personnel Committee, chaired by Prof. Dr Elmar Helten. The Supervisory Board was regularly informed by the committees concerning the topics and results of their discussions at the subsequent Supervisory Board meeting.

The Audit Committee met on one occasion during the period under review:

On 30 April 2013, the Audit Committee discussed the final financial statements and consolidated financial statements for 2012 with the auditor and the head of finance, as well as the future course of the audit and particular areas of emphasis.

The Personnel Committee met on a total of four occasions during the period under review.

On 30 January 2013, the Personnel Committee met to discuss, in particular, the model and the effects of the long-term target agreements on the Management Board bonuses.

During the meeting held on 1 March 2013, the committee debated on the future composition of senior management and again discussed the Management Board's long-term target agreements.

In preparation for the 2013 Annual General Meeting, the Personnel Committee meeting held on 29 April 2013 was primarily concerned with the question of reducing the number of Supervisory Board members in accordance with the company statutes.

The committee discussed the Management Board's long-term target agreements conclusively and debated staff-related aspects of the implemented cost-cutting measures during the meeting held on 25 June 2013, immediately prior to the Annual General Meeting.

Corporate governance and declaration of compliance

In its management, supervision and steering of the company, the management of COR&FJA AG follows the rules of the German Corporate Governance Code (DCGK). The Management Board and Supervisory Board report jointly on corporate governance at COR&FJA in the corporate governance report, which is published in connection with the corporate governance declaration on the company's website. The updated declaration of compliance with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) was passed in December 2013 and made permanently accessible on the company's website.

There were no cases during the 2013 financial year in which conflicts of interest among members of the Management and Supervisory Boards could arise that would otherwise need to be reported immediately to the Supervisory Board and mentioned during the Annual General Meeting. All members of the Supervisory Board were always present at every Supervisory Board meeting.

The efficiency of the Supervisory Board's work was regularly the subject of separate discussions when the Management Board was not present. No significant action was deemed necessary in relation to the activities of the Supervisory Board or the content or conduct of the meetings. However, a resolution was adopted to convene ten meetings of the Supervisory Board during 2014 if possible. The forthcoming Annual General Meeting was scheduled to be held on 26 June 2014 and five Supervisory Board meetings are planned for the period leading up to this during the current 2014 financial year.

Audit of the 2013 financial statements and consolidated financial statements

The Annual General Meeting held on 25 June 2013 appointed kleeberg audit GmbH Wirtschaftsprüfungsgesellschaft, Munich, as auditor for the 2013 financial year. The financial statements and consolidated financial statements for the 2013 financial year were discussed in detail by the Supervisory Board together with the auditor and the Management Board at its meeting on 14 April 2014, and again with the Management Board at the meeting held on 23 April 2014. Detailed questions from the Supervisory Board, especially concerning measurements of individual balance sheet items, were likewise discussed with the auditor and the Management Board.

The 2013 financial statements and consolidated financial statements and the condensed management report and Group management report have been examined by the auditor and granted an unqualified audit certificate. These financial statements and reports and the auditor's audit reports were forwarded to every member of the Supervisory Board before the Supervisory Board meeting convened on 15 May 2014. The Supervisory Board again discussed them with the auditor and the Management Board conclusively at this meeting, in which the financial statements were adopted.

The Supervisory Board, too, conducted its own detailed audit of the annual financial statements, the consolidated financial statements, the condensed management report and Group management report and raised no objections to them. The Supervisory Board approved the company and consolidated financial statements prepared by the Management Board, and consequently the annual financial statements were adopted in accordance with Section 172 AktG.

With regard to the stake held by msg systems ag, Ismaning, in COR&FJA AG, the Management Board submitted to the Supervisory Board the report on relationships with affiliated companies for the 2013 financial year in accordance with Section 312 AktG and the audit report on this subject prepared by kleeberg audit GmbH Wirtschaftsprüfungsgesellschaft, Munich, as the auditor, in accordance with Section 313 AktG. As no queries arose in the course of the audit, the auditor issued this audit opinion:

> 'Following our statutory audit and assessment we confirm that
>
> 1. the actual information in the report is correct,
> 2. the company's performance was not inappropriately excessive in the legal transactions.'

The Supervisory Board examined the report on relationships with affiliated companies and the accompanying audit report thoroughly. Having concluded its final examination, the Supervisory Board had no objections regarding the Management Board's statement at the end of the report on relationships with affiliated companies and approved the report.

Changes to the Supervisory Board and Management Board

Milenko Radic resigned from the Management Board of COR&FJA effective from the end of 9 January 2013.

The former Chairman of the Management Board, Ulrich Wörner, resigned as member and Chairman of the Management Board with immediate effect on 31 January 2013 because of a difference of opinion regarding the company's business policy. 31 January 2013 also saw Supervisory Board member Dr Christian Hofer being appointed as a member and Chairman of the Management Board with effect from 1 February 2013 after resigning from his position as member of the company's Supervisory Board. Dr Christian Hofer was initially appointed for a period of 15 months. On 3 December 2013, the appointment was extended beyond the originally agreed term of 15 months by a further two months up to 30 June 2014.

On 3 December 2013, the Supervisory Board also appointed Bernhard Achter as a new member of COR&FJA AG's Management Board for a period of three years with effect from 1 January 2014.

Furthermore, former Supervisory Board member Dr Christian Hofer resigned from the Supervisory Board on 31 January 2013 and the former Supervisory Board members Thomas Nievergelt and Dr Jens Seehusen resigned from the company's Supervisory Board with effect from the end of the Annual General Meeting held on 25 June 2013. Apart from this, the statutory Supervisory Board of COR&FJA AG was reduced from six members to three by resolution of the AGM within the framework of this Annual General Meeting.

In the course of the AGM held on 25 June 2013, the shareholders re-elected Prof. Dr Elmar Helten, Klaus Kuhnle and Johann Zehetmaier to the Supervisory Board of COR&FJA AG until the end of the 2017 Annual General Meeting.

Significant events after the balance sheet date

Following the end of the period under review, Volker Weimer resigned as a member of COR&FJA AG's Management Board with effect from 28 February 2014.

Besides, the Chairman of the company's Supervisory Board, Prof. Dr Elmar Helten, has announced on 14 April 2014 that he is stepping down from his office as member and Chairman of the Supervisory Board as of the end of business on 30 June 2014.

It is intended that Dr Christian Hofer, the current Chairman of COR&FJA AG's Management Board, should be proposed for election as the successor to Prof. Dr Elmar Helten at COR&FJA AG's upcoming Annual General Meeting at the suggestion of msg systems ag, Ismaning, which holds more than 25 per cent of the voting rights in the company. The Supervisory Board gave its assent to this proposal at its meeting on 23 April 2014, during the course of which it also appointed Mr Rolf Zielke, who has been a member of COR&FJA AG's Management Board since 1 May 2009, as Management Board spokesman effective from 1 July 2014.

On 28 April 2014, COR&FJA AG postponed the presentation of its individual and consolidated financial statements for 2013 by a short period and stated in connection with this that the Supervisory Board meeting for the adoption of the individual financial statements and approval of the consolidated financial statements would be held on 15 May 2014 and that the respective financial statements would be published immediately thereafter.

The Supervisory Board would like to thank the members of the Management Board and Supervisory Board who resigned during and after the period under review for their many years of service and commitment to COR&FJA AG, as well as for their trusting cooperation, and wishes them all the best for the future.

The Supervisory Board would also like to thank the current members of the Management Board and all of the staff employed by the companies in the COR&FJA Group for their great personal commitment and the particularly praiseworthy work that they accomplished within the framework of the company's strategic reorientation process in 2013.

Leinfelden-Echterdingen, 15 May 2014

For the Supervisory Board

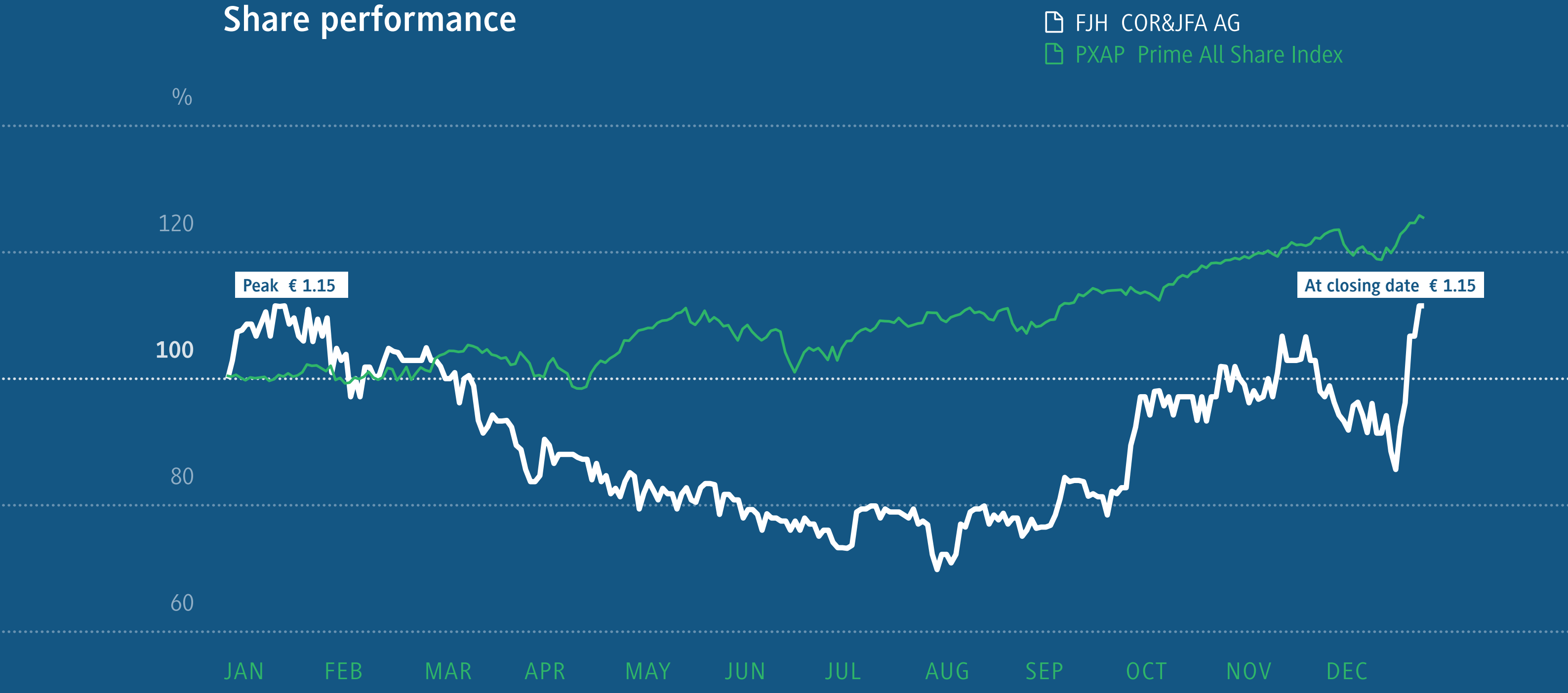
Prof. Dr Elmar Helten
CHAIRMAN OF THE SUPERVISORY BOARD

Ice climbing is a special form of mountaineering requiring experience in rock climbing as an elementary prerequisite. Climbers use crampons and special ice picks to make their ascent.

As part of the msg Group and with its strong partner IBM, COR&FJA is the reliable and proven partner for life insurance companies and providers of company pension schemes, with products and expertise that are now deployed in more than 30 countries.

The share
Share price development, key ratios and shareholder structure

Share performance



Key figures

	2013	2012
Earnings per share in euros	**-0.14**	-0.59
Highest annual price in euros	**1.15**	1.45
Year-end closing price in euros	**1.15**	1.05
Market capitalisation in million euros	**49.22**	44.94
Total number of shares in millions (shares)	**42.80**	42.80

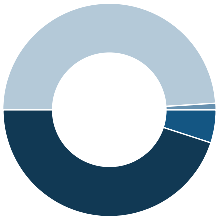
Fearing a collapse of the euro zone, globally active investors gave Europe a wider berth until around mid-2013. The situation then changed after the middle of the year at the latest with a reassessment of the risks and the European stock markets. The reasons for the revision of opinion and the subsequent pronounced upward swing included the European Central Bank's statement announcing its intention to maintain the relaxed monetary policy and to purchase bonds issued by financially stricken member states. This signalled the ultimate recovery of investors' confidence in the future of European monetary union.

A highly positive trend was evident in the DAX, Germany's leading stock market index, during 2013. After starting the year with 7,778 points, the index followed a relatively sideward trend before overcoming an initial minimum for the year of 7,418 points on 19 April. The DAX then embarked on a virtually constant upswing during the second half of the year and ended the 2013 market year with an increase of almost 26 per cent at 9,552 points. With this result, Germany's leading stock market index has again brought an outstanding yield for investors following its 29 per cent increase in 2012. Investors in second-line stocks fared even better, and the MDAX and TecDAX mid-cap indices rose by 39 and 41 per cent respectively. Prime All Share, the relevant industry index for COR&FJA, ended the year at 3,654 points, which also represented a growth of almost 28 per cent over the year.

All of the indices benefited from the devolatilisation of the euro crisis and the vitalisation of the export markets that are so important to German companies, particularly in North America. And – like all stock markets – they were also favoured by the fact that the central banks injected large quantities of money into the market because of the lack of attractive investment opportunities. Many investors regarded the stock market as being a worthwhile alternative, which in turn drove the stock prices upward.

The COR&FJA share can look back over a decidedly turbulent market year in 2013. After a positive start with an initial annual high of 1.15 euro on 16 January, the share price gradually declined over the course of the year to settle at the annual low of 0.72 euro at the beginning of August. After that, a clearly positive development was evident, however, with a sustained recovery in the share price. This was only slowed down temporarily to a minor extent by the profit warning issued at the end of November, and the share price rose again to well over one euro with, among other things, the announcement of AXA Deutschland's major order on 23 December. The COR&FJA share closed the 2013 market year with another annual high at 1.15 euro, corresponding to an increase of just under 12 per cent over the year. The benchmark index, the Technology All Share, registered an increase of almost 35 per cent over the same period. The considerable increase in movements of shares per month was very pleasing at 500,000 COR&FJA shares per month in 2013 – a pronounced improvement over just under 300,000 shares per month in 2012.

Shareholding structure[1]



49.09% msg systems ag

0.23% Management bodies

4.45% Treasury shares (COR&FJA AG)

46.23% Other free float

Master data

Securities identification number WKN	513010
ISIN	DE0005130108
Reuters	FJHG.DE
Bloomberg	FJH.GR
Stock exchange centres (Regulated market)	Frankfurt (Prime Standard)
Open market	Berlin, Düsseldorf, Hamburg, Munich, Stuttgart

Investor relations activities

During the 2013 financial year, COR&FJA informed all institutional investors, analysts and representatives of business publications and private shareholders promptly and in detail about the respective current commercial situation and the strategic reorientation of the company. The main focus here was on press and ad-hoc publications and the published annual and quarterly reports. Furthermore, the research reports published at regular intervals by DZ Bank and Warburg Research were another important source of information for any stakeholders and shareholders interested in COR&FJA and its shares. Apart from this, the Management Board stepped up its efforts to explain the company's fundamental strategic orientation and commercial development to all interested investors in one-to-one meetings and several teleconferences.

The strategic reorientation of COR&FJA during 2013 has also been reflected in the development of the share: there has been not only a positive general trend in the share price since the late summer of 2013, but also a noticeable improvement in the liquidity of the shares. This clearly shows that the investors appreciate the course adopted by the company and that the capital market's fundamental interest in COR&FJA shares is growing again. COR&FJA will support this pleasing development through continued regular, transparent communications targeted at the capital market.

1 as at 31 December 2013

The COR&FJA Group’s employees, products and services have been offering their customers genuine added value and a significant competitive edge for more than 30 years now.

There is a formality about virtually all of the steps and poses used in ballet. Years of training every day are needed in order to master classical ballet techniques.

Condensed Management Report and Group Management Report

The following management report is the condensed management report and Group management report of COR&FJA AG, Leinfelden-Echterdingen. It tracks the Group's business and that of COR&FJA AG, including the operating results for the 2013 financial year from 1 January to 31 December, as well as the situation of the Group and the plc as of the balance sheet date, 31 December 2013.

The reporting currency is the euro, and the rounding is done to thousands or millions of euros. This can give rise to rounding differences of up to one arithmetical unit.

The Group's foundations

Business model

COR&FJA has been developing IT systems solutions and advising customers successfully on the implementation of their IT strategies since as early as 1980. Thanks to its continuous growth, the expansion of its product range and, in 2009, the successful merger of the former FJA AG and COR AG Financial Technologies, COR&FJA has developed into a leading software supplier and consulting company for the financial services sector and beyond. COR&FJA as a company has been listed on the German Stock Exchange since 2000 and is now in the Prime Standard index.

On 14 November 2013, COR&FJA AG issued an ad-hoc announcement revealing that as per that date the company had signed a contract of purchase and sale with the French company Sopra Banking Software S.A., a subsidiary of Sopra Group S.A. (NYSE Euronext Paris, ISIN: FR0000050809), Paris, concerning the sale of all of the shares in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), a subsidiary of COR&FJA AG. The company's Banking segment has been concentrated within Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) since an internal restructuring process in the summer of 2013. The only area exempted from the restructuring and sale is the Banking segment of plenum AG, a subsidiary of COR&FJA AG. This segment is going to remain within plenum AG. The transfer of the shares in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) to Sopra Banking Software S.A. was subject to various conditions precedent and had not yet been carried out by the balance sheet date 31 December 2013. Any significant further developments in connection with this matter after the reporting period will be described in the supplementary report.

Several international locations were established in the past few years, with the primary emphasis most recently being on opening up the Scandinavian market and the eastern and southern European markets. Experience has shown that the targeted presence of COR&FJA in the respective foreign markets is an important success factor when it comes to attracting new customers. In the 2013 financial year, a decision was taken to consolidate efforts on existing foreign markets for the time being rather than entering new ones and to continue optimising the profitability of business areas in the markets where the company already operates in Europe and the USA. In addition, the Spanish market is going to be taken care of by the Portuguese branch.

COR&FJA's customers include life, health and composite insurers, universal, private and mortgage banks, and company pension schemes. The service spectrum ranges from the development and implementation of standard software and provision of consultancy services to the provision of full IT operations. On the basis of their extensive market experience, highly qualified COR&FJA staff develop state-of-the-art solutions to provide customers with comprehensive support. The company invests in modern technology and proven methods, and the software architecture used is component-based and service-oriented. The combination of specialist knowledge, process skills and IT expertise available at COR&FJA makes it possible to deliver solutions to complicated problems from a one-stop shop.

The headquarters of COR&FJA AG are located in Leinfelden-Echterdingen near Stuttgart, Germany. Other German branches are located in Munich, Aachen, Düsseldorf, Frankfurt, Hamburg, Cologne and St. Georgen. COR&FJA is also represented in Vienna (Austria), Basel, Rheinfelden and Regensdorf (Switzerland), Eindhoven (Netherlands), Copenhagen (Denmark), Warsaw (Poland), Prague (Czech Republic), Bratislava and Košice (Slovakia), Maribor (Slovenia), Porto (Portugal), and New York and Denver (USA). This distribution of branches keeps COR&FJA close to its customers and ensures that it can give them optimum support.

The previous COR&FJA sites in Hilden and Kiel (both Germany) and in Madrid (Spain) were discontinued in the financial year 2013. Furthermore, the previous site in Zurich (Switzerland) was closed down and the office there was relocated to Regensdorf (Switzerland). After the end of the reporting period, moreover, the office in Copenhagen (Denmark) was closed down.

Organisational structure

As a leading sector-based service provider for insurance companies, banks and company pension scheme providers, the COR&FJA Group offers a full range of state-of-the-art solutions in the form of consultancy, services, software solutions and application service providing. The service spectrum in the insurance segment addresses the field of policy management in particular, including actuarial mathematics, migration and across-the-board processes. In the Banking segment, core banking systems which include numerous peripheral systems for bank-specific processes such as cover, lending, foreign transactions, risk control, payment transactions, reporting and treasury operations are offered. Consulting and services on the one hand and the product spectrum on the other complement each other to make up the sector-based service provider's integrated range of solutions. The products are standard software products which have been launched widely on the market.

The Banking segment was concentrated within the subsidiary Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) as part of an internal restructuring process in the summer of 2013. On 14 November 2013, COR&FJA AG stated in an ad-hoc announcement that as of that date, the company had signed a contract of purchase and sale with the French company Sopra Banking Software S.A., a subsidiary of Sopra Group S.A. (NYSE Euronext Paris, ISIN: FR0000050809), Paris, concerning the sale of its entire equity stake in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), a subsidiary of COR&FJA AG. The only business unit not to be included in the restructuring and the sale is the Banking segment at plenum AG, a subsidiary of COR&FJA AG. That segment will remain within plenum AG. The transfer of the shares in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) to Sopra Banking Software S.A. was subject to various conditions precedent and had not yet been carried out by the balance sheet date 31 December 2013. Any significant further developments in connection with this matter after the reporting period will be described in the supplementary report.

Irrespective of its corporate structure, the COR&FJA Group is divided up into business units, each of which is responsible for one market segment or regional market. This responsibility encompasses both the further development of the respective solution portfolio and the handling of customer projects, and is assumed at divisional level. The heads of these divisions comprise the next senior management level below the COR&FJA AG Management Board.

Management and monitoring

As at 31 December 2013, the Management Board of COR&FJA AG consisted of Dr Christian Hofer (Chairman of the Management Board), Volker Weimer and Rolf Zielke.

Ulrich Wörner, the former Chairman of the Board, stepped down from his post as member and Chairman of the Board on 31 January 2013. On the same day, the Supervisory Board member Dr Christian Hofer was appointed as the new Chairman of the Board effective from 1 February 2013 after he had stepped down with immediate effect from his previous post as a member of the company's Supervisory Board for good reason. Dr Hofer will hold the office of Chairman of the Board until 30 June 2014.

Furthermore, Milenko Radic resigned from the Management Board of COR&FJA AG effective from the end of business on 9 January 2013, his employment contract having come to an end. On 3 December 2013, the Supervisory Board appointed Bernhard Achter as a new member of the COR&FJA AG Management Board for a period of three years effective from 1 January 2014. After the end of the reporting period, Volker Weimer stepped down from his post as a member of the COR&FJA AG Management Board effective from the end of business on 28 February 2014.

As of 31 December 2013, the Supervisory Board consisted of three members who were elected by the shareholders at the Annual General Meeting held on 25 June 2013 for the period until the end of the 2017 Annual General Meeting: Prof. Dr Elmar Helten (Chairman), Klaus Kuhnle (Vice-Chairman) and Johann Zehetmaier. The former Supervisory Board member Dr Christian Hofer stepped down from the Supervisory Board on 31 January 2013, and the former Supervisory Board members Thomas Nievergelt and Dr Jens Seehusen stepped down from the Supervisory Board effective from the end of the Annual General Meeting held on 25 June 2013. Also at the aforementioned Annual General Meeting, the statutory Supervisory Board of COR&FJA AG was downsized from six to three members by a resolution of the Annual General Meeting.

Management control, goals and strategy

Internal control system

Control ratios applied

The COR&FJA Group's strategic goals are to ensure sustainable profitable growth and expand its position not only in the German-speaking countries, but also on those foreign markets which are already being served or strategically addressed. To safeguard this strategy against business risks, fundamental ratios regarding the orders, earnings and liquidity position are applied.

To measure and analyse the general economic trend, the COR&FJA Group uses a uniform Group-wide control system based on a number of fundamental ratios. Prominent among these are the trends in the sales pipeline, turnover and the EBITDA. Cash and cash equivalents, the level of indebtedness and cash flow are taken into consideration as indicators of the company's financial stability. The ratios of turnover per employee and employee capacity utilisation are tracked as specific indicators of productivity.

Budgeted and/or target values of the control ratios

Subsequent to the annual budget approved by the Supervisory Board, divisional monthly rolling forecasts for all types of income and cost are prepared which, taking account of current developments, provide early indications of deviations from the budget even in the future.

Important products and services

The most important core products in the Insurance business segment are the two policy management systems COR.FJA Life Factory and COR.FJA Life, with which life insurance and pension products can be developed and administered. The two solutions have already been included several times in a market survey of European life insurance policy management systems conducted by a leading research company, where – as in the preceding years – they achieved impressive results. COR.FJA Symass, the across-the-board system for smaller insurance companies, completes the range of policy management systems.

In mid-2013, COR&FJA announced that it was going to discontinue active sales and marketing for the non-life insurance solution COR.FJA P&C and completely cease product development in this area. This is the company's reaction to the fact that despite substantial efforts in the past, it has failed to establish this product offering successfully on the market. In future, the policy management solution for the Non-life Insurance segment will be covered within the framework of our collaboration with msg systems ag.

The essential specific and across-the-board functions in the core business spectrum are covered by the products COR.FJA Zulagenverwaltung (allowance administration), COR.FJA RAN (pension settlement and documentation system), FJA Product Machine 4 (on the US market), COR.FJA ALAMOS (Asset Liability and Model Office System), COR.FJA Merica (risk examination module), COR.FJA Office (transaction control and document processing), COR.FJA TaxConnect (standard software for the highly automated, electronic transmission of premium data to the German Central Allowance Authority for Pension Assets [Zentrale Zulagenstelle für Altersvermögen, ZfA]), COR.FJA Sales & Service System (web-based sales portal), COR.FJA iLIS (Insurance Liability Information System) and COR.FJA ClustRed (consolidation of large insurance portfolios). To these can be added the service portal COR.FJA Pension for time value accounts and company pensions, as well as the various components of the openClaims platform in the field of claims processing. In addition, COR&FJA offers a broad spectrum of consulting and services ranging from software implementation to portfolio migration (in the Migration segment) and actuarial advice.

As at the reporting date, the products in the Banking segment are bundled on the central COR.FJA Banking Suite (CORBAS) platform. COR&FJA is able to offer customers a comprehensive, efficient set of instruments with this platform which, regardless of their size, enables the customers to optimise their business processes and thereby improve their positions in the German market. Apart from ongoing adaptations to meet regulatory requirements and market conditions, significant application components are being implemented in the areas of bank management, taxes, credit and payment transactions (SEPA). This takes customers' growing demands for functionality and process automation into account. Furthermore, the platform-independent COR.FJA Banking Suite (CORBAS) was technologically enhanced in an effort to minimise the respective implementation and operational outlay by improving its ability to integrate into customers' IT environments.

In CORBAS MBS (for retail banks, private banks and sales finance) and the mortgage lending institution system CORBAS Hyp, two core banking systems are available in the Banking segment. They are used to depict and handle the typical core processes of a bank and are supplemented by individual consulting services, particularly on issues from the fields of core banking and overall bank management.

Suitable software components are available for all major core bank processes, e.g. CORBAS Credit (solution supporting all credit-related processes), CORBAS International Business (documentation business), CORBAS Payments (central payment settlement), CORBAS ReCon (software for risk-adjusted general bank management and controlling) and CORBAS Tax (software solution for the calculation of capital gains tax). COR&FJA responded to the US government's plans to introduce the FATCA tax reporting system and is now offering customers its own range of products and services relating to this subject within both the Banking and Insurance segments.

The range of services is supplemented by comprehensive consultancy and ASP services. In the field of bank consulting, COR&FJA provides support in the form of product-independent, individual consultancy services such as process and business consulting, as well as the integration management of standard software systems.

Economic report

Macro-economic and sector-specific conditions

The global economy grew by 3.0 per cent in 2013. That is the lowest growth rate since the great recession of 2008 and 2009. Economic momentum did increase noticeably during the course of the year, however, which seems likely to lead to a rather higher growth rate in 2014. The developing and newly industrialised countries continued to make a substantial contribution to global economic development with economic growth of 4.1 per cent (2012: 5.1 per cent), even though the high growth rates of the previous years were no longer in evidence.

Among the newly industrialised countries, the 'BRIC' states (Brazil, Russia, India, China) continue to enjoy a position of outstanding significance and account for almost 70 per cent of those countries' production, even though the pace of expansion has been slowing down for some time now. The Chinese economy, for example, achieved robustly positive growth of 7.3 per cent (2012: 7.8 per cent), as did India with 3.6 per cent (2012: 3.6 per cent), and Brazil with 2.6 per cent (2012: 0.9 per cent). Russia's development, however, slackened a little with growth of 1.6 per cent (2012: 3.4 per cent). In most of the industrial countries, the economic trend remained subdued in 2013, with growth even remaining below its previous year's already low level at 1.1 per cent (2012: 1.4 per cent).

By way of contrast, the economic situation in the European Union (EU) recovered slightly in the course of 2013 with – following a decline of -0.4 per cent in 2012 – an increase of 0.1 per cent. In addition, the differences in economic trends among the EU member states became noticeably less pronounced. Of the major European economies, Germany again asserted itself most strongly and there are indications of a possible economic recovery in 2014. Even so, the German economy grew by only a modest 0.6 per cent in 2013, similar to its low level in the previous year (2012: 0.7 per cent). This resulted in particular from the pressure on the German export sector caused by sluggish demand from the southern European countries and the decline in momentum from the newly industrialised countries. By way of contrast, the remarkably robust labour market in Germany, where the unemployment rate remains below 7.0 per cent and the number of persons employed has again reached an all-time high, served as an economic stabiliser. Private households in Germany, too, were among the economic winners thanks to the stable economic situation and the improvement in collectively-agreed pay rates there in 2013.

The general economic conditions for European insurance companies remained difficult in 2013. The persistently low interest rates and the imminent introduction of Solvency II are fundamental challenges for the insurance sector, which, thanks not least to these developments, continues to be shaped by consolidations and the automation of business processes. In this context, the fierce competition on the German insurance market is also generally being intensified by the increasing complexity and interlacement of the national insurance markets. As before, however, the direct insurance markets – as opposed to reinsurance and with the exception of individual market segments such as industrial insurance – are predominantly national markets due to their respective legal, social and cultural particularities and will remain so in the future. The global interdependence is most readily reflected in the cross-border business conducted through subsidiaries, in the establishment of cross-border regional or global insurance groups and in the increasing international division of labour within those groups.

The coherence between IT and business success is becoming increasingly obvious against the backdrop of the intensive endeavours being undertaken to reduce costs and improve efficiency within insurance companies. As a rule, the performance of the organisation is optimised systematically and pro-actively while investments are simultaneously – but often not until a thorough cost-benefit assessment has been completed – made in a fundamental renovation of the system infrastructures and processes. The low-interest phase, the introduction of Solvency II and the planned reduction in the maximum technical balance-sheet interest rate is causing quite a number of insurers to enhance their existing products and/or develop new, innovative ones. This applies for all existing product groups, all control layers and all legal forms. The starting situations for the companies in question are highly diverse and therefore bring about a variety of innovations in themselves: within the classical capital-accumulation products, modifications of the guarantees are dominant, for example through the use of current calculation guidelines or by dispensing with the annual interest guarantee. With the biometric products, too, there is a great deal of action on the market. Hybrids, especially dynamic hybrid products, have almost become the standard now, and there is a continuous flow of innovative products in addition to them. One new development comprises products which allow investment in funds but also the purchasing of options on the basis of traditional basic cover. Insurance companies at the larger end of the scale, moreover, are following completely new paths by offering old-age provision products with capital guarantees on the basis of fund-linked approaches with investment guarantees. All this is leading to an increasing need for external advice and IT support and consequently to the continuous adaptation of COR&FJA's standard software.

In the context of the persistent sovereign debt crisis and the sluggish development of the global economy, the commercial environment in the banking market remained difficult in 2013, leading to a persistently high level of competitive pressure. This situation is accentuated by the continuing dictates of state regulation, with the discussions being shaped in particular by the implementation of Basel III with new capital and liquidity rules and the IFRS accounting guidelines. The main consequence of this for the financial institutions is the necessity to optimise costs in the back-office and IT areas. In relation to the above, numerous banks are still concerning themselves intensively with the installation of innovative process-supporting workplace systems featuring sustainable efficiency and cost optimisation.

Development of business

In Germany, the COR&FJA Group is the market leader with the services and products it offers on the market for life insurance and company pension schemes. More than half of all German life insurers are customers of the COR&FJA Group. The Group's research and development activities are still aimed at continuously reinforcing its leading position. With the regulatory requirements changing permanently and the variety of products offered developing dynamically, insurance companies are increasingly pursuing a strategy of replacing their previous in-house software solutions with standard software.

In the Banking segment, more than 30 German customers currently rely on products from the COR.FJA Banking Suite (CORBAS), giving COR&FJA an important position in the mortgage lending segment and making it one of the market leaders in the automotive finance companies segment. COR&FJA also regards itself as well-positioned in the field of full banking systems for private banks.

The Consulting segment is currently developing general business potential as a result of the change processes mentioned above, which are already in place and gaining momentum for providers of financial services. For the time being this will not be affected by the contrary trend towards the reduction of external consulting capacity on cost grounds; the latter is restricted primarily to consulting services which are less specialised and easier to integrate.

As part of COR&FJA's strategic reorientation, the Consulting segment was quite substantially repositioned in terms of both its strategy and its personnel during the reporting period. In the process, resources previously allocated to several locations and areas of responsibility in the German-speaking countries and in Eastern Europe were bundled under joint functional and marketing management. In this context, holistic management consulting is no longer the focal point of the service portfolio and the establishment of in-house HR capacities in the general management consulting area is no longer planned. Instead, COR&FJA, especially in the Insurance segment, is concentrating on functionally-oriented actuarial consulting, process optimisation, and automation and migration consulting – and thereby on thematic areas, which are aimed at increasing market shares on the one hand and optimising the cost ratio of COR&FJA's customers on the other.

After the reporting period came to an end, COR&FJA sold its equity stake in the management consultancy plenum AG, Frankfurt am Main (Munich Stock Exchange m:access; ISIN DE000A0Z23Y9). The contract of purchase and sale concerns the 4,008,825 no-par-value bearer shares in plenum, corresponding to an equity stake of around 41.33 per cent of its nominal capital, which are held by COR&FJA AG. Upon expiration of the financial year 2013, plenum and its subsidiaries are no longer part of COR&FJA AG's consolidated group and are therefore no longer fully consolidated. Since the beginning of the financial year 2014, COR&FJA's equity stake has been accounted for using the equity method; plenum's turnover and earnings contribution is therefore not included in COR&FJA's target figures for 2014.

In 2013, 83.0 of turnover was generated in Germany (2012: 84.6 per cent) and 17.0 per cent was generated on foreign markets (2012: 15.4 per cent). In the previous years, the COR&FJA Group had set itself the target of increasing the proportion of its turnover generated on foreign markets by around 35 per cent in the medium term by means of selective presence in the locations and strategic partnerships, thereby reducing its dependency on the fluctuating economic climate on the German market. This objective had not yet been achieved by the end of the reporting period. In view of the decision that was taken in the 2013 financial year to consolidate efforts on existing foreign markets for the time being rather than entering new ones and to continue optimising the profitability of business areas in the markets where the company already operates in Europe and the USA, COR&FJA AG is currently refraining from setting a concrete quantitative target in connection with the above.

Compared to the German market, the markets in Austria and Switzerland are presenting very similar demands and both are being cultivated with a local presence. The Swiss consulting firm Wagner & Kunz Aktuare AG (WKA), which was acquired in 2011, is scheduled to be merged with the Swiss-based COR&FJA Schweiz AG during the current financial year, with the product-independent consulting spectrum for customers in German-speaking countries being positioned more broadly in overall terms.

From its location in Austria in particular, COR&FJA is cultivating the central and eastern European markets. Many life insurance companies have established themselves there. These companies are not only facing pressure to automate as a result of the continuous growth in the number of their contract portfolios; they are also becoming increasingly exposed to the regulatory pressure that prevails in Western Europe due to their increasing closeness to that region. The fact that German-language insurers, in particular, are expanding into these highly competitive markets means that interesting commercial opportunities are opening up for COR&FJA there.

COR&FJA is now generally well-represented on the market in many central and eastern European countries with its product COR.FJA Symass. As a result of the growing consulting business that is developing in connection with the local presences that have been built up in recent years, COR&FJA is increasingly expecting these selling markets to provide cross-selling effects, in particular for the policy management system COR.FJA Symass, a proven across-the-board system for smaller insurance companies.

The Benelux countries are an interesting European market, one in which COR&FJA supplies important value-added with its standard software solutions and thereby generates a positive response with the product portfolio it offers on this market, especially from those insurance groups that operate mainly at national level. This also applies to a similar extent for the northern European markets.

The Iberian Peninsula is potentially an interesting market in the medium term, one where the company is going to rely particularly on established local cooperation partners in its future cultivation of the Spanish market. COR&FJA continues to work the Portuguese market with its own local office, which is now also being used successfully as a product development unit.

COR&FJA is still represented highly successfully on the US market with, among other things, the FJA Product Machine 4 which is part of the group company FJA-US, Inc. Thanks to COR&FJA's extensive product portfolio in the field of health insurance, the company can discern additional business potential in that country, particularly in the long-term healthcare reform ('Patient Protection and Affordable Care Act PPACA' or 'Obamacare') adopted by the US government in the spring of 2010. In the meantime, the spectrum offered by COR&FJA in the USA encompasses not only software products, but also, increasingly, operator models and functional consulting on all aspects of product and tariff design as well as in the process optimisation area – for health insurance, non-life insurance and life insurance alike.

Even in the financial year 2013, COR&FJA continued to be affected by the consequences of the crisis in the financial markets, as many customers postponed their decision-making processes until late in the year or even cancelled budgets for the development of new software solutions that had already been approved. This hesitant market climate resulted in a number of the projects that were included in the company's plans not being executed in the reporting period, and accordingly in a decline in turnover from business with existing and new customers. This applies equally for COR&FJA's Insurance and Banking segments. Due to the new internationalisation strategy, the main focus as far as sales were concerned was on the domestic canvassing projects during the reporting period.

Despite the still-difficult market environment, COR&FJA achieved a number of significant sales successes in the financial year 2013. At the end of the year, for example, AXA Deutschland decided in favour of a joint project with IBM and COR&FJA to install the policy management system COR.FJA Life Factory as a central administrative platform with subsequent migration of the life insurance policy portfolios. With an overall project term of around five years, the aggregate order volume for COR&FJA is over 40 million euros. Winning one of the biggest insurance companies on the German market has therefore resulted in the largest individual order in the corporate history of COR&FJA.

In the first quarter of 2013, Honda Bank decided to install our COR&FJA core banking system CORBAS following the completion of a comprehensive software selection process. As part of the collaboration between the two companies, COR&FJA is replacing the present legacy system and exporting Honda Bank's entire contract portfolio to the new solution. The aggregate volume of this order is in the upper single-digit million range; the maintenance and repair, operational and software maintenance agreements have an overall term of ten years. This large-scale order has enabled COR&FJA to expand its customer base once again in the attractive segment of automotive finance companies and sales finance.

In mid-2013, COR&FJA announced that it was going to discontinue active sales and marketing for the non-life insurance solution COR.FJA P&C, which had been offered up to this point, and completely cease product development in this area. This is COR&FJA's reaction to the fact that despite substantial efforts in the past, it has failed to establish this product successfully on the market. In future, the policy management solution for the Non-life Insurance segment will be covered within the framework of our collaboration with msg systems ag.

On 14 November 2013, COR&FJA issued an ad-hoc announcement revealing that as per that date the company had signed a contract of purchase and sale with the French company Sopra Banking Software S.A., a subsidiary of Sopra Group S.A. (NYSE Euronext Paris, ISIN: FR0000050809), Paris, concerning the sale of all of the shares in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), a subsidiary of COR&FJA AG. The company's Banking segment has been concentrated within Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) since an internal restructuring process in the summer of 2013. The only area exempted from the restructuring and sale is the Banking segment of plenum AG, a subsidiary of COR&FJA AG. This segment is going to remain within plenum AG. The transfer of the shares in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) to Sopra Banking Software S.A. was subject to various conditions precedent and had not yet been carried out by the balance sheet date 31 December 2013. Any significant further developments in connection with this matter after the reporting period will be described in the supplementary report.

Non-financial performance indicators

The COR&FJA Group's efficiency is reflected not only in its commercial indicators, but also in its 'non-financial performance indicators'. The most important of these in the COR&FJA Group are the issues that concern its employees. The relevant disclosures can be found in the 'Employees' chapter within this condensed management report and Group management report.

Earnings, financial and assets position

The Group's earnings position

Development of turnover

The COR&FJA Group's turnover in the financial year ended totalled 131.3 million euros, 5.4 million euros below its turnover in the 2012 financial year, which represents a decline of -3.9 per cent (previous year: 1.1 per cent growth in turnover). No companies were acquired in the 2013 financial year; it was rather the case that the Group disposed of parts of its existing business activities, such as the Banking segment. As that segment's deconsolidation will not be carried out until 2014, the consolidated group in the reporting period is almost unchanged compared with the previous year – the only departure was that of COR SISTEMAS ESPANA S.L. in the fourth quarter due to its liquidation in 2013.

Services turnover, in particular, registered a decline in the financial year ended, falling from 96.4 million euros to 91.3 million euros and thereby declining by 5.3 per cent. Product-based turnover remained at its previous year's level of 40.1 million euros; licensing income in the financial year ended, for example, totalled 11.0 million euros (previous year: 10.7 million euros), which corresponds to 8.4 per cent of aggregate turnover. Maintenance turnover totalled 24.8 million euros (previous year: 25.7 million euros) in the 2013 financial year and thereby accounted for 18.9 per cent of aggregate turnover. Other turnover consists primarily of computing centre services and hardware deliveries. This area bucked the trend, improving by 0.3 million euros to 4.2 million euros and generating 3.2 per cent of aggregate turnover.

Turnover generated by the msg Group amounted to 0.5 million euros in the financial year ended (previous year: 0.4 million euros).

With regard to the regional distribution of turnover, Germany accounted for 109.0 million euros altogether, with other countries contributing a total of 22.3 million euros in 2013.

In the 2013 financial year, the Banking segment was restructured and concentrated within Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH). In the 2013 financial year, the part of the Banking segment transferred to Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH) contributed almost 23.2 million euros to the COR&FJA Group's aggregate turnover, while the Banking segment as a whole contributed a total of 35.1 million euros to aggregate turnover. The purchase price for the shares that is provided for contractually amounts to 13.0 million euros. The sale of Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH) to Sopra Banking Software S.A. means the company's deconsolidation. This happened in the first quarter of 2014.

As a result of the Banking segment's concentration within Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH), COR&FJA Alldata Systems GmbH was split off into COR&FJA Banking Solutions GmbH, with the remaining parts being merged with COR&FJA Deutschland GmbH; COR&FJA Deutschland GmbH's turnover thereby increased to 77.6 million euros as of the balance sheet date, 1.3 million euros above its previous year's level. This procedure in line with company law, namely the splitting off of COR&FJA Alldata Systems GmbH into Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH) and the merger of the remaining parts with COR&FJA Deutschland GmbH, brought about the discontinuation of the company COR&FJA Alldata Systems GmbH.

The companies COR Pension Management GmbH i. L., COR bAV Services GmbH i. L. and FJA bAV Service GmbH i. L. have been in liquidation since the 2013 financial year, and the liquidations will be completed in 2014.

COR&FJA Consulting GmbH increased its external turnover from 1.5 million euros in the previous year to its current level of 1.8 million euros. COR&FJA Metris GmbH's turnover contributed 1.5 million euros (previous year: 2.4 million euros) to the Group's external turnover.

The turnover generated by the plenum subgroup in the 2013 financial year totalled 11.7 million euros (previous year: 13.1 million euros). In the first quarter of 2014 the equity interest in plenum AG was sold, with the result that this turnover component will lapse from the current financial year onwards and will no longer be included in the COR&FJA Group's consolidated group.

The COR&FJA Group achieved its strongest growth in turnover in the USA: turnover there increased by 2.5 million euros to 13.7 million euros. In the financial year ended, Sigma Sourcing AG was merged with COR&FJA Schweiz AG, with the result that the latter increased its turnover by 0.5 million euros to 3.7 million euros. The turnover generated by all of the Swiss companies in the financial year under review amounted to 4.5 million euros, a slight decrease compared with the previous year when they totalled 4.7 million euros. The Slovenian subsidiary increased its turnover from 157,000 euros to 982,000 euros in 2013. The Dutch subsidiary made a stable contribution of 367,000 euros to the Group's turnover in the financial year ended. The Polish subsidiary generated turnover amounting to 128,000 euros in 2013 (previous year: 117,000 euros).

Development of earnings

In the financial year ended, no development work for new software was capitalised, which represents a decrease of 0.8 million euros. Other operating income amounting to 4.2 million euros (previous year: 3.8 million euros) includes 2.1 million euros comprising, in particular, income from the use-driven write-back of provisions and income from the sub-letting of office space.

Aggregate costs in the 2013 financial year totalled 137.0 million euros, a decline of 13.6 million euros, or 9.0 per cent, compared with the previous year.

At 12.0 per cent (or 16.5 million euros), services and goods procured accounted for a large proportion of the total costs. 10.0 million of the 16.5 million euros are attributable to services rendered by external personnel. As a result, these costs were reduced by 4.7 million euros in the financial year ended. They cover special requirements and capacity utilisation peaks which are required only temporarily and thereby help to facilitate the variabilisation of total costs. In addition, 3.0 million euros were spent on external computing centre services and 3.5 million euros on hardware intended to be sold on. In this area, COR&FJA is avoiding the investment risk associated with investing in its own computing centres and purchases these services mainly from external sources. At 70.9 per cent, personnel costs accounted for the largest proportion of total costs. Based on the average of 1,121 employees during the year (previous year: 1,194), there was an increase of 5.0 per cent in average personnel costs (previous year: increase of 3.9 per cent) that was caused largely by severance payments occasioned by the company's restructuring. All in all, the capacity-driven proportion of total costs (personnel expenses and purchased services) increased from 77.8 per cent to 82.9 per cent.

The proportion of total costs represented by other operating expenses fell to 17.1 per cent during the 2013 financial year (previous year: 22.2 per cent) and amounted to 23.4 million euros. As in the previous year, expenses for office space totalled 8.6 million euros; this meant that the proportion of total costs accounted for by office space was 6.3 per cent (previous year: 5.7 per cent), a disproportionate increase compared with total costs. The second-largest cost pool comprised travel expenses associated with consulting services, which amounted to 3.8 million euros, a substantial 0.8 million euros below their previous year's level. These expenses also equate to a much smaller proportion of aggregate turnover, at 2.8 per cent. The advisory, accounting and Supervisory Board costs are at around their level from the 2012 financial year.

The main reason for the sharp reduction in other operating expenses from 33.3 million euros in 2012 to 23.4 million euros in the 2013 financial year is that no seven-figure bad-debt expenses were posted. In addition, there was no need for any write-offs on projects.

Aggregate depreciation and amortisation posted a substantial decrease of 5.0 million euros, bringing their total to 5.2 million euros. In the course of the impairment test, however, the goodwill acquired was tested for impairment at the mid-year point and again at the end of the year. The result of the mid-year test was that the goodwill of the subsidiary plenum AG amounting to 1.1 million euros and that of the subsidiary WKA AG totalling 0.03 million euros had to be amortised.

The amortisation of intangible assets which had been identified in the purchase price allocation of the acquired companies, decreased by 0.1 million euros to 1.4 million euros. Other depreciation of property, plant and equipment and amortisation of intangible assets developed analogously and fell by 1.8 million euros to 2.7 million euros.

Overall, the operating result benefited from a sustained improvement and closed the financial year at -6.7 million euros (previous year: -19.3 million euros).

At 0.1 million euros, interest income was below its previous year's level (0.2 million euros). The interest expenses of 1.1 million euros remained firmly at the level posted in the previous year. Netted interest expenses were almost unchanged compared with the previous year and amounted to 0.9 million euros.

The development of the B+S Banksysteme Aktiengesellschaft share price has had no negative impact on the income from investments in 2013 (previous year: -0.1 million euros). In the 2013 financial year, the COR&FJA Group was no longer able to benefit from a payout by innovas GmbH, in which COR&FJA AG previously held 10 per cent of the shares, as this equity interest was sold to msg systems ag for 3.1 million euros with economic effect as of 1 October 2013.

The Group's earnings before income taxes (EBT) were increased significantly in the financial year under review by 12.7 million euros, bringing them to -7.6 million euros (previous year: -20.3 million euros).

The tax result for the 2013 financial year shows an income of 0.9 million euros, compared with tax expenses of -4.3 million euros in the previous year. As a consequence of the persistently difficult market environment, the previous year's conservative estimates and assumptions were retained and a utilisation period of three years was imputed for the deferred tax assets.

Net income for the period was increased substantially in the 2013 financial year, but remains unsatisfactory and amounted to -6.7 million euros (previous year: -24.6 million euros). Earnings per share in 2013 (diluted and basic) consequently increased substantially to -0.14 euro, having amounted to -0.59 euro in 2012.

The segment results reflect overall performance and success in the fields of business in which the company operates They are based on the internal national and inter-company statement of profit centre operating results, by which the COR&FJA Group is managed. Services exchanged between the segments are taken into account in the segment result as internal turnover in the total operating performance or as internal expenditure.

Generating 74.6 million euros, the Life Insurance segment accounted for 56.8 per cent of the total turnover and generated EBITDA of 10.1 million euros before the allocation of 7.1 million euros in administrative overheads. Its operating EBITDA return before allocation amounts to 13.5 per cent in relation to segment turnover. After allocation as well as the deduction of amortisation and depreciation expenses of 2.1 million euros and interest expenses amounting to 0.5 million euros, EBT amounts to 0.4 million euros. EBT includes impairments on WKA AG's goodwill totalling 34,000 euros. The EBT return in relation to segment turnover is 0.5 per cent.

Generating 21.5 million euros, the Non-life Insurance segment accounted for 16.4 per cent of the total turnover and generated EBITDA of 1.8 million euros before the allocation of 2.0 million euros in administrative overheads. Its operating EBITDA return before allocation amounts to 8.5 per cent in relation to segment turnover. After allocation as well as the deduction of amortisation and depreciation expenses of 0.6 million euros and interest expenses amounting to 0.1 million euros, EBT amounts to -0.9 million euros. The EBT return in relation to segment turnover is -4.2 per cent.

Generating 35.1 million euros, the Banking segment accounted for 26.8 per cent of the total turnover and generated EBITDA of -3.0 million euros before the allocation of 1.4 million euros in administrative overheads. Its operating EBITDA return before allocation amounts to -8.6 per cent in relation to segment turnover. After allocation as well as the deduction of amortisation and depreciation expenses of 2.5 million euros and interest expenses amounting to 0.2 million euros, EBT amounts to -7.1 million euros. EBT includes impairments on plenum AG's goodwill amounting to 1.1 million euros. The EBT return in relation to segment turnover is -20.1 per cent.

The administrative overheads allocated to the segments account for 9.6 per cent of the total costs.

The Group's financial position

Principles and goals of financial management

The COR&FJA Group's financial management is designed to enable the Group to have the necessary funds at its disposal at all times so that it is capable of taking action in its operating activities to deal with volatility of incoming orders, fluctuations in customers' payment behaviour, and investment needs. In the process, all the significant risks to which the COR&FJA Group is potentially exposed must be recognised at an early stage and the necessary scope for suitable protective measures provided for. Within the framework of liquidity management, care is taken that sufficient liquid funds and appropriate liquidity reserves are freely available at all times.

Financing analysis

The Group's exposure to foreign currency risks within the framework of its operating activities remains within manageable limits. This relates primarily to operations in the US (2013: 10.1 per cent of external Group turnover; previous year: 8.2 per cent), although to a minor extent services provided primarily by the Portuguese Group company are also called upon for order fulfilment purposes. However, most of these services are provided by local personnel in the USD region as well. Furthermore, around 3.4 per cent (previous year: 3.5 per cent) of external Group turnover was generated in Switzerland and settled in Swiss francs, with personnel from Germany being employed in providing the services.

Aside from that, some 86.5 per cent of turnover was generated in the euro zone (previous year: 88.3 per cent), primarily in Germany, and settled in euros. For that reason, the overall foreign currency risk in the Group must be classified as manageable.

The Group's earnings and/or operational cash flows are largely not exposed to any interest rate risk. Cash and cash equivalents are generally invested for short periods. The financial liabilities are short to medium term in nature.

With regard to the credit risk (default risk), there are no significant concentrations on individual customers in the Group. Receivables are not insured, primarily due to the high credit standing of the customers in the insurance and banking sector.

Due to closing-date-related factors, liquid funds increased by 3.0 million euros and amounted to 14.4 million euros as at 31 December 2013.

In the 2013 financial year, COR&FJA generated operating cash flow of -0.3 million euros (previous year: -1.5 million euros), a fact which illustrates the success of the turnaround and shows that the company can generate financial resources under its own steam. All in all, net working capital was increased by a substantial 7.4 million euros to 21.8 million euros (previous year: 14.4 million euros). Despite this positive indicator, COR&FJA closed the 2013 financial year with negative pre-tax earnings of -7.6 million euros.

COR&FJA 2013 – as in the 2012 financial year – did not invest in the acquisition if companies. Instead, all of the shares in innovas GmbH were sold to msg systems ag with economic effect as of 1 October 2013, as a result of which the company had an inflow of liquid funds.

Cash flow from financing activity, too, developed positively, as COR&FJA was able to take up a short-term loan of 5.0 million euros and a long-term loan of 10.0 million euros in the 2013 financial year – it amounted to 1.8 million euros (previous year: -0.9 million euros).

The Group's assets position

Asset structure analysis

The Group's equity ratio as at 31 December 2013 has declined further to 41.8 per cent (previous year: 47.1 per cent), while equity now amounts to 42.8 million euros (previous year: 50.0 million euros). As at 31 December 2013 the Group's balance sheet total was down slightly by 3.7 million euros, representing a decrease of 3.5 per cent, to 102.2 million euros (compared with 106.0 million euros as at 31 December 2012).

Current assets increased slightly from 52.0 million euros in the previous year to 53.4 million euros in the financial year ended. Although the sum total of trade receivables as of the balance sheet date is 0.8 million euros lower than in the comparable period in the previous year and inventories, too, decreased by 0.2 million euros to 0.3 million euros, this was more than compensated for by the sharp rise in cash and cash equivalents, which increased by 3.0 million euros to 14.4 million euros.

Non-current assets decreased by 5.1 million euros to 48.9 million euros (previous year: 54.0 million euros). At the mid-year point in 2013, goodwill amortisations amounting to 1.1 million euros were carried out on 24.6 million euros. In the process, the goodwill of plenum AG and WKA AG was written off in its entirety. Intangible assets decreased by 2.3 million euros to 9.2 million euros as a result of scheduled amortisation. Property, plant and equipment, too, decreased, with scheduled depreciation amounting to 1.1 million euros on 2.8 million euros. In addition, deferred tax assets on loss carryforwards, having been increased by 2.4 million euros, were formed in the amount of 6.2 million euros (previous year: deferred tax assets on loss carryforwards totalling 3.8 million euros), with the review period of three years remaining unchanged compared with the previous year. The other deferred taxes on IFRS valuation differences amounted to 3.4 million euros as of the balance sheet date and were 1.1 million euros higher than in the previous year.

On the liabilities side, equity decreased by 7.2 million euros as a result of the loss generated in the reporting year. In comparison with last year's balance sheet date, the equity ratio as of 31 December 2013 decreased to 41.8 per cent (31 December 2012: 47.1 per cent).

Non-current liabilities increased by 9.5 million euros. This resulted from the increase in non-current financial liabilities, which increased by 10.0 million euros, bringing about a marked improvement in the COR&FJA Group's financing situation. Pension provisions remained almost unchanged at 9.3 million euros. Deferred tax liabilities increased slightly by 0.2 million euros to 7.3 million euros. All in all, non-current liabilities still account for 27.3 per cent of the balance sheet total, compared with 17.4 per cent proportion in the previous year. This represents a continuation of the previous year's positive trend.

Current liabilities consequently decreased by 6.0 million euros to 31.6 million euros. Current financial liabilities fell significantly by 11.7 million euros to 3.2 million euros, while trade payables increased slightly by 1.5 million euros to 4.9 million euros, thereby documenting the fact that the company is increasingly in a position to finance itself externally. All in all, the ratio of current liabilities to the balance sheet total improved markedly from 35.5 per cent in 2012 to 30.9 per cent today. The ratio of current assets to current liabilities (operating capital, working capital ratio) likewise increased in 2013, with a substantial improvement taking it to 168.8 per cent; the previous year's figure was 138.3 per cent.

Despite the mixed 2013 financial year with its still negative consolidated result, COR&FJA AG's Management Board assumes that the earnings, financial and assets position stabilised in a sustainable fashion in the financial year ended and that it represented an impressive improvement compared with 2012. The COR&FJA AG Management Board is also working on the assumption that the 2013 financial year was a year of transition and that the Group's turnaround was completed successfully.

Additional disclosures about the parent company COR&FJA AG

As well as the financing task for the Group companies, the holding company performs mainly strategic, but also to a limited extent operational, management tasks for the Group. The tasks incumbent on the holding company are, first and foremost, determining the markets to be addressed, defining the product range and making decisions in the field of mergers and acquisitions. In addition, staff functions such as sales, marketing, human resources, finance and legal have been partly the responsibility of the holding company COR&FJA AG generally functions as the sole or majority owner of the operating companies.

COR&FJA AG's commercial activities are restricted mainly to the settlement of services within the Group and to financing, and it operates only rarely as a contracting partner in customer projects. Within the scope of services, it is mainly the staff functions incumbent on COR&FJA AG, such as sales, marketing, human resources, finance and legal, which are settled. The purpose of the financing activity consists primarily of making interest-bearing loans to Group companies, making cash investments and distributing earnings from participating interests.

The primary income potential for COR&FJA AG lies in earnings from participating interests. For this reason, the disclosures for the Group concerning the development of markets, the general economic environment and opportunities and risks also apply to the holding company COR&FJA AG.

Significant events influencing the earnings, financial and assets position of COR&FJA AG in the annual financial statements pursuant to the German Commercial Code (HGB)

Income position

Compared with the previous year, turnover decreased from 19.0 million euros to 17.2 million euros. This was due primarily to a sharp fall of 2.1 million euros in the turnover generated by external customers outside of the COR&FJA Group. Within this turnover, licence revenue posted a small increase of 0.2 million euros while services revenue fell by a substantial 2.1 million euros. Turnover with Group companies, however, increased slightly by 0.2 million euros. Other operating income, on the other hand, declined by 18.5 per cent to 0.5 million euros.

In the context of lower turnover generated with external customers, expenditure on the purchasing of services outside the Group also posted a corresponding decline because COR&FJA AG is now in a better position to render the required services with its own capacities. The costs of licences and capacity purchased outside of the Group in the financial year ended consequently amounted to 7.8 million euros; in the previous year these had totalled 8.2 million euros. The positive development initiated in 2012, namely that outsourced services were reduced to almost zero in that year, continued in 2013.

At 7.5 million euros, personnel expenses were 0.6 million euros higher than their previous year's level. This increase resulted from various severance payments amounting to 1.4 million euros; if this effect is disregarded, personnel expenses decreased substantially.

The amortisation and depreciation item was reduced substantially by 29.8 per cent to expenses of 0.4 million euros in the financial year ended.

Other operating expenses, which largely comprise rental expenses, legal and consulting costs, accounting costs and Supervisory Board remuneration, decreased by 0.7 million euros to 8.7 million euros in the financial year ended.

This item also includes specific allowances for bad debts of subsidiaries. As in the previous year, these amounted to 2.3 million euros. Also in line with the previous year, the specific allowances were accounted for almost entirely by COR&FJA Metris GmbH. In the previous year, 1.3 million euros was accounted for by COR&FJA Metris GmbH and 834,000 euros by COR&FJA Benelux B.V.

Further write-downs of receivables vis-à-vis the foreign subsidiaries in Poland, the Benelux countries and Portugal and vis-à-vis the Swiss company WKA did not have to be carried out in 2013.

As COR&FJA AG is the principal tenant in many of the Group's buildings, these costs – as well as other costs – are charged on to the subsidiaries in the course of the Group allocations.

In the 2012 financial year, the company still received investment income amounting to 81,000 euros. Due to the sale of the shares in innovas GmbH, there was no longer any inflow of investment income for the company in 2013. The profit transfer agreements concluded resulted in a positive earnings contribution of 0.2 million euros (previous year: 0 euros). It is notable that in the 2013 financial year, losses totalling 1,000 euros resulting from loss assumption declarations vis-à-vis subsidiaries were assumed. In the previous year, losses amounting to 15.6 million euros had to be assumed.

The net interest income for COR&FJA AG amounted to -891,000 euros (previous year: -444,000 euros), which represents a marked deterioration of 447,000 euros.

COR&FJA AG generated a net loss under commercial law amounting to 7.6 million euros for the 2013 financial year, considerably less than its net loss of 23.5 million euros in 2012.

Financial and assets position

The decrease of 3.6 million euros in non-current assets to 68.4 million euros resulted primarily from the disposal of financial assets and from the write-down of financial assets totalling 3.2 million euros. Loans to affiliated companies also decreased, totalling 5.0 million euros (previous year: 6.0 million euros) as of 31 December 2013. Property, plant and equipment declined slightly by 0.3 million euros to 1.0 million euros.

COR&FJA AG's current assets increased by 1.2 million euros to 9.2 million euros in the financial year ended.

Like the reduced external turnover, trade receivables decreased by 1.3 million euros to 1.2 million euros. Trade payables, on the other hand, increased by 0.5 million euros to 0.7 million euros.

In a development contrary to that of trade receivables, receivables from affiliated companies increased by 2.1 million euros to 3.9 million euros. The amounts owed to affiliated companies increased as well, rising by 1.3 million euros to 31.8 million euros (previous year: 30.5 million euros). Other assets decreased slightly by 0.3 million euros to 0.6 million euros.

Cash and cash equivalents developed positively and their balance at the end of the financial year was 3.5 million euros, an increase of 0.6 million euros. Liabilities to banks were reduced by 11.1 million euros to a much lower level of 2.7 million euros (previous year: 13.8 million euros) as of the balance sheet date.

In connection with this it must be borne in mind, however, that the company has taken up a long-term loan of 10.0 million euros and a short-term loan of 5.0 million euros, which prefinanced the sale of Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH), vis-à-vis the main shareholder msg systems ag. In taking this step, the main shareholder has demonstrated impressively that it supports the course of restructuring that COR&FJA AG has embarked upon. These measures explain the significant increase of 14.7 million euros in other liabilities to 16.0 million euros. Provisions, on the other hand, posted a slight decrease of 0.2 million euros, mainly as a result of the provisions for pension commitments.

As of the balance sheet date, deferred tax assets again totalled 2.5 million euros (previous year: 2.5 million euros) and no deferred tax liabilities had to be formed (previous year: 7,000 euros). No deferred tax assets on loss carryforwards were formed at all.

The balance sheet total as at 31 December 2013 amounted to 80.2 million euros (previous year: 82.6 million euros).

In addition to the absorption of profit and loss transfers from the subsidiaries, the cost of staff functions based at the holding company, with the exception of the costs of capital market listing and those incurred for the Supervisory Board, continued to be passed on in full to the subsidiaries. In 2013, almost all of the subsidiaries achieved break-even, with the result that COR&FJA AG was burdened with a significantly lower negative earnings contribution than in the comparative period 2012. With regard to 2014, the company believes that this positive trend will persist and that loss assumption declarations will be required only in exceptional cases.

Research and development

Orientation of R&D activities

Research and development are essential activities for COR&FJA in its capacity as a sector-specific service provider, ensuring that the company can assert its pioneering role in the market-driven analysis of trends and future requirements. Appropriate R&D work is not only performed for the purpose of developing and upgrading standard software solutions, but also to extend the company's consulting expertise. Such expertise manifests itself in targeted employee knowledge and concepts, as well as in the further development of software tools that give efficient support to the consulting activities. Examples of important areas of business that focus on consulting services include migration and risk management and advising customers on the professional structuring of value-added chains. Needless to say, all R&D activities are subject to the imperative of sustainable cost efficiency.

The COR&FJA Group does not conduct open-ended research, but focuses on purely target-oriented research in the interests of its strategic corporate goals. Special importance is attached to close communication with the market or, more specifically, with the customers, when planning the implementation of research findings into development output, as their assessment of the products' relevance to business success is crucial. The COR&FJA Group therefore attaches a great deal of importance to its cooperation with customers in the user groups and expert panels as well as with partners (IBM or the msg Group, for example) in relation to its most important products. The approaches devised within the framework of research are presented, discussed and evaluated within the user groups and expert panels at an early stage and, if required, on a cross-product basis. The evaluation is conducted with particular regard to users' interest in acquiring the product enhancements, which are going to be implemented. In this way, new releases of standard software products are now generally partially financed by advance orders from some of the customers. The COR&FJA Group regards this willingness on the part of its customers as a high entrepreneurial countervalue for the expenses incurred by the preceding research work and the support given to the user groups and specialist working parties.

As there are no user groups that can be accessed for the placement of new products or the opening up of new markets, early customer models are used, which reward a customer's early decision in favour of a new product with commercial benefits. By ensuring the early and economically binding involvement of customers in the enhancement or initial development of products, the COR&FJA Group makes sure that development investments are not made without market orientation.

In addition to the traditionally very high level of acceptance for the quality of the COR&FJA Group's specialist product range for its target sector, the new release generations have succeeded in winning recognition for their high technological quality. The direct benefit from the sector's point of view lies in the option to use COR&FJA's standard software products for a broad spectrum of proven and innovative target technologies. The strategic benefit for the COR&FJA Group, moreover, lies in the possibility of flexible integration for the individual products that were previously strictly separated.

Purchasing R&D know-how

In its capacity as market leader in its core business, the COR&FJA Group is usually unable to have recourse to ready-made external research findings. This particularly applies to specialist thematic areas in the customers' sectors. As a sector-specific service provider, the company prefers to rely on its own research, which builds upon its participation in trade conferences, association activities and joint projects with partner companies. Future trends, too, can usually be identified more reliably from the systematic reviewing of customer requirements from projects and canvassing situations than from external surveys. It goes without saying that the high qualification level of the Group's employees is updated continuously by means of selective, also external, ongoing training activities. No purchasing of practical R&D expertise in the narrow sense of the term took place during the 2013 financial year in accordance with this strategy. In the technology sector, however, it goes without saying that COR&FJA makes use of rapidly developing standards and non-proprietary technologies right through to freely available open source products. The company also safeguards the quality of its own technological orientation by maintaining a close co-operation with IBM and with selected colleges and universities.

R&D expenses, R&D investment and key R&D figures

In COR&FJA's Insurance segment, the current 4.11 release of the COR.FJA Life Factory (LF) policy management system was made available for customer projects on schedule at the end of April. The main contents of the new release have all been discussed and agreed with the customers within the product, Riester/taxes and financial reporting working groups. Furthermore, a number of technical requirements (LF as a 64-bit application, further development of HTML as a result of the GUI strategy), along with other optimisation measures and functional enhancements of the standard (e.g. increasing life annuities in relation to pensions and exemption of specific supplementary insurance policies from premium payments), were also implemented in this release as a response to changed market requirements.

The most important contents of the upcoming 4.12 release were discussed in depth and agreed on in detail with the customers in the user group and in the appropriate working groups in the reporting period, and the final planning proposal was adopted towards the end of the third quarter of 2013. This release will be delivered in two stages in April and October 2014. The first expansion stage comprises the most important measures in the context of a possible reduction in the actuarial interest rate in 2015, and the second will be the implementation of the transparency requirements resulting from amendments to the German Old-age Provision Improvement Act (AltvVerbG).

Parallel to the development of LF 4.12, the supplementary component KBF (collective policy management) will also be expanded further for the efficient handling of collective and company pension scheme business. In addition to Signal Iduna and HUK-COBURG, the first two customers, Wüstenrot & Württembergische, AXA Deutschland, DEVK and ERGO are also going to use this component in the future.

Generally speaking, LF customers are discovering that they are enjoying competitive advantages as a consequence of the long-term investments made in previous years in an effort to increase the flexibility of LF. The enhancements aimed at achieving standardised handling of differentiated accounting principles, or the automated calculation of additional interest reserves and (optional) reciprocal financing, for example, are proving to be extremely important instruments for insurance companies in economic terms – particularly in the light of the persistently difficult situation prevailing in the financial markets ('low interest rate challenge') and increasingly stringent regulatory requirements.

Today, LF customers can already use the current calculation bases, based on the standard, upon commencement of the pension (in line with the term 'conventional pension 2.0', which is currently being discussed on the market as a result of a product innovation by Allianz Lebensversicherung). In addition, LF customers can, for example, depict dynamic increases, additional payments or allowances with different calculation bases within the system and offer them to their policyholders in this way. Various alternative guarantee mechanisms can also be used. These also include, in particular, investment guarantees (on the basis of hedging, (i) CPPI – individual Constant Proportion Portfolio Insurance – or index participation) that complement or replace the conventional guarantees. Furthermore, the release LF 4.12 offers several new standard products that enable LF customers to deal with the upheaval in product development referred to above quickly (time-to-market) and at low cost. This release supports all of the relevant product innovations on the market. As a trustworthy partner and consultant of many years' standing, COR&FJA is on hand to help its existing LF customers deal with the aforementioned themes and ensures that as in the past, all necessary activities are coordinated closely.

The technical enhancement of LF on the basis of state-of-the-art JEE (Java Platform, Enterprise Edition) technology is going according to plan, beginning with the LF JEE Contract component. Functionally synchronised with LF 4.12, stage 2 of LF JEE Contract – with the complete range of features – is due to be completed by mid-2014. Provinzial Rheinland went live successfully with the first stage of LF JEE at the beginning of July 2013 and reported on the subject in the user group in October. This meant that LF attained not one but two important milestones with its new, ultra-modern technology: LF JEE has its first live customer solution, while the facility that offers existing LF customers a means of changing over to the new technology in a stage-by-stage process passed the practical test with flying colours. The next changeover by an existing customer is going to be at Öffentliche Versicherung Braunschweig. The remaining customers will then gradually switch to LF JEE in close coordination with COR&FJA.

In addition to the previous technical certifications (such as SOA and IBM PureSystems), LF also received a functional certification from KPMG in accordance with the acknowledged testing standard IDW PS 880 in the fourth quarter of 2013. In cooperation with IBM, moreover, a technical infrastructure and a reference implementation for the automation of business processes in life insurance were set up on the basis of LF and the existing IBM WebSphere components. This makes it possible to offer LF customers additional ways of reacting to the increasing cost pressure on the insurance market. The solution was presented for the first time by COR&FJA and IBM jointly at the user-group meeting in October 2013.

Parallel to that, the theme of process efficiency and automation, so important because of the situation in the financial markets and cost pressures on insurance companies, was developed further with LF customers in the specialist working group 'Business processes'.

The functional and technical innovations presented there are leading to a situation where the number of unique selling points in LF, and therefore this COR&FJA core product's leading position on the market, can again be enhanced systematically in 2014.

In the installation project at the premises of the ERGO Insurance Group, LF was implemented successfully as scheduled in mid-June 2013. Fund-based product concepts completely new to the German market were implemented in LF and are available with or without guarantees. All important business transactions in LF are being used gradually in addition to these new product concepts, which require the integration of a financial mathematics component and the mapping of guarantees through a reinsurer. Further upgrading of the functionalities is planned and will constitute an element of the next stage. ERGO is the first of the top three life insurance companies in the German market to make extensive use of a standard software solution to handle its high-volume business processes and place its future-oriented insurance products.

Following the successful going-live of the first stage in January 2013 after a lead time of just one year, the work on the project at Cologne-based DEVK Versicherungen during the remainder of the year concentrated on the planning of the subsequent expansion stages in order to complete all business transactions. The respective projects then went live in December 2013.

The preparations for the upgrade from LF 4.7, which is currently being used, to the current release LF 4.10 SP2 at Heidelberger Leben as part of its parent company Lloyds Banking Group's strategic programme went successfully during the reporting period. Against the backdrop of a possible change of ownership at Heidelberger Leben in the near future, its new business model with the targeted acquisition of closed insurance portfolios, which are no longer available for sale ('run-off' portfolios), is a source of new business for COR&FJA.

In the Migration segment, COR&FJA was able to reach the milestones agreed with customers on schedule in 2013 in all of the ongoing projects, and in some cases even ahead of schedule. In addition, further licence revenues were generated with the two licensing products COR.FJA MigSys and COR.FJA MigArchiv, enabling the operating targets to be comfortably achieved in the reporting period.

COR&FJA won follow-up and/or add-on orders from ongoing migration projects, which will again safeguard the Migration segment's positive development in 2014. A number of enquiries about planned new migration projects were received in December 2013 and are currently being examined closely with regard to their scope and terms of reference.

At DEVK Versicherungen, the migration of an initial tranche of more than 60,000 insurance contracts was carried out on schedule towards the end of the first quarter of 2013 as part of the LF installation project. This meant that after just 15 months, stage one of the project as a whole was completed successfully and on time. In the current stage two, a further migration tranche with a six-figure portfolio will be realised in the fourth quarter of 2014. In the project at Heidelberger Leben, the migration work within the scope of the aforementioned strategic programme went according to plan. This significant component for standardising the system structure on the basis of an LF 4 version is a central element within the project as a whole.

At Signal Iduna, the preliminary migration phase was completed successfully in 2013 and more than two million contracts are now being carried over within the framework of an ambitious time schedule.

Württembergische Lebensversicherung commissioned COR&FJA to provide support for an internal migration project. This again shows that COR&FJA's expertise, tools and migration techniques are also being appreciated on the market for portfolio migration projects outside of COR&FJA's proprietary product landscape.

Furthermore, COR&FJA successfully provided comprehensive advice on actuarial and migration-specific issues to the companies involved within the framework of a demanding portfolio sale plus simultaneous portfolio transfer.

After the current standard 3.15 release of the COR.FJA Life policy administration system was supplied to the customer projects on schedule during the second quarter of 2013, AXA Versicherung was the first customer to go live with this version in mid-September. The main content of the release relates to the work to be carried out in preparation for the SEPA Direct Debit; the company also implemented certain specific requirements imposed by AXA Versicherung.

Apart from that, versions 3.13 and 3.14 were delivered in good quality and went live for existing standard customers in the first quarter of 2013 in accordance with the release plans agreed with the customers. These include AXA Pensionskasse

Pro bAV, where the specialist departments have been able to issue policies for applications received since the beginning of February 2013 with the version COR.FJA Life 3.14.1.2.

In the course of the third quarter of 2013, the selection of themes and the conceptual coordination with the existing customers regarding the upcoming COR.FJA Life 3.16 release were dealt with, and realisation commenced in the fourth quarter. The delivery of the new release to the customer projects was carried out towards the end of the first quarter of 2014. This release contains not only functional aspects, but also updates of the technical infrastructure.

In mid-June 2013, COR&FJA welcomed a total of 15 participants from nine insurance companies to the COR.FJA Life user group (AWK) in Berlin. Another AWK was held in November. At this meeting, customers were shown the details of the ongoing release plans.

As far as the conversion of the COR.FJA Life user interface to web-based technology is concerned, the COR.FJA RegTest-Suite has now been set up and can be used for automatic testing of the new business-logic web services and the new browser-based interfaces alike. In this context, COR&FJA successfully completed the design and automation of a test portfolio for defined basic standard products during the second quarter of 2013.

Database support for the COR.FJA Life product has now been extended to include DB2, as well as Oracle, as a result of its successful collaboration with IBM. The COR&FJA solution will be set up on the IBM database management system for the first time in the SOKA-BAU project.

R+V Luxembourg Lebensversicherung went live successfully in the middle of July, with particular focus on customer-specific themes based on version 3.14.0.2 of COR.FJA Life. This release encompasses a number of product adaptations and the implementation of a highly complex process issue.

In September 2013, the Dutch company DELA became the first existing COR.FJA Life customer to go live with a release that fulfils all the requirements of the SEPA Direct Debit as per 1 January 2014.

Now that several components relating to COR.FJA Life went live successfully for individual business (phase 1) within the framework of the project being implemented at the Norwegian insurer Frende Livsforsikring AS during the first quarter of this year, policies for all of Frende's new insurance contracts have been be issued and administered through the main COR.FJA Life component (life policy management) and peripheral components (partner management, collections and disbursements, business process management, correspondence and scheduling data) since the second quarter. In addition, the migration of existing contracts from the predecessor system to the new target environment was completed successfully at the beginning of June. COR&FJA has sole responsibility for operating the system, which is hosted in the msg systems ag computing centre in Ismaning.

Active marketing of the COR.FJA P&C non-life insurance solution that had been offered to date has now ceased and COR&FJA has discontinued all product development in this segment. In future, the policy management solution for the Non-life Insurance segment will be offered on the market within the framework of the collaboration with msg systems ag as part of an overall inter-group offering.

The administration system COR.FJA Symass from COR&FJA OdaTeam was installed successfully in the Slovenian company Modra Versicherung's group accident insurance department in the first quarter of 2013. In connection with this, COR&FJA OdaTeam enhanced the product in a targeted manner and equipped it with, among other things, a Web interface.

In the second quarter the 4.31 release, the last release in the 4 series, was supplied to the existing customers of COR.FJA Symass. Parallel to this, work began on the upcoming version 5.0. In connection with another specific sales project, the first demo release for the COR.FJA Reinsurance System was created. All of this underscores the great flexibility and short development cycles of this across-the-board administration system.

In 2013, COR.FJA Symass customers again placed orders for further development work, most of which have already been realised. In addition to this, a preliminary study is currently being carried out on the premises of an existing COR&FJA customer for the further expansion of the COR.FJA Symass platform for the company's foreign business.

With the current 3.10 release of COR.FJA Zulagenverwaltung (a system for managing contracts subsidised under the Riester system) having been supplied to all customers in May 2013 as intended, the development of the upcoming version 4.0 proceeded according to plan in the further course of the year and the version was supplied to all of the customers in the fourth quarter. This release represented the entry into a new function block for this standard software, namely the addition of special tax calculations in the context of products subsidised under the Riester system (for example in the context of home subsidy accounts or detrimental application). This functional enhancement, some of which is rendered complex by governmental stipulations, was realised within the framework of a development collaboration with three existing customers. This stage of evolution means that the processes spread over a number of systems and worksteps, which were previously extremely time-intensive, can now be carried out centrally with only one processing stage – more quickly, more safely and less expensively than before.

The function block which is now available has already been licensed by another customer outside of the actual development collaboration. The full expansion of these tax functions has already been planned jointly with the customer and the order placed accordingly, and the project should be completed by the end of 2015. This will increase the functional head start that COR&FJA enjoys compared with the competing applications.

In DEVK Versicherungen and AXA Deutschland, new customers were again recruited for COR.FJA Zulagenverwaltung in 2013. This means that COR&FJA was again able to convince a number of renowned suppliers in the field of subsidised German 'Riester' contracts of the advantages of its in-house standard solution and the company enhanced its market leadership with COR.FJA Zulagenverwaltung. This market position (almost half of the contracts subsidised under the Riester system in Germany are managed using this solution) is being secured with its systematic expansion right up to the full automation of process stages. The resultant cost advantage for COR&FJA customers, particularly in respect of regulatory or statutory requirements in relation to Riester business, is already proving to be a crucial success factor. In the current financial year 2014, too, COR&FJA is expecting to win more new customers for this standard software solution.

As of the end of the first quarter of 2013, Provinzial Rheinland became the first customer to go live with the pension settlement and documentation system COR.FJA RAN and with great success. The current 3.7 release of this standard software solution was made available on schedule to the customer projects at the end of the third quarter of 2013 and was sold to all existing customers. It contains new requirements from the German Central Pension Administration Office (ZfA) and a number of functional enhancements and optimisations that were agreed with the customers. Work has already begun on the follow-up release 3.8; this version is scheduled for delivery to customers in the third quarter of 2014.

COR.FJA RAN is also going to be deployed at AXA Leben Deutschland, where the appropriate project work has already begun. COR&FJA is also conducting promising negotiations with two other prospective customers. These developments emphasise the high market potential of this standard software solution, not least in the light of the steadily growing number of annuity policies on the books of life insurance companies that are paying out.

The current 1.4 release of the standard software COR.FJA TaxConnect was supplied to customers in the fourth quarter of 2013; these included AXA Deutschland with its fiscal and regulatory reporting requirements for basic pensions. The upcoming releases 2.0 and 2.1 are already at the development stage. The objective is to complete the components, extended with the addition of functions related to KiStAM (church tax deduction characteristics), by July 2014. The release's contents were also discussed in the user group and agreed on with the customers.

In the meantime, COR&FJA has concluded appropriate licensing agreements with ten customers in connection with the upcoming version 2.0/2.1 and is conducting promising negotiations with two other insurance companies. In this product for dealing with tax-related reporting requirements, COR&FJA has once again grasped the insurance-market trend towards depicting the increasing regulatory requirements with a single standard software product.

The development of the new COR&FJA solution 'Pflege-PreMium' – conceived in close cooperation with customers – for implementing the 'Pflege-Bahr' nursing care system that was introduced as of 1 January 2013 also went according to plan. The 'pre-release' 3.8 was supplied to customers early in the third quarter of 2013, thereby ensuring punctual application of the state allowance on behalf of the respective policyholder; in the meantime, the second expansion stage has already been supplied to customers. Three well-known health insurers – HUK-COBURG, LVM Versicherung and Nürnberger Versicherung – have already opted for this solution and COR&FJA is currently conducting promising negotiations with other companies as well. The next version, with which existing customers can then apply for the state allowance on behalf of their respective policyholders for nursing care contracts that have already been concluded, was made available on February 2014.

Release 1.0 of COR.FJA iLIS (Insurance Liability Information System), the new standard software, was completed and ready for its market launch at the beginning of July 2013. COR.FJA iLIS offers COR&FJA customers an automated, non-redundant and audit-proof means of performing all of the calculations needed for financial reporting directly from within the policy management function. The standard software is being developed further in cooperation with the customer in a separate working group. In addition to COR&FJA's own COR.FJA ALAMOS projection software, other risk management tools from renowned manufacturers will be linked in a fully automated process via a standardised interface. COR.FJA iLIS is based on the same state-of-the-art JEE technology that is being used in the development of LF too. COR&FJA was able to win over two new customers for the software as early as the development phase. At present, work is being carried out on follow-up release 1.1, which is expected to be ready for delivery during the second quarter of 2014.

With COR&FJA AG having successfully completed the sale of its subsidiary Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH) to the French company Sopra Banking Software S.A. on 18 February 2014 by transferring of all of the shares in that company, COR&FJA will have no further involvement with the Banking segment from the financial year 2014 onwards. The following disclosures concerning the Banking segment relate primarily to the reporting period 2013.

In the Banking segment, release 13 of the core banking system CORBAS MBS was supplied to the existing COR&FJA customers punctually in the first quarter of 2013. This release encompasses, in particular, the mandatory new SEPA (Single Euro Payments Area) functionalities. The installation projects in this area in the course of the financial year proceeded according to plan and most were completed successfully by the end of the year. The plans for the subsequent release, too, were advanced during the reporting period.

The new release of CORBAS ReCon (Reporting & Controlling) was supplied to customers successfully in the second quarter of 2013. In the second half of the year, more existing customers went live with it successfully.

CORBAS ReCon is going to be expanded as an integrated platform for modern bank management in collaboration with the ABACUS/ DaVinci manufacturer BearingPoint. In 2013, on the basis of the functionalities already realised and operational for the external reporting system, COR&FJA expanded the solution by adding functionalities for internal reporting. The company also worked flat out on the further developments for Basel III. The first product deliveries were made – in line with the statutory requirements – in the first quarter of 2013. Further deliveries will be made on schedule in 2014.

RiskEngine from COR&FJA, a product for ascertaining and standardising cash flows in connection with the new key reporting indicator Liquidity Coverage Ratio (LCR), which was integrated successfully into CORBAS ReCon in 2013, is still in test mode. COR&FJA regards itself as basically well-positioned with the CORBAS ReCon product in the context of the ongoing financial crisis and the accompanying wider regulatory requirements and reporting obligations in relation to Basel III.

CORBAS Credit, COR&FJA's solution for the management of a bank's entire credit business, was upgraded in the financial year 2013 with the addition of various functions relating to sales financing and to providing optimum support for the loan offer and approval process. These enhancements constitute COR&FJA's response to the specific needs of automotive finance companies and the sales financing sector.

In the third quarter of 2013, COR&FJA successfully commenced operations with the integration framework TopDesk on the premises of a mortgage bank for the first time. In this way, COR&FJA continued with the gradual rollout to the banks after the system had already been supplied successfully to a number of module customers and to MCE Bank at the beginning of 2013. Shortly after the end of the reporting period, moreover, Honda Bank went live with a TopDesk implementation for SEPA payment transactions in January 2014.

TopDesk, a central component of the COR.FJA Banking Suite (CORBAS), enables even better integration of external systems and, with its additional functions (such as a mailbox), gives lasting support to process handling. This solution offers a means of controlling all core banking processes for lending and deposit business centrally and handling them in an integrated process featuring the new front end.

Within the framework of the OEM (Original Equipment Manufacturer) agreements with its Freiburg-based cooperation partner kühn & weyh Software, COR&FJA has implemented the M/ series as a standard module for document creation and output management in its own sector solutions. These agreements also give COR&FJA the right to market these products itself. The first customer projects commenced in the autumn of 2013.

COR&FJA is collaborating with its partner company TONBELLER in the context of the planned introduction of the US tax reporting system FATCA (Foreign Account Tax Compliance Act) for European financial services companies. In the spring of 2013, COR&FJA and TONBELLER presented the FATCA customer classification and reporting modules to COR&FJA's existing customers. In the second half of the year, the two companies worked on the integration of the two modules into the COR.FJA Banking Suite (CORBAS). COR&FJA's emerging range of products and services relating to FATCA is available to both banks and insurance companies. Further collaboration with TONBELLER is being considered.

The partnership with Business-DNA Solutions, the Swiss supplier of software for all aspects of the TopEase modelling platform, which is used for the integrated documentation, visualisation and monitoring of an entire corporate architecture (processes, organisation and applications), is going according to plan in the 2013 financial year. COR&FJA is aiming to advance continuously the model of the COR.FJA Banking Suite (CORBAS) created with this platform so that it can provide multidimensional, constant and full support for these specialised processes in the banks using the CORBAS modules and components, extending right through to interface documentation and mask descriptions, etc., on the basis of a generally applicable bank process map and standardised workflows.

Communication with COR&FJA's customers will be greatly simplified by this model because functional and technical aspects are always considered in the context of one another and promote a high level of mutual understanding. At the same time, this model constitutes the basis for process optimisations at banks which, for their part, provide the basis for the further advancement of product development and standardisation at COR&FJA.

In the project at Honda Bank, we completed numerous adaptations and enhancements by mid-2013 and then successfully put them into test mode in the third quarter.

In the mortgage banks segment there were enquiries from two customers concerning the technical migration of CORBAS Hyp, the core banking system for mortgage banks, in two other computing centres with an altered operating system. Both projects were launched in the first quarter and both went live in the fourth quarter of 2013.

In the autumn of 2013, moreover, talks with an existing customer about the prolongation of the contract for the maintenance of CORBAS Hyp were brought to a successful conclusion and a new service contract was signed. In this way, COR&FJA is keeping up the successful collaboration with these customers in the field of large-scale credit finance.

Also in the third quarter, COR&FJA commenced negotiations with an important existing customer from the automotive finance companies segment; their common objective is the long-term expansion of their hitherto extremely successful collaboration of recent years. The company is expecting a contract to be signed within the first half of 2014.

As a basic principle, COR&FJA regularly holds discussions with existing customers about long-term extensions to maintenance agreements. In 2013 these have again culminated in the conclusion of a number of agreements covering comprehensive new enhancement projects relating to COR.FJA Banking Suite (CORBAS) and are providing further evidence of customers' confidence in the effectiveness of the platform and of COR&FJA in its capacity as a long-standing partner.

In 2013, substantial investments were made in the loan syndication and collateral management areas in the Banking segment. These new functionalities will provide users with optimised process support from the financial year 2014 onwards. In addition, the Banking segment is continuing to broaden its service spectrum in relation to the IFRS accounting guidelines.

The regular expert panel meetings with COR&FJA's existing customers to discuss the upcoming implementation topics were again convened throughout the reporting period and dealt with the most important customer requirements. The talks continued to centre on the expansion of lending systems for the retail and wholesale segments, the development of data marts on the basis of CORBAS ReCon business data in order to optimise data analysis, and the optimisation of the TopDesk interface. Apart from that, regulatory issues (reporting) and the subject of bank management (equity calculation, internal controlling, etc.) are still on the agenda of discussions with the company's existing customers.

During the second half of 2013, COR&FJA has reoriented its sales activities in the Banking segment to provide for selective positioning of COR.FJA Banking Suite (CORBAS) on the key markets of private banking, mortgage lending, automotive finance and sales financing.

As well as considerable interest in the system as a whole, COR&FJA is registering particularly robust demand for its software solutions in the loan processing, and reporting and controlling segments within these target markets. This is leading to several interesting opportunities for the months ahead in respect of tender invitations, an area in which COR&FJA has been included in the shortlist of suppliers.

To provide marketing support for CORBAS ReCon, the company was represented with, among other things, a fair trade stand at the user meeting held by COR&FJA's cooperation partner BearingPoint in November 2013. It presented and positioned the software solution at a specialist conference with 'Integrated Financial Architecture in Banks' as its main theme in March 2014 and will do so again at the specialist conference 'Finance & Trends' in May 2014.

The COR&FJA Group's R&D expenditure totalled 12.447 million euros in 2013 (previous year: 16.230 million euros). 0 euros of the Group's development expenditure (previous year: 882,000 euros) were capitalised. Detailed information on this subject can be found under Item VII ('Notes to the income statement') in the Notes to the consolidated financial statements.

Employees

On 31 December 2013, 1,116 permanently employed salaried personnel were employed within the COR&FJA Group (compared with 1,178 on 31 December 2012).

The downturn in the reporting period results firstly from the fact that some of the positions that became vacant due to the economic situation since the beginning of 2013 have not been filled. Secondly, most of the compulsory redundancies at the subsidiary COR&FJA Metris GmbH that were announced in April 2013 became effective during the third quarter.

Due to the successful completion of the Banking segment's sale after the reporting period had come to an end, as well as the sale of the equity stake in plenum AG, also after the end of the reporting period, the number of permanently employed staff will decrease to around 900 in the near future.

In the interests of ongoing professional training for its employees, COR&FJA is also continuing to support the extra-occupational training course for actuaries at the German actuaries' academy Deutsche Aktuarakademie (DAV).

For some time now, COR&FJA has been organising a Welcome Day for all new employees. With the participation of the Management Board, Human Resources Department, Works Council representatives and, in particular, specialists from the operational areas, the company presents its strategic focus and targets in its various business segments.

The company's familiarisation (Onboarding) programme, which COR&FJA developed in-house, launched in 2011 and successfully relaunched in 2013. It concentrates on the needs and requirements of new members of staff who have generally gathered around three years of professional experience since completing their studies. In contrast to many comparable schemes initiated in larger companies and groups, COR&FJA does not impose any strict age limits for participation. In the meantime, this programme is being actively discussed at universities, career fairs and in interviews with young job applicants, where it is regularly met with great interest.

Central themes of the human resources work in 2013 included the restructuring of the subsidiary COR&FJA Metris GmbH, where there were compulsory redundancies during the year, and in particular the personnel steps taken to deal with all aspects of the Banking segment's concentration within the subsidiary Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH), including the harmonisation of the working conditions that was carried out beforehand for the staff of the former COR&FJA Alldata Systems GmbH.

Furthermore, a new remuneration model was developed in 2013 and an appropriate agreement was concluded with the General Works Council on this subject in April 2014. The new remuneration model was based on the competence development model (KEM) that has already been used within the company for some time; it was enhanced in a targeted manner and adapted as appropriate with the help of a consultancy firm that enjoys an excellent reputation on the IT market. The new remuneration model focuses on the function and performance of the employees to a much greater extent than the KEM and ensures that remuneration is in line with market requirements. This means that in future, the company will be able to retain its employees in the long term – along with the knowledge that they have acquired – and make significant advances with respect to long-term staff development.

Takeover-related disclosures pursuant to Section 289 Para. 4 and Section 315 Para. 4 of the German Commercial Code (HGB)

Composition of the subscribed capital

On 31 December 2013, COR&FJA AG's subscribed capital amounted to 42,802,453 euros, consisting of 42,802,453 no-par-value bearer shares with full and equal voting rights. One share grants the holder a notional stake of 1.00 euro in the company's capital. As at 31 December 2013, the company's portfolio of treasury shares amounted to 1,906,592 individual shares.

Restrictions affecting voting rights or the transfer of shares

The shares have full voting and dividend rights, unless otherwise specified by the German Stock Corporation Act (AktG).

Direct or indirect interests in the capital

According to the published announcements and the information available to COR&FJA AG, direct or indirect interests exceeding 10 per cent of the voting rights as at 31 December 2013 were as follows:

Entity with reporting obligation	Type of participating interest	Proportion of the subscribed capital's disclosed voting rights
msg systems ag, Ismaning	Direct	49.1%

Holders of shares with special rights

No shares with special rights which bestow authority to control were issued.

Type of voting rights control in the case of employee shareholdings

Those employees who hold shares in COR&FJA AG exercise their control rights, like other shareholders, in direct compliance with the statutory provisions and the statutes.

Statutory provisions and stipulations of the statutes concerning the appointment and dismissal of members of the Management Board and concerning alterations to the statutes

The appointment and dismissal of members of the Management Board are regulated in Sections 84 and 85 of the German Stock Corporation Act (AktG). The Management Board consists of one or more persons. The Supervisory Board determines the number of the Management Board's members. The members of the Management Board are appointed by the Supervisory Board for a maximum of five years. A repeat appointment or a prolongation of the term, each for a maximum of five years, is permissible.

Amendments to the statutes require a resolution of the Annual General Meeting. Resolutions of the Annual General Meeting require a simple majority of votes cast and a simple majority of the nominal capital represented, unless a greater majority is required by law. The statutes contain no divergent provisions which require a larger majority.

The Management Board's authority to issue or repurchase shares

The Management Board is authorised – with the approval of the Supervisory Board – to issue new shares provided that the appropriate authorised capital (for the issuance of new shares) or contingent capital (for the issuance of convertible and warrant bonds) has been adopted by the Annual General Meeting and has not yet been utilised in full.

The company has the following authorised capital:

Authorised capital

By resolution of the Annual General Meeting on 17 August 2010, the Management Board is entitled, with the agreement of the Supervisory Board, to increase the nominal capital of the company up to 16 August 2015 by issuing new no-par-value bearer shares against contributions in cash or kind on one or more occasions, but altogether by no more than 21,401,226 euros (in words: twenty-one million, four hundred and one thousand, two hundred and twenty-six euros) (authorised capital). With the consent of the Supervisory Board, the Management Board is also authorised:

aa) To preclude the subscription right of the shareholders in the case of capital increases against cash contributions which do not exceed a proportion of the nominal capital totalling 10 per cent either at the time of coming into effect or at the time of exercise of this right (the 10 per cent limit), in order to issue the new shares at an issue price which is not significantly lower than the stock market price of COR&FJA shares of the same class and structure already quoted at the time of final establishment of the issue price by the Management Board (Section 203 Paras 1 and 2 and Section 186 Para. 3 [4] AktG). In respect of utilisation of the 10 per cent limit, preclusion of the subscription right in direct or indirect application of Section 186 Para. 3 (4) AktG on the grounds of other authorisations must also be taken into account. The relevant quoted price is deemed to be the average closing price of shares in the company on the XETRA trading platform of the Frankfurt Stock Exchange (or a comparable successor system) during the last five trading days prior to final fixing of the issue price by the Management Board;

bb) To preclude the subscription right of the shareholders up to a further proportion of the nominal capital totalling 10,700,613 euros (in words: ten million, seven hundred thousand, six hundred and thirteen euros) for the purpose of acquiring companies, or equity or participating interests in companies;

cc) And to preclude the subscription right of shareholders for fractional amounts.

Finally, the Management Board is authorised to specify further details for increases in capital from the authorised capital, with the consent of the Supervisory Board. The Supervisory Board is authorised to amend the statutes following complete or partial implementation of an increase in nominal capital in accordance with the amount of the capital increase from the authorised capital.

Repurchase of treasury shares

The authorisation granted to the company by resolution of the Annual General Meeting of 28 July 2009 in accordance with Section 71 Para. 1 No. 8 AktG to acquire treasury shares up to 27 January 2011 was replaced by the following authorisation resolution adopted by the Annual General Meeting on 17 August 2010.

a) The company is authorised to buy treasury shares ('COR&FJA shares') up to a value of 10 per cent of the nominal capital at the time at which the resolution was adopted. At no time may the shares purchased on the basis of this authorisation and other shares in the company already acquired by the latter and still in its possession, or which are attributable to it under Section 71 et seq. AktG, represent more than 10 per cent of the respective nominal capital of the company. The company may not use this authorisation for the purpose of trading in its own shares.

The authorisation may be used in whole or in partial amounts to pursue one or more purposes, on one or more than one occasion, by the company, but also by its affiliated companies, or through third parties for its or their account, within the limits of the above restrictions. The authorisation to purchase treasury shares applies until the end of 16 August 2015. The limit applies to the time of purchase, but not to holding these shares beyond this time.

b) The shares must be acquired on the stock exchange or by means of a public purchase offer addressed to all the company's shareholders, at the discretion of the Management Board, subject to the following:

(1) If shares are acquired by purchase on the stock exchange, the price per share paid by the company (excluding ancillary purchasing costs) may not exceed or fall below the price of a COR&FJA share on the XETRA trading platform (or a comparable successor system) determined by the opening auction on the Frankfurt Stock Exchange on the trading day by more than 10 per cent.

(2) If shares are acquired by means of a public purchase offer addressed to all the shareholders, the company will specify a purchase price or purchase price range per COR&FJA share. Should a purchase price range be specified, the final price will be determined from the declarations of acceptance available. The offer may specify an acceptance period, conditions and the possibility of adjusting the purchase price range during the acceptance period, if significant price movements occur during the acceptance period, after publication of the offer. The volume of the offer may be restricted. Should the number of COR&FJA shares tendered exceed the number of shares which the company intends to purchase, the shareholders' right to tender may be precluded insofar as the purchase is taking place in proportion to the number of COR&FJA shares tendered. Provision may be made for preferential acceptance of low numbers of up to 100 COR&FJA shares per shareholder tendered for purchase. The purchase price or limits of the purchase price range offered for each COR&FJA share (excluding ancillary purchasing costs) may not exceed or fall below the average closing price of a COR&FJA share on the XETRA trading platform (or a comparable successor system) on the Frankfurt Stock Exchange on the last five trading days prior to the effective date by more than 20 per cent. The effective date is the date of the final decision by the Management Board to publish a purchase offer. Should the offer be adjusted, it will be replaced by the date of the final decision by the Management Board on adjustment.

The provisions of German legislation on the purchase of securities and acquisitions must be observed, should their application be mandatory.

c) The Management Board is authorised

(1) To offer shares in the company which were acquired on the basis of the above authorisation or one granted earlier to third parties and to assign them to the latter in return for contributions in kind, with the consent of the Supervisory Board, particularly within the scope of mergers, the acquisition of companies or holdings therein;

(2) To issue them, offer them for purchase and assign them to employees of the company or of companies affiliated to it within the meaning of Section 15 et seq. AktG;

(3) To use them to fulfil obligations arising from convertible bonds or warrant issues, or from employee share ownership schemes;

(4) To offer them for purchase in an offer directed at all shareholders, in compliance with the subscription right and the principle of equal treatment (Section 53a AktG), whereby a sale on the stock exchange satisfies these requirements;

(5) To sell them, with the consent of the Supervisory Board, other than on the stock exchange or by an offer to all shareholders, if the shares purchased for cash are sold at a price which is not significantly lower than the quoted price of a COR&FJA share (net of the ancillary purchasing costs); or

(6) To withdraw them from circulation without their withdrawal or its implementation requiring a further resolution of the Annual General Meeting. Withdrawal must take place in accordance with Section 237 Para. 3 No. 3 AktG without entailing a reduction in capital, so that the proportion of nominal capital represented by the remaining shares increases, in accordance with Section 8 Para. 3 AktG. Under Section 237 Para. 3 No. 3 Clause 2 AktG, the Management Board is authorised to amend the number of shares stated in the statutes.

No more than 10 per cent of the nominal capital of the company on the date of today's Annual General Meeting, i.e. 17 August 2010, or 10 per cent of the nominal capital of the company at the time of the sale of the shares, whichever is lower, may be sold on the basis of the authorisation in accordance with c) (5). When determining the volume of the authorisation, shares must be counted which were issued in direct or indirect application of Section 186 Para. 3 (4) AktG (particularly on the basis of other existing authorisations) during the term of the authorisation in accordance with c) (5).

d) Authorisations in accordance with c) may be used in whole or in partial amounts to pursue one or more purposes, individually or jointly.

e) The shareholders' right of subscription to treasury shares is precluded insofar as such shares are used in accordance with the above authorisations in accordance with c) (1), (2), (3) or (5). Moreover, the Management Board may, with the approval of the Supervisory Board, preclude the shareholders' subscription rights for fractional amounts within the scope of a sale offer in accordance with c) (4).

f) The authorisation to purchase treasury shares adopted by the Annual General Meeting on 28 July 2009 will expire when this new authorisation under a) to e) above becomes effective.

Significant agreements concluded by the parent company which are subject to the condition of a change of control resulting from a takeover bid

The company's statutes do not contain any provisions which might cause a delay or a postponement in, or even the prevention of a change in the control of the company. There are no agreements between COR&FJA AG and third parties which are subject to the condition of a change of control resulting from a takeover bid, and which have the following effects either individually or in their entirety.

Compensation agreements concluded with the members of the Management Board or with employees in the event of a takeover bid

As at 31 December 2013, there were no agreements with the serving members of the Management Board or with employees on the subject of compensation or other payments by the company in the event of a takeover bid.

Other legal and economic factors

Shareholders' rights and duties

Shareholders have property and administrative rights. The property rights include, in particular, the right to participate in profits (Section 58 Para. 4 of the German Stock Corporation Act [AktG]) and liquidation proceeds (Section 271 AktG), as well as the right to subscribe for shares in the event of capital increases (Section 186 AktG).

The administrative rights include the right to attend the Annual General Meeting and speak, ask questions, put forward motions and exercise voting rights. Shareholders can assert these rights by initiating, in particular, actions for information and rescission.

Each share guarantees one vote at the Annual General Meeting. The Annual General Meeting elects the members of the Supervisory Board and the auditor of the financial statements; it decides in particular on the discharge of the members of the Management Board and the Supervisory Board, alterations to the articles of incorporation, capital-raising measures, empowerment to acquire treasury shares and, if required, the conducting of a special audit, the premature dismissal of members of the Supervisory Board and a dissolution of the company.

The Annual General Meeting generally passes its resolutions by simple majority of the votes cast, provided that there is no statutory requirement for a greater majority or the fulfilment of other conditions.

Composition of the Supervisory Board

As at the reporting date, the Supervisory Board according the company statutes consists of three members who are elected by the shareholders in accordance with the German Stock Corporation Act (AktG). The members of the Supervisory Board are elected for the period ending upon conclusion of the Annual General Meeting that decides on their discharge for the third financial year since their service on the Board began; the financial year in which the term of office began is not included in the calculation. The Annual General Meeting may, however, also resolve to give members a shorter period of office. Resolutions of the Supervisory Board – except for the adoption and amendment of the Supervisory Board's rules of procedure, which must be passed unanimously – require a majority of the votes cast, if nothing to the contrary is provided for by law. If the vote is tied – also in elections – the Chairman, or in his absence the Deputy Chairman, shall have the casting vote.

Basic features of the remuneration system

Management Board's remuneration

Within the context of the Act on the Appropriateness of Management Board Remuneration (VorstAG), which came into force in 2009, and the German Corporate Governance Code, the Supervisory Board decided to introduce a new system of remuneration for members of the Management Board on 1 July 2010. The Annual General Meeting of 17 August 2010 adopted the new system. It provided for the establishment of Group turnover and Group EBTA ('EBTA') as the control ratio for calculating the short-term (bonus) and long-term variable remuneration components (Long-Term Incentive, LTI) for the Management Board. The abbreviation EBTA refers to the sum total of earnings before income taxes plus the amortisation of the intangible assets identified in the course of the merger of COR AG Financial Technologies, which were not included in the accounts (software, contract portfolio, customer relationships).

In a deviation from the above, the Supervisory Board based the control ratio for calculating the short-term and long-term variable remuneration components for the Management Board not only on Group turnover, but also on Group EBT* ('EBT*') for the 2011 financial year, on both Group turnover and Group EBITDA ('EBITDA') for the 2012 financial year, and on Group turnover excluding plenum AG's proportion of the turnover, as well as Group EBITDA excluding the earnings contribution of plenum AG ('EBITDA without plenum') for the 2013 financial year. EBT* refers to earnings before taxes before the profit shares of plenum AG and COR&FJA Metris GmbH, and the effect on earnings from the shares in B+S Banksysteme Aktiengesellschaft. EBITDA refers to the earnings before interest, taxes, depreciation of tangible assets and amortisation of intangible assets. EBITDA without plenum refers to the earnings before interest, taxes, depreciation of tangible assets and amortisation of intangible assets without the earnings contribution from the equity stake in plenum AG.

With regard to the system of remuneration, the Supervisory Board adheres to the stipulations of the VorstAG and the German Corporate Governance Code, and takes the total remuneration of the Management Board's members into account so as to reasonably reflect their responsibilities and performance as well as the company's situation. The remuneration structure is geared to sustainable corporate development, which is why the long-term variable component of remuneration is founded on an assessment basis extending over several years. All variable remuneration components are subject to a cap, or to the possibility of a cap in the event of extraordinary developments.

The remuneration system for the Management Board includes a fixed salary and generally variable components. Members of the Management Board receive additional benefits in the form of a company car, telecommunications services and the refund of reasonable expenses. The members of the Management Board are also covered by accident insurance and by the D&O insurance policy concluded by the company. Ultimately, the company generally pays each of the Management Board's members 50 per cent of the respective maximum premiums for the statutory pension, unemployment, healthcare and nursing care insurance and 100 per cent of the respective maximum premiums for voluntary membership of the employers' liability insurance association. The remuneration system does not include any other components, e.g. a company pension or benefits on termination of membership of the Management Board or a change in control of the company. The fixed salary is intended to account for about 70 per cent of total remuneration. The variable portion of remuneration consists of two components: an annual bonus (about 45 per cent of the variable portion of remuneration) and a long-term incentive (LTI) (about 55 per cent of the variable portion of remuneration).

For the employment contract of Dr Christian Hofer, the Chairman of the Board who will be occupying the Management Board position only for a transitional period, COR&FJA has agreed on remuneration without any variable component. The company takes the view that the agreement of variable remuneration components in this specific case would have no advantage in comparison to the agreement of purely fixed remuneration. In addition, Dr Christian Hofer receives no allowances towards the statutory pension and unemployment insurance from COR&FJA on grounds of age.

Short-term variable remuneration components

In the remuneration system, the annual bonus is linked to Group turnover ('turnover') and Group earnings (2010: Group EBTA; 2011: Group EBT*; 2012: Group EBITDA; 2013: Group EBITDA without plenum). The annual short-term variable remuneration components for the Management Board's members are determined by the extent to which the Group turnover target and the Group earnings target agreed with the respective Management Board members at the beginning of each and every financial year has been achieved. The short-term variable remuneration is between 0 and 200 per cent of the short-term variable salary component agreed for a target attainment of 100 per cent in relation to both the Group turnover and the Group earnings. The short-term variable bonus is payable immediately after adoption of the annual financial statements and, if the respective appointment is terminated during the year, is granted in proportion to its length.

LTI as long-term variable remuneration component

In the remuneration model, the LTI is a long-term, performance-based plan. The plan's assessment basis consists of Group turnover and average Group earnings (2010: Group EBTA; 2011: Group EBT*; 2012: Group EBITDA; 2013: Group EBITDA without plenum) over a period of three years. The LTI is granted in tranches which revolve annually, with each tranche having a term of three years. The long-term variable remuneration is between 0 and 200 per cent of the long-term salary component agreed for a target attainment of 100 per cent in relation to both Group turnover and Group earnings. The long-term variable bonus for a performance period is payable at the end of the month in which the consolidated financial statements for the third financial year of the performance period are adopted. An advance payment of 50 per cent of the respective basic amounts is made at the end of the month in which the consolidated financial statements for the first or second financial year respectively of the performance period is adopted. If the advance payments exceed the amount payable for the performance period, the difference must be refunded immediately. If the appointment is terminated during one or more performance periods, the LTI will be granted pro rata.

With the exception of Dr Christian Hofer's contract of employment, which has already been explained, the contracts of employment for the serving members of the Management Board in the reporting year 2013 all corresponded in other respects to the remuneration described above.

Supervisory Board remuneration

The currently valid remuneration rules for the Supervisory Board were adopted by both Annual General Meetings on 28 July 2009 and on 17 August 2010.

Each member of the Supervisory Board receives fixed remuneration of 16,000 euros per financial year.

As well as their fixed remuneration, each member of the Supervisory Board receives annual variable remuneration amounting to 0.25 per cent of the earnings before income taxes reported in the consolidated financial statement approved by the Supervisory Board and prepared in accordance with international accounting standards (IFRS) plus the amount pertaining to amortisation of the intangible assets identified in the course of the COR AG Financial Technologies merger with the company, but which are not recognised in the statement of financial position (software, contract portfolio, customer relationships) ('EBTA'). Variable remuneration lapses when the consolidated financial statement record no positive EBTA.

The Chairman receives double, and the Deputy Chairman one and a half times, the fixed and variable remuneration described above.

The total of the agreed fixed and variable remuneration components for each member of the Supervisory Board is limited to 32,000 euros per financial year. For the Chairman of the Supervisory Board this sum amounts to 64,000 euros, and for the Deputy Chairman to 48,000 euros per financial year.

If Supervisory Board committees are formed, each member of the Supervisory Board is given 1,000 euros for every committee meeting of the Supervisory Board that the member attends in addition to the agreed fixed and variable remuneration, which is limited by statute; this, however, is limited to a maximum of 5,000 euros per financial year. Compensation for expenses incurred in holding a Supervisory Board position are also reimbursed. Members of the Supervisory Board are reimbursed with turnover tax paid on remuneration.

Information on the German Disclosure of Board Remuneration Act (VorstOG)

The remuneration of the Management Board, active in the 2013 financial year was 2.441 million euros (2012: 2.280 million euros). The remuneration was allocated as follows:

	31.12.2013	31.12.2012
thousand euros		
Short-term remuneration	1,161	1,645
Remuneration arising from the termination of employment relationship	1,280	483
Advance on LTI	0	152
Total	**2,441**	**2,280**

Remuneration for former members of the Management Board in 2013 amounted to 58,000 euros (previous year: 55,000 euros).

Pension provisions for former members of the Management Board offset against plan assets amounted to 326,000 euros on 31 December 2013 (previous year: 747,000 euros).

According to Section 314 Para. 1 No. 6a (5) of the German Commercial Code (HGB), Section 314 Para. 2 (2) HGB in connection with Section 286 Para. 5 HGB and Section 314 Para. 2 No. 4 (2) HGB, separate information about remuneration of every individual member of the Management Board is necessary:

Management Board	Fixed yearly remuneration	Other remuneration	Remuneration arising from the termination of employment relationship	Short-term variable remuneration	Advance on LTI	Total
thousand euros						
Ulrich Wörner (until 31 January 2013)	37	2	1,280	78	0	1,397
Dr Christian Hofer (from 1 February 2013)	352	50	0	0	0	402
Milenko Radic (until 9 January 2013)	7	1	0	0	0	8
Volker Weimer	280	30	0	0	0	310
Rolf Zielke	280	44	0	0	0	324
Total	**956**	**127**	**1,280**	**78**	**0**	**2,441**

In 2013 financial year, a total of 24,000 euros was entered against costs for the Management Board's long-term variable remuneration (long-term incentive, LTI). As at 31 December 2013, Management Board entitlements amount to 24,000 euros from long-term incentive (LTI). These Management Board claims are offset by advances from the company amounting to 69,000 euros. For that reason, a receivable amounting to 45,000 euros is reported under receivables and other assets as at 31 December 2013.

The main content of the benefit arrangements for pension schemes, incapacity provision and provision for dependants, which were approved for the former members of the Management Board, Michael Junker and Prof. Dr Manfred Feilmeier, in the event of the termination of their activity, are as follows:

- Both men will receive a pension for life when they reach the age of 65 or in the case of occupational disability within the meaning of Section 23 German Employee Insurance Law (AnVG), or if they leave the company before the age of 65, in the case of termination of the contract or non-renewal thereof by the company.

– The monthly pension amounts to 2,556.46 euros after the fulfilment of four years of employment. This is adjusted – also in the case of payment beginning before retirement – proportionally in line with the basic salary of a civil servant in Bavaria in the A 13 pension benefits group at the highest seniority level.

– Their lawful wedded spouse at the time of their demise will receive a widow's pension for life, amounting to 25 per cent of the pension. The widow's pension will be terminated in the event of remarriage.

– Both men are entitled, in the case of payment due to attainment of pension age, to request a single capital payment of the sum of the converted present value of the pension commitment instead of a pension, as long as this request is communicated at least three years in advance. In this case, all claims under this direct commitment will lapse.

– If they leave the company before payment begins, the pension entitlement earned will be maintained. It will be calculated according to the share of the pension compensation that corresponds to the length of employment with the company from the time of taking up employment with the company to reaching the prescribed pension age, i.e. the age of 65.

Events after the reporting period

Disclosure of particularly significant transactions

Following the end of the reporting period (31 December 2013), the following transactions of particular significance took place:

COR&FJA AG published its target figures for the financial year 2014 on 14 February 2014. These indicate that COR&FJA is anticipating aggregate turnover of some 100 million euros and earnings before interest, taxes, depreciation and amortisation (EBITDA) of approximately 11 million euros. These target figures no longer include the equity stake in the Banking segment, sold in 2013, which was transferred to Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH). The contribution to turnover and earnings made by the COR&FJA equity stake in plenum AG, which was sold on 11 March 2014 and is accounted for using the equity method, has also been removed from the target figures.

On 18 February 2014, COR&FJA AG successfully completed the sale of its subsidiary Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH) by transferring all of the shares in that company to the French company Sopra Banking Software S.A. At the same time, Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH) has become part of the consolidated group of Sopra Banking Software's parent company, Sopra Group S.A., also based in France, with retroactive effect from 1 January 2014. An internal restructuring process at COR&FJA in the summer of 2013 led to the concentration of the company's Banking segment within Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH), which meant that from then on the segment was no longer handled by COR&FJA itself. The sale of the company, which was subject to various conditions precedent, had already been announced on 14 November 2013 in an ad-hoc statement by COR&FJA. The purchase price for the shares is 13 million euros. Just a few weeks after the shares were transferred successfully, the former COR&FJA Banking Solutions GmbH was renamed as Sopra Banking Software GmbH by means of an entry in the competent commercial register in Stuttgart on 20 March 2014.

On 11 March 2014, moreover, COR&FJA AG sold its equity stake in the management consultancy plenum AG, Frankfurt am Main (Munich Stock Exchange m:access; ISIN DE000A0Z23Y9). The contract of purchase and sale concerns the 4,008,825 no-par-value bearer shares in plenum, corresponding to an equity stake of around 41.33 per cent of its nominal capital, which were held by COR&FJA AG. Since the expiration of the financial year 2013, plenum and its subsidiaries have no longer been part of COR&FJA AG's consolidated group and are therefore no longer fully consolidated. Since the beginning of the financial year 2014, COR&FJA's equity stake in plenum has been accounted for using the equity method; plenum's turnover and earnings contribution is therefore not included in COR&FJA's target figures for 2014.

Besides, the Chairman of the company's Supervisory Board, Prof. Dr Elmar Helten, has announced on 14 April 2014 that he is stepping down from his office as member and Chairman of the Supervisory Board as of the end of business on 30 June 2014.

At the suggestion of msg systems ag, Ismaning, which holds more than 25 per cent of the voting rights in the company, it is intended that Dr Christian Hofer, the current Chairman of the Board at COR&FJA AG, should be proposed for election as the successor to Prof. Dr Elmar Helten at COR&FJA AG's upcoming Annual General Meeting. The Supervisory Board gave its consent to this suggestion at its meeting on 23 April 2014. Furthermore, the Supervisory Board appointed Rolf Zielke, who has been a member of COR&FJA AG's Management Board since 1 May 2009, as Spokesman for the Management Board effective from 1 July 2014.

On 2 May 2014, COR&FJA AG announced that it would close the financial year 2013 with earnings before interest, taxes, depreciation of property, plant and equipment and amortisation of intangible assets (EBITDA) amounting to -1.6 million euros. The company had previously assumed that it would achieve a break-even EBITDA result. On 28 April 2014, the company had already postponed the presentation of its individual and consolidated financial statements for 2013 by a short period and announced in connection with this that it intended to hold the Supervisory Board meeting for adopting the individual financial statements and approving the consolidated financial statements on 15 May 2014 and then publish those statements immediately afterwards.

Opportunity and risk report

General

In the type of business it conducts, the COR&FJA Group is exposed to a large number of uncertainties which, if realised, could affect the Group's earnings, financial and assets position, and that of COR&FJA AG, either positively or negatively, or result in COR&FJA falling short of or exceeding the targets it has set itself for the future development of its business.

Engagement in commercial activities geared towards making profits necessitates the taking of risks. If these risks are to bring sustained commercial success, it is important to manage them. This means firstly assessing and continually monitoring the risks with regard to their probability of occurrence and their possible impact on the company's earnings, financial and assets position. Secondly, it means identifying measures that can be used to limit or avert risks and, with regard to the company's core skills, determining the financial strength and the costs of the respective measures based on the question of what limiting or preventive measures are taken for what risks and to what extent.

One of the Management Board's most important tasks in the overall management of the Group is to lay down general conditions and processes of risk management for the COR&FJA Group, to monitor the degree of compliance with them and, in collaboration with the heads of the operating units and the administrative departments, to analyse regularly the development of risks in the respective segments. The Supervisory Board is closely integrated into this process by the Management Board's regular reports.

The risk management system at the COR&FJA Group and the risk profiles of the individual divisions are documented in a risk manual. One employee in the holding company's financial division has been appointed risk officer of the Group and thereby entrusted with submitting the prevailing risk management system to regular internal evaluation and documenting this process. The risk officer also has the task, under instructions from the Management Board, of analysing each division by random sampling to determine the extent to which the measures adopted are being implemented for the limitation or prevention of risks.

It is the responsibility of the managers of the individual divisions to continuously monitor and deal with the risks to which their own divisions are exposed. If the probability of individual risks occurring and/or their potential scale increases significantly beyond a set threshold, the managers are obliged to inform the Management Board immediately. The foundation of good risk management is the reliable and prompt provision of the management with relevant information about the course of business. For this purpose, COR&FJA has set up a controlling and reporting system with which reports are compiled at monthly intervals about the development of significant ratios relating to the business operations in the individual divisions and the financial results, as well as the likely commercial and financial development in each of the next twelve months.

In 2013, the COR&FJA Group's profile did not change a great deal with regard to the main types of opportunity and risk areas to which it is exposed. Below, individual types of risk that are identified as being important are explained in greater detail. The specification of these risks does not imply that other risks which have not been mentioned will not have a significant impact on COR&FJA's earnings, financial and assets position.

Strategic opportunities

COR&FJA regards the continuation of regulation throughout the financial services sector as a direct consequence of the ongoing financial crisis. This regulation is necessitating a great deal of adaptation with regard to the solutions currently used in the financial services sector and is reinforcing the trend towards the use of standard software. As a result, the use of flexible and favourably-priced standard software, such as that offered by COR&FJA as a leading supplier in this segment, throughout the financial services sector is becoming increasingly attractive.

Product- and service-specific opportunities

Regulatory adjustments as a result of legislative amendments are generating additional demand for consulting services and new or modified products among existing customers and can be a crucial competitive advantage if they are included promptly in the range of products being offered. Consequently, as described in detail in the 'Research and Development' chapter within this condensed management report and Group management report, the relevant R&D activities at COR&FJA serve, firstly, the further development and enhancement of standard software solutions, and secondly the expansion of the available expertise on consulting topics.

COR&FJA's employees, moreover, are crucial to the company's innovative power and the customers' added value – and are therefore instrumental in the growth and profitability of the COR&FJA Group as a whole. That is why COR&FJA stages a variety of activities to strengthen the employees' commitment and teamwork and to foster innovative energy. If COR&FJA is to be capable of maintaining its own innovative power and lasting commercial success in the future as well, the company will have to not only generate the greatest possible degree of loyalty from its staff, but also attract qualified new employees on a continuous basis. COR&FJA would also like to open up new talent pools by making increasing use of mobile channels and by devising innovative talent management strategies. More information about the future opportunities being generated by COR&FJA's employees can be found in the 'Employees' chapter within this condensed management report and Group management report.

Economic risks

The general economic trend affects the behaviour of potential customers as far as their investment in IT infrastructure and their expenditure on ongoing management consulting are concerned. An economic downturn could reduce the volume of the market on which COR&FJA has trained its sights. Any capacity adjustment measures which are regarded as necessary to counter such developments might take effect only after a time lag and would lead to restructuring costs. With the volume-related remuneration models, a delay in portfolio growth caused by the general economic situation could result in a postponement of the planned diminution in fixed costs.

As far as the recent crisis in the financial markets is concerned, it is important to monitor the possible effects on COR&FJA's business closely to ensure that we can respond to new developments quickly if the need arises.

In the event of demand falling as a consequence of economic crises, COR&FJA would assume that this would take effect rather more slowly among existing product customers because, in that segment, loyalty to the solution deployed ensures that any requisite adjustments will also be ordered. With regard to new customers, postponements of planned investments can lead to reductions in turnover, especially in product business.

The fundamental risk that, following economic crises, parts of COR&FJA's potential customers' budgets might be put on hold is offset by the new potential opened up for a standard software supplier such as COR&FJA by stricter regulatory demands and increasing cost pressure. Pressure on costs in the selling market caused by the general economic situation encourages consolidation and automation trends, which can lead to increasing demand for external system suppliers.

Competition risks

In the 2013 financial year, COR&FJA reduced its performance spectrum and scaled down its international activities. This is leading, on the one hand, to a concentration and therefore an increase in market development risks. On the other hand, the Group's earning power will increase as a result. COR&FJA will therefore attempt to continue with its existing strategy, also in its remaining product segments and regional markets, and to depict entire value chains and entire product ranges with its solutions. In this way, it hopes to achieve a decisive competitive advantage on the market, particularly vis-à-vis new competitors with aggressive pricing policies.

Risks arising from the statutory regulation of the market

Population trends and retirement pensions are among the most important problems facing society at the present time, and as a result they are among the most important spheres of activity for financial policy. To these can be added the implications of the recent financial crisis. COR&FJA's main area of commercial activity is therefore subject to permanent statutory regulation. This means that a constant stream of new financial products must be implemented using software, but there are no guarantees whatsoever of their medium-term survival in terms of prevailing tax policy. For this reason, COR&FJA is repeatedly having to carry out adaptation and enhancement work on its software products.

Project and product risks

The main potential source of risk in the course of operating activity lies in the calculation of the complex projects and in their organisational, functional, technical and commercial handling. These risks are controlled and monitored by means of the valid Group-wide standards for project and project risk management. The risk nevertheless remains that projects cannot be realised profitably for the COR&FJA Group because costs exceed the agreed budget, deadlines cannot be met or the services rendered fail to comply with the agreed functional specifications or the required quality, and the COR&FJA Group will therefore have to grant a discount or pay compensation.

Like all software products, the COR&FJA Group's products can have defects whose elimination under guarantee increases costs and thereby influences the profit margin or even leads to compensation claims against the COR&FJA Group. The COR&FJA companies generally assume the warranty which is customary in the industry. The liability obligations are, as far as possible, limited contractually to the legal minimum and secured with appropriate third-party liability insurance policies. It can nevertheless not be ruled out that contractually agreed limitations on liability will be regarded as invalid and the available insurance cover will be available to an insufficient extent or not at all – even if this is improbable. This applies in particular to the US market.

The COR&FJA Group also uses software from external suppliers in its own software products. This third-party software can contain defects that might have an adverse effect on the functional capability of the COR&FJA Group's own products. Problems in the execution of projects and software defects that can occur in the operation of software produced by COR&FJA can do lasting damage to the reputation of the COR&FJA Group and thereby have a substantial impact on the future course of business.

Personnel risks

COR&FJA's success depends crucially on the skills, qualifications and motivation of its employees. Some of these employees in key positions play a particularly significant role. If COR&FJA is unable to get these employees to commit themselves to the company or to recruit qualified and skilled staff and develop them further on a continuous basis, COR&FJA's success can suffer significant adverse effects due to the resultant loss of know-how and expertise. An excessive burden on the company's own staff, moreover, can necessitate the deployment of expensive external capacities if the risk of quality losses in project development is to be averted. This applies particularly when the likely demographic trends are taken into consideration. In connection with this, COR&FJA will be affected particularly by the probable decline in graduate numbers, the resultant competition to recruit them and the increasing costs to which this will lead.

COR&FJA is countering this risk with an extensive set of measures. A continuous exchange of views with the employees on all factors affecting their work environment at standardised employee interviews with a facility for qualified feedback, internal training to prevent monopolies of knowledge and skills, on-the-job graduate training and the recruitment of suitable people through all of the usual market channels are just a few examples of these. In addition, the leadership guidelines for the executive staff are designed to strengthen the employees' identification with the company.

Technological risks

As with all comparable companies, the functional capacity of the business processes is also dependent on the availability and secure operational capacity of the IT infrastructure. External events, for example fire, lengthy power or network failures, operational errors or acts of sabotage, among other things, can also render the IT infrastructure inoperable. Our systems, and also those of our customers, can succumb to viruses which damage and incapacitate the systems or the network. Internal or external attacks can damage, distort or delete information and eavesdrop on confidential data and information. The probability and the extent of damage caused by viruses and hackers, by unauthorised persons accessing the IT system and by eavesdropping on confidential information cannot be reliably estimated.

Recovery expenses, loss of production and recourse claims from customers and third parties as a result of system breakdowns or attacks could cause significant damage which, in turn, could influence earnings and endanger the continued existence of the company.

Since IT security is strategically significant, extensive technical and organisational steps are, as far as possible, taken within the framework of the IT security concept. These steps include restrictive authorisation and access controls, regular backups and adequate contractual arrangements with service providers for outsourced systems and telephone and other communication links. In order to provide protection against penetration by viruses, the latest software available on the market is deployed as a matter of principle. Access restrictions prevent possibly infected software from being installed inadmissibly on the COR&FJA computer network. Defined security requirements limit access by unauthorised persons and ensure that data are protected. Financial loss is limited by appropriate insurance policies.

Risks from takeovers

COR&FJA is currently interested in expanding its market position in Germany and internationally primarily through organic growth. If this is again to be supported by selective acquisitions in the future, the success of these will depend on whether the Group can integrate such acquired companies into its overall structure and achieve the synergies it desires. In the field of professional services, acquisitions bring with them the particular risk that, in the main, the expertise, market knowledge and customer contacts acquired are only loosely tied to the acquired company.

COR&FJA AG was the defendant in a mediation procedure brought before Stuttgart Regional Court (LG) pursuant to Section 15 Para. 1, German Transformation Act (UmwG) in conjunction with Section 1 (4), German Award Proceedings Act (SpruchG). In the aftermath of the merger of COR AG Financial Technologies with FJA AG, several former COR AG Financial Technologies shareholders have initiated a legal challenge to examine the appropriateness of the share exchange ratio established in the merger agreement. If at least one of the motions for the examination and redetermination of the exchange ratio had been successful and the court had stipulated a settlement by means of additional cash payment, not only the claimants who mounted the legal challenge, but also every other former shareholder in COR AG Financial Technologies, would have been entitled to assert this claim.

In its decision of 16 October 2012, Stuttgart Regional Court (LG) completely rejected the claims of all of the claimants at first instance. COR&FJA AG merely had to pay the court costs and the out-of-pocket expenses and remuneration that were due to the representative of the outside shareholders. The complaint lodged by one claimant against the decision of Stuttgart Regional Court at first instance was withdrawn, with the result that COR&FJA AG ultimately prevailed in the mediation procedure. The relevant announcement was published in the Federal Gazette on 5 May 2013.

Liquidity risks

Managing the liquidity risk includes ensuring that the company always has sufficient liquid funds or credit lines available to enable it to meet its payment obligations and face risks from fluctuations in cash flow. The payment obligations consist of interest and redemption payments, among other things. The liquidity risk also includes the risk of not being able to obtain sufficient liquidity at the expected terms when required (refinancing risk).

Under the management mechanisms now in place, the daily holdings of cash and cash equivalents and the monthly rolling financial plans are monitored by the company's management. The purpose of liquidity management is to finance predictable deficits at standard market terms under normal market conditions. This means that both losses from borrowing capital at excessive interest rates and the investment of surplus funds at interest rates below the market level should be avoided.

Due to its relatively high level of cash and cash equivalents, COR&FJA AG currently regards its liquidity risk as low. The COR&FJA Group has sufficient liquid funds to service its financial liabilities. During the reporting period, one of the principal bankers that had hitherto played a financing role was replaced by the msg systems ag; the contract in question, for a credit line of 10 million euros, is of a long-term nature with a term to the end of June 2016. In addition, the msg systems GmbH has put a further 5 million euros at the company's disposal at short notice as a bridging loan in 2013. Of this aggregate sum of 15 million euros, 11 million euros was repaid in the first quarter of 2014.

Furthermore, there is presently a credit line with the principal banker amounting to 10 million euros, which as of the balance sheet date was utilised to the extent of 3.197 million euros. This credit agreement contains financial covenants rules.

COR&FJA AG is currently holding discussions with banks with a view to fundamentally realigning its medium- to long-term financing strategy. In connection with this, the company is assuming that, among other things, it will be able to replace the third-party lender with a commercial bank at short notice.

Risk reporting in respect of the use of financial instruments

Details of risk reporting in respect of the use of financial instruments can be found in paragraph VIII ('Further information on financial instruments') in the notes to the consolidated financial statements and notes to the individual financial statement of COR&FJA AG ('Financial Instruments').

Overall assessment of the opportunities and risks

COR&FJA believes that, in the light of the likelihood of their occurrence and their effects, the risks described above do not represent a threat to the company's continued existence either individually or as a whole. The senior management remains confident that the Group's earning power constitutes a solid basis for the future development of our business and will generate the resources that will be necessary for the Group to pursue the opportunities that present themselves. In view of its leading position on the market, its functional and technological innovative power, its committed staff and its processes for the early identification of risks, COR&FJA is confident that in 2014 it will again be able to deal successfully with the challenges that arise from the aforementioned risks.

Declaration on corporate governance pursuant to Section 289a, German Commercial Code (HGB) and the corporate governance report

The declaration on corporate governance pursuant to Section 289a HGB contains the declaration of compliance, disclosures on corporate management practices and the description of the working methods of the Management Board and the Supervisory Board. In making this declaration, COR&FJA is pursuing the goal of presenting its corporate governance clearly and concisely. The declaration can be seen on our website at http://cor.fja.com/en/investor-relations/corporate-governance.html. In connection with the declaration on corporate governance pursuant to Section 289a, German Commercial Code (HGB), COR&FJA also publishes the corporate governance report, which can be seen on the COR&FJA website at http://cor.fja.com/en/investor-relations/corporate-governance.html.

Internal control and risk management systems in respect of the accounting process and Group accounting process

COR&FJA AG has an internal control system and a risk management system – also in respect of the accounting-related processes and all the risks and controls related to accounting.

Basically, the internal control system and the risk management system at COR&FJA AG also encompass the accounting-related processes and all the risks and controls related to accounting. This refers to all parts of the internal control and risk management systems which can materially influence the annual financial statements and the consolidated financial statements.

With regard to the accounting process, the objective of the risk management system is to identify and assess risks which can impede the intended compliance of the annual financial statement and consolidated financial statements with the relevant regulations. Any risks which have been identified must be assessed for their influence on the annual financial statement and the consolidated financial statement, with external specialists being consulted. In this context, the objective of the internal control system is to guarantee securely by setting up appropriate controls that an annual financial statement and a consolidated financial statement are being prepared in compliance with the regulations despite the risks identified.

The internal control system and the risk management system encompass all the subsidiaries which are of material significance to the annual financial statements and consolidated financial statements, and all of the processes which are relevant to the preparation of those statements. The controls which are relevant to the preparation of the accounts are geared particularly towards risks arising from significant misstatements in the financial reporting. The assessment of the significance of misstatements is based on the likelihood of their occurrence and their possible financial impact on turnover, EBIT or the balance sheet total.

The COR&FJA Group has a clear management and corporate structure in which key cross-departmental functions are controlled in centralised fashion via the company. The most important elements in risk management and control in financial accounting are the clear allocation of responsibilities and controls when preparing the financial statements, transparent specifications by way of guidelines for balance sheet accounting and the preparation of financial statements, appropriate access regulations for all electronic data processing systems relevant to the financial statements, and the clear regulation of areas of responsibility when external specialists are brought in. Peer review and the separation of functions, too, are important control principles in the accounting process. An adequate guideline system (e.g. Group manual, payment guidelines, travel expenses guidelines, etc.) has been set up and is updated continuously. The departments and divisions involved in the accounting process (accounting, finance and controlling) are adequately equipped, both qualitatively and quantitatively.

The identified risks and appropriate measures taken are updated as part of the monthly report to the risk officer and reported to the COR&FJA Group's management. The effectiveness of internal controls with regard to accounting is assessed at least once a year – predominantly as part of the financial statement preparation process. In relation to the processes with relevance for accounting, the auditor, too, carries out an assessment as part of his auditing activities.

The auditor is also obliged, as part of the financial statements auditing process, to inform the Supervisory Board about risks or monitoring weaknesses relevant to accounting and about other significant weaknesses in the internal control system and the risk management system in respect of the accounting process which were identified within the framework of the auditing activities.

Forecast report

Market and competition

With around 900 employees at sites in Germany, the Netherlands, Austria, Switzerland, Slovakia, Slovenia, Poland, the Czech Republic, Portugal and the USA, COR&FJA is now well-positioned in the field of software and consulting services for insurance companies. The extensive spectrum for insurance companies in Europe and for healthcare, non-life and life insurance companies in the USA is providing the company with good market opportunities and a strong competitive position.

In the medium term, COR&FJA is striving to expand gradually the proportion of its business accounted for by international activities – even though it is currently refraining from setting itself a quantitative target in this respect. As well as enjoying a leading market position in the German-speaking countries, COR&FJA's software is deployed worldwide. Users in more than 30 countries, including the USA and Australia, are already using the company's solutions. In this strategic undertaking, COR&FJA puts its faith in collaborations, partnerships and a local presence in the countries in question. Experience shows that the selective presence of COR&FJA on the respective foreign markets is a substantial success factor when it comes to winning new customers in the future. In addition, the company can discern a trend in which Group companies want to put the solutions implemented for one region at the disposal of other Group companies in other countries. This, too, can advance the ongoing internationalisation of COR&FJA as a service provider for its customers. Now that steps have been taken in the financial year 2013 to safeguard the profitability of COR&FJA's international activities, the objective in the current financial year is to press ahead selectively with sales projects in those foreign markets that are already established.

Benelux remains an interesting and promising market in this context and COR&FJA already provides support for a renowned customer there, the Dutch company Cooperatie DELA and R+V Luxembourg. Another similarly promising market is Scandinavia, where COR&FJA already has several existing customers from the insurance sphere, for example the Danish company letpension, Frende Forsikring from Norway and the Swedish firm SEB.

The Austrian market is another important building block in the Group's international activities, and it is from Vienna that the placement and further development of the consulting portfolio for the German-language markets, as well as the selling and marketing of numerous COR&FJA products, especially in the countries of Central and Eastern Europe, is carried out. On the Swiss market, too, COR&FJA is represented with its own offices and on the premises of several well-known life insurers and can see good medium-term prospects for the further expansion of its business.

Furthermore, COR&FJA is present in the growth markets of Central and Eastern Europe with its two subsidiaries in Slovakia and Slovenia as well as the offices in Poland and the Czech Republic.

For the high-potential US market, COR&FJA is examining the extent to which its own product portfolio can be deployed there in an even more targeted manner. Generally speaking, the long-term, highly comprehensive reform of that country's health system and the general economic upturn offer additional business potential for the company. The spectrum offered by COR&FJA in the USA now encompasses not only software products but also, increasingly, operator models and functional consulting services on all aspects of product and tariff structuring as well as process optimisation – across segment boundaries for healthcare, non-life and life insurance companies and potentially for new customer groups such as collaborations of providers and risk bearers.

With the previous financial year 2013 having been less than satisfactory in sales and marketing terms, COR&FJA is experiencing a revival in the current financial year 2014 as far as demand for its products is concerned, i.e. from insurance companies in Germany and other countries in equal measure. This is accompanied by the planned new mandatory requirements in relation to risk management, under the headings Solvency II and MaRisk, and the necessity of their implementation as further arguments for strategic investments in IT. In connection with this, COR&FJA also expects to see continuous further regulation throughout the financial services sector as a direct consequence of the ongoing financial crisis. Such regulation is necessitating major adjustments to the solutions currently in use and accelerating the trend towards the use of standard software. This means that the use of versatile, cost-effective standard software is going to become increasingly attractive throughout the financial services sector.

This year, and probably in the years to come as well, the German market is going to remain extremely challenging as a result of numerous legal amendments, the condition of the financial markets and the concomitant product implementations for the insurance companies. The trend towards internationalisation and consolidation is continuing, and given the efforts to reduce costs and increase efficiency that can be observed everywhere within insurance companies, the correlation between modern and flexible IT on the one hand and corporate success on the other is becoming increasingly clear. Despite these difficult general conditions, the subject of life insurance remains indispensable in Germany in view of the demographic trend and the necessity of covering against biometric risks. Many insurers are striving to enhance their existing products and/or developing new, innovative ones in order to tackle the imminent challenges. This applies, in ways different to those that prevailed before, for all existing product groups, all control layers and all legal forms. The starting situations for the companies and the pressures on them to innovate are highly diverse and are consequently bringing about a variety of innovations in themselves: within the classical capital-accumulation products, modifications of the guarantees are dominant, for example through the use of current calculation principles or by dispensing with the annual interest guarantee. With the biometric products, too, there is a great deal of action on the market. Hybrids, especially dynamic hybrid products, have almost become the standard now, and there is a continuous flow of innovative products in addition to them. One new development comprises products which allow investment in funds but also the purchasing of options on the basis of traditional basic cover. Insurance companies at the larger end of the scale, moreover, are following completely new paths by offering old-age provision products with capital guarantees on the basis of fund-linked approaches with investment guarantees.

In this context, the establishment of service-oriented architectures (SOA) for the prompt support of changed business models, and high system flexibility for the swift installation of innovative products are crucial success factors for companies. A new trend at mainly large insurance companies is the selective acquisition of closed insurance contract portfolios no longer available for sale ('run-off' portfolios) from mainly smaller insurance companies with the aim of generating appreciable economies of scale.

On the basis of all these developments, COR&FJA is anticipating that insurance companies will show a general interest in the software and consulting solutions it will be offering in the current year.

Further development of products and services

As well as cultivating our existing customers and winning new ones, we are pressing ahead with the further technical and functional optimisation and completion of our broad product range in the Insurance segment. This means that in the current year, COR&FJA will reduce still further its previously high levels of investment in creating new product offerings that could not be positioned successfully on the market and, in this way, again reduce the comparatively high costs incurred for the freelance employees hired during the high-investment phase.

Another crucial project is the further development of the policy management system, COR.FJA Life Factory, on the basis of modern Java JEE architecture. This year, around 6,500 person days in development capacity will be earmarked for this purpose. In this way, COR&FJA is responding directly to the stringent requirements of the life-insurance industry with regard to customising and process and product flexibility; COR&FJA would like to make further inroads into this customer segment in Germany and broaden the foundation for international growth.

In parallel, the further expansion of product-independent consulting activities is an essential development component for the Insurance division in 2014. COR&FJA is assuming that the positive trend in this area in 2012 and 2013 can be continued and is putting its faith in the – compared with other consulting firms – unique selling point of being able to transform tried-and-tested solutions from the COR&FJA product area into solutions for non-product customers more economically than their respective competitors.

In addition to these ongoing advancements of its central products and services, the company's management is systematically implementing the strategic realignment adopted by the COR&FJA Group. Based on the agreement to concentrate on the company's core business of developing and selling standard software for the life insurance market, the decision to discontinue product development in the Non-life Insurance segment and the implementation of the new internationalisation strategy, the company has reoriented itself promisingly in significant respects. Over and above this, COR&FJA is currently striving first and foremost to achieve organic growth.

In light of the current market and sales situation, COR&FJA is anticipating turnover of around 100.0 million euros and earnings before interest, taxes, depreciation of property, plant and equipment and amortisation of intangible assets (EBITDA) of approximately 11.0 million euros in the current financial year 2014; this EBITDA figure includes non-recurring effects from the sale of the Banking segment. As things stand at present, COR&FJA can see no significant change in the target markets and therefore expects 2015 to produce a slight increase in turnover and operating EBITDA of between 8.0 and 10.0 million euros.

Closing declaration on the dependency report in accordance with Section 312, German Companies Act (AktG)

In the legal transactions with affiliated companies specified in the report, our company received a consideration for each of these legal transactions that was reasonable under the circumstances that were known to us at the time when the legal transactions were carried out. Discriminatory measures at the instigation or in the interests of the dominant party or a company affiliated to that party were effected neither by actions nor by failing to act. This assessment is based on the circumstances that were known to us at the time when the reportable transactions were carried out.

Leinfelden-Echterdingen, 15 May 2014

COR&FJA AG

Dr Christian Hofer
CHAIRMAN OF THE
MANAGEMENT BOARD

Bernhard Achter
MEMBER OF THE
MANAGEMENT BOARD

Rolf Zielke
MEMBER OF THE
MANAGEMENT BOARD

Focusing on the profitable core business concerning all aspects of standard software for life insurance companies proved successful and constituted a milestone in the COR&FJA restructuring process during 2013.

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Aikido is an essentially defensive modern Japanese martial art with techniques that are oriented primarily towards averting attacks and safeguarding the practitioner.

Consolidated financial statement

Consolidated income statement

in EUR	Marginal number	2013	2012
Turnover	VII.1	131,316,311	136,680,349
Changes in inventory of finished and unfinished services		3,435	139,065
Capitalised own services for development	VII.2	0	881,499
Other operating income	VII.5	4,149,409	3,793,740
Cost of purchased services	VII.3	-16,472,818	-18,755,326
Personnel expenses	VII.4	-97,150,049	-98,517,703
Other operating expenses	VII.6	-23,400,901	-33,343,410
Depreciation of property, plant and equipment and amortisation of intangible assets	VII.7	-5,165,896	-10,135,610
Operating result		**-6,720,509**	**-19,257,397**
Interest income	VII.8	142,200	196,823
Interest expenses	VII.8	-1,054,207	-1,128,005
Income from participating interests	VII.9	80,000	-128,933
Earnings before income taxes		**-7,552,516**	**-20,317,512**
Taxes on income and revenues	VII.10	885,682	-4,251,489
Net income for the period		**-6,666,834**	**-24,569,001**
Of which:			
Shareholders of the parent company		-5,906,614	-24,216,041
Non-controlling shares		-760,220	-352,960
Consolidated earnings		**-6,666,834**	**-24,569,001**
Earnings per share (undiluted)	X.	-0,14	-0.59
Earnings per share (diluted)	X.	-0,14	-0.59
Shares in circulation on average (undiluted/diluted)		40,895,861	40,895,861

Consolidated statement of comprehensive in-come

in EUR	2013	2012
Net income for the period	**-6,666,834**	**-24,569,001**
Profits and losses from currency conversions of foreign subsidiaries	-435,878	16,999
Actuarial profits and losses from performance-oriented plans, before taxes	-136,706	-2,811,305
Deferred taxes related to actuarial profits and losses from performance-oriented plans	45,086	826,704
Profits/losses from the revaluation of available-for-sale financial assets, before taxes	0	209,784
Amounts recognised in the income statement for available-for-sale financial assets, before taxes	0	0
Deferred taxes on amounts recognised in the income statement for available-for-sale financial assets	0	-44,325
Revenues and expenses directly included in equity	**-527,499**	**-1,802,144**
Total earnings	**-7,194,332**	**-26,371,144**
Of which profits/losses that are attributable to shareholders of the parent company	-6,434,111	-26,018,184
Of which profits/losses that are attributable to non-controlling shares	**-760,221**	**-352,960**

Consolidated statement of financial position

Assets	Marginal number	31.12.2013	31.12.2012
in EUR			
Current assets			
Cash and cash equivalents	VIII.1	14,365,916	11,338,478
Securities	VIII.2	4,350	4,271
Trade receivables	VIII.3	36,315,357	37,089,731
Invoiced receivables		21,294,043	23,177,887
PoC receivables		15,021,314	13,911,844
Receivables from affiliated companies	VIII.4	44,986	32,285
Inventories	VIII.5	346,330	567,451
Ongoing income tax claims	VIII.6	451,033	1,240,012
Other financial receivables	VIII.7	704,505	757,672
Other short-term assets	VIII.8	1,130,227	926,356
Of which: Assets of disposal groups	III.2	12,034,616	25,199
Short-term assets, total		**53,362,704**	**51,956,256**
Non-current assets			
Goodwill	VIII.9	24,608,722	25,731,233
Other intangible assets	VIII.9	9,183,677	11,517,026
Property, plant and equipment	VIII.10	2,833,709	3,904,247
Financial investments	VIII.11	1,773,276	4,686,117
Deferred tax claims	VIII.12	9,600,970	7,062,661
Ongoing income tax claims	VIII.6	695,483	893,630
Other financial receivables	VIII.13	199,460	200,675
Long-term assets, total		**48,895,297**	**53,995,589**
Assets, total		**102,258,001**	**105,951,845**

Equity and liabilities	Marginal number	31.12.2013	31.12.2012
in EUR			
Current liabilities			
Financial liabilities	VIII.14	3,196,580	14,895,738
Trade payables	VIII.15	4,889,585	3,381,587
Amounts owed to affiliated companies	VIII.4	5,115,672	486,629
Current income tax liabilities	VIII.16	204,290	112,863
Other provisions	VIII.17	3,227,343	2,685,601
Other current liabilities	VIII.18	3,874,271	4,168,767
Other financial liabilities	VIII.19	11,096,305	11,833,377
Of which: Liabilities of disposal groups	III.2	-6,960,781	-6,843
Short-term liabilities, total		**31,604,046**	**37,564,562**
Non-current liabilities			
Financial liabilities	VIII. 14	0	584,731
Other provisions	VIII.17	543,693	579,303
Other financial liabilities	VIII.19	808,340	712,697
Deferred tax liabilities	VIII.12	7,271,393	7,086,510
Pension provisions	VIII.20	9,273,023	9,472,206
Amounts owed to affiliated companies	VIII.18	10,000,000	0
Long-term liabilities, total		**27,896,449**	**18,435,447**
Liabilities, total		**59,500,495**	56,000,009
Equity			
Subscribed capital of COR&FJA AG	VIII.21	40,895,861	40,895,861
Capital reserve of COR&FJA AG	VIII.22	33,601,050	33,601,050
Group retained income	VIII.23	-32,743,795	-26,309,685
Shareholdings shareholders parent company		**41,753,116**	**48,187,226**
Minority interests	VIII.24	1,004,390	1,764,610
Equity total		**42,757,506**	**49,951,836**
Equity and liabilities, total		**102,258,001**	**105,951,845**

Consolidated cash flow statement

in EUR	2013	2012
Net income for the period	-6,666,834	-24,569,001
Income taxes	-885,682	4,251,489
Earnings before income taxes	**-7,552,516**	**-20,317,512**
Adjustments for the transfer of earnings to the cash flow from operational activities		
Depreciation of property, plant and equipment and amortisation of intangible assets	5,165,896	10,135,610
Earnings from disposal of tangible assets	235,177	18,805
Depreciation of financial assets	0	209,784
Earnings from disposal of financial investments	171,509	-4,519
Other expenses / income with no impact on earnings	-132,967	39,753
Change in provisions for pensions recognised in profit or loss	359,778	224,541
Interest income	-142,200	-196,823
Interest expenses	1,054,207	1,128,005
Income taxes paid less reimbursed payments	-364,022	-1,402,473
Change in:		
Trade receivables	769,919	8,112,689
Inventories	221,121	-221,420
Other assets / other financial receivables / ongoing income tax claims	48,658	77,985
Other reserves	577,352	762,235
Trade payables	-212,727	-1,016,890
Other debts / financial liabilities	1,031,568	992,263
Net assets of disposal groups		
Cash flow from operating activity[1]	**-267,215**	**-1,457,967**

	2013	2012
in EUR		
Cash flow from investment activity		
Investments in tangible assets	-1,771,917	-863,727
Investments in intangible assets	-81,000	-882,138
Incoming payments from disposal of tangible assets	718,549	84,692
Purchase of securities	0	0
Cash inflow from disposal of intangible assets	0	3
Cash inflow from disposal of financial investments	3,069,509	450
Cash outflows from the acquisition of subsidiaries	0	0
Cash outflows from the acquisition of non-controlling shares in consolidated companies	0	-79,369
Cash flow from investment activity	**1,935,141**	**-1,740,089**
Cash flow from financing activity		
Repayment of short-term financial liabilities	-11,699,158	-557,627
Repayment of long-term financial liabilities	-585,435	0
Assumption of short-term financial liabilities	5,000,000	0
Assumption of long-term financial liabilities	10,000,000	584,731
Interest received	142,200	196,823
Interest paid	-1,054,207	-1,128,005
Cash flow from financing activity	**1,803,400**	**-904,078**
Changes due to the exchange rate with no impact on earnings	**-443,888**	**5,598**
Change in cash funds	**3,027,438**	**-4,096,536**
Cash funds at the start of the reporting period	**11,338,478**	**15,435,014**
Addition of cash and cash equivalents due to change in consolidation group	**0**	**0**
Cash funds at the end of the reporting period*	**14,365,916**	**11,338,478**
* of which freely available	9,756,158	6,728,720

[1] see Notes IX.

Consolidated statement of changes in equity

	Subscribed capital	Capital reserve		
			Currency compensation item	
in EUR				
Paragraph VIII	21	22	23	23
As at 01.01.2013	**40,895,861**	**33,601,050**	**3,271,439**	
Total earnings	**0**	**0**	**-435,878**	
Expenses for issuance of stock options	0	0	0	
Acquisition of subsidiaries	0	0	0	
Additions in non-controlling shares	0	0	0	
Other changes	0	0	0	
As at 31.12.2013	**0**	**0**	**0**	
Total earnings	**0**	**0**	**0**	
Additions in non-controlling shares	0	0	0	
Other changes	0	0	0	
As at 31.12.2013	**40,895,861**	**33,601,050**	**2,835,561**	

Group retained income		Equity accounted for by the owners of the parent company	Non-controlling shares	Total equity
Net investment	Other			
	23		24	
-2,336,578	-27,244,545	48,187,226	1,764,610	49,951,836
0	-5,998,234	-6,434,112	-760,220	-7,194,331
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0		0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
-2,336,578	-33,242,779	47,358,555	1,004,390	42,757,506

Notes to the Consolidated Financial Statements

I. General explanations

1. Basic information

The COR&FJA Group is a leading consulting and software company for the insurance, banks and retirement pensions markets. Its software solutions give support to insurance companies, banks and company pension funds in the conceptual planning, realisation and administration of their products. Reporting is carried out for the Life Insurance, Non-Life Insurance and Banking segments.

The COR&FJA Group's head office is located at Humboldtstraße 35, 70771 Leinfelden-Echterdingen, Germany. COR&FJA AG is a public limited company under German law.

The consolidated financial statement of COR&FJA AG, Leinfelden-Echterdingen, Germany, as at 31 December 2013, encompass the parent company, all of the subsidiaries (hereinafter referred to as the 'COR&FJA Group') and all of the associated companies. The reporting year comprises the calendar year.

On 15 May 2014, the Management Board of COR&FJA AG approved the consolidated financial statements for forwarding to the Supervisory Board, and therefore for publication. The Supervisory Board has the task of examining the consolidated financial statements and declaring whether it approves the consolidated financial statement.

The company is obliged under Section 290 in conjunction with Section 291, Subsection 3, of the German Commercial Code (HGB), to prepare consolidated financial statements. The company prepared a discharging consolidated financial statement and a discharging Group management report in accordance with Section 315a HGB as at 31 December 2013. The consolidated financial statement is published in the German Federal Gazette and deposited with the electronic register of companies under HRB 731 887 at Stuttgart Local Court (Amtsgericht). As at the reporting date, COR&FJA AG is a subsidiary of msg group GmbH, which prepares the consolidated financial statement for the largest number of Group companies.

Events after the balance sheet date are taken into account until 15 May 2014, the day on which the financial statements are approved for publication by the Management Board.

II. Accounting and valuation methods

The principal accounting and valuation methods applied in the preparation of these consolidated financial statements are described below. If nothing to the contrary is indicated, the methods described were applied consistently to the reporting periods in question.

1. The principles applied in preparing the financial statements

The consolidated financial statements of COR&FJA AG as at 31 December 2013 were prepared in accordance with the International Financial Reporting Standards (IFRS) stipulated by the International Accounting Standards Board (IASB) and interpretations by the International Financial Reporting Interpretations Committee (IFRIC), whose application is mandatory in the European Union.

The consolidated financial statements are generally prepared on the basis of the historical cost principle. Derivative financial instruments and available-for-sale financial assets are exceptions from this principle.

In the balance-sheet disclosures, a distinction is made between non-current and current assets and liabilities, which are generally shown in detail in accordance with their respective maturities in the notes to the consolidated financial statements.

The profit and loss account was prepared in accordance with the total expenditure format. In order to improve its clarity of presentation, various items in the statement of financial position and the statement of income were consolidated. These items are reported and explained separately in the notes.

The reporting currency is the euro, and the rounding is done to thousands or millions of euros. This can give rise to rounding differences of up to one arithmetical unit.

The consolidated financial statements contain comparative information about the preceding reporting period. In addition, the Group shows a balance sheet from the beginning of the earliest comparative period if it is applying an accounting method retroactively or adjusting or reclassifying positions in the financial statements retroactively.

The preparation of consolidated financial statements in accordance with IFRS makes estimates necessary. Furthermore, the application of the accounting and valuation methods throughout the company necessitates assessments of the management. Areas with greater scope for assessment or a higher level of complexity, or areas in which assumptions and estimates are crucially important for the consolidated financial statements, are listed under '3. General information about the accounting and valuation methods'.

2. Change in the accounting and valuation methods

a. New and amended standards and interpretations that were applied for the first time in 2013:

In the 2013 financial year, it was established which IFRS would be applied with mandatory force to ensure adherence to the IFRS adopted by the EU for financial years beginning on or after 1 January 2013: IFRS 7 'Financial Instruments: Disclosures – Offsetting of Financial Assets and Financial Liabilities' and IFRS 13 'Fair Value Measurement – Definition and Measurement of Fair Value'. Other standards or amendments to standards and interpretations whose application was mandatory within the EU for financial years beginning on or after 1 January 2013, such as IAS 12 'Income Taxes – Deferred Taxes: Recovery of Underlying Assets' and IAS 19 'Employee Benefits', were already applied prematurely in the 2012 financial year.

A number of other standards, amendments to standards and interpretations must be applied for the first time in the 2013 financial year but have no impact on COR&FJA AG's consolidated financial statements.

The nature and impact of the new individual standards and interpretations are described below:

The amendment to IAS 1 requires a regrouping of the items of other comprehensive income. Items which are reclassified in the income statement in the subsequent periods ('recycling' – including, for example, gains or losses from the disposal of available-for-sale financial assets) must be shown separately from the items for which there will be no reclassification. These amendments concern only the reclassification and have no impact on COR&FJA Group's net assets, financial position and results of operations.

The other amendment to IAS 1 clarifies the difference between voluntary comparative information and prescribed comparative information. If a comparative period that stretches beyond the prescribed minimum comparative period is shown in the financial statements, the company must include comparative information in the notes for the entire period shown. The amendment makes it clear that no comparative disclosures in the notes are necessary for an opening balance sheet that was prepared as a consequence of a retroactive adjustment or reclassification of end-of-year items. These amendments concern only the presentation and have no impact on COR&FJA Group's net assets, financial position and results of operations.

The amendment to IFRS 7 contains new disclosures, which are designed to simplify the comparability between financial statements prepared in accordance with IFRS and in accordance with US-GAAP respectively.

The amendments to IFRS 13 lead to an improvement in the continuity of measurement and to a reduction in its complexity. They describe how fair value is to be defined, how its measurement is determined and what disclosures must be made. The rules that involve an alignment of IFRS and US-GAAP do not broaden the field of application for fair value measurement; instead, they explain how fair value is to be applied in cases where it is already demanded or permitted by the standard. The application of IFRS 13 had no significant impact on the measurement of the Group's fair value.

The Group makes no disclosures about new or amended standards and interpretations that have no impact on the consolidated financial statements, such as IFRIC 20 'Stripping Costs in the Production Phase of a Surface Mine'.

b. Standards, interpretations and amendments to published standards whose application was not yet mandatory in 2013 and which were not applied prematurely by the Group:

There are a number of standards, as well as amendments to standards and interpretations, that must be applied for financial years beginning as from 1 January 2013 or even later. These were not applied in the present financial statements. With the exception of the revisions specified below, we do not expect them to have any significant impact on the Group:

- IAS 27 ('Separate Financial Statements'), mandatory application for financial years as from 1 January 2014. As a result of the new regulations on accounting rules used in the preparation of consolidated financial statements in accordance with IFRS, IAS 27 now deals only with the balance-sheet reporting of shares in subsidiaries, joint ventures and associated companies in the IFRS separate financial statements. The impact of the amendments is not significant for the consolidated financial statements.
- IAS 28 ('Investments in Associates and Joint Ventures'), mandatory application for financial years as from 1 January 2014. The significant amendments to IAS 28 result from the new IFRS 11 on joint arrangements. In the case of a joint venture, the partner companies must report their respective shares in the joint venture in the consolidated financial statements using the equity method. This brings to an end the previous option of IAS 31 for proportional consolidation, with the result that associated companies and joint ventures are treated equally. The arrangements in IAS 28 governing the equity method have not been changed in any way. The impact of the amendments is not significant for the consolidated financial statements, as COR&FJA possesses no shares in associated companies or joint ventures.
- Amendment to IAS 32 ('Financial Instruments'), mandatory application for financial years as from 1 January 2014. These amendments are merely a clarification of the prerequisites for the offsetting of financial assets and financial liabilities in the balance sheet. Offsetting requires that there should be an existing legal entitlement to the offsetting of the reported amounts at the present time and that the company intends either to bring about a settlement on a net basis or to redeem the liability at the same time as the liquidation of the corresponding asset. The amendments have no significant impact on the consolidated financial statements.
- Amendment to IAS 36 ('Impairment of Assets'), mandatory application for financial years as from 1 January 2014. This amendment has removed the obligation whereby particular disclosures must be made about the recoverable amount of each cash-generating unit with matching significant goodwill or significant intangible assets with indeterminate useful lives. Now the recoverable amount must be indicated only if an impairment or reversal was actually carried out. Furthermore, additional disclosures must be made in the notes if the recoverable amount of an asset or a cash-generating unit corresponds to the fair value less the costs of disposal. For one thing, the level of the fair-value hierarchy at which the fair value of the asset or the cash-generating unit was determined must be indicated in accordance with IFRS 13. In the event of measurement at level two or three, the valuation methods must be described and all of the key assumptions on which the management based the evaluation must be disclosed. If the present value method was applied, moreover, the discount rate must be disclosed.
- IFRS 9 ('Financial Instruments'), mandatory application for financial years as from 1 January 2015. This standard deals with the classification, reporting and measurement of financial assets and financial liabilities. It replaces the sections of IAS 39 'Financial Instruments: Recognition and Measurement' that deal with the classification and measurement of financial instruments. According to IFRS 9, financial assets are classified under two measurement categories: those measured at fair value and those measured at amortised cost. This distinction is made when the asset in question is reported for the first time. The classification depends not only on how the Group has managed its financial instruments, but also on what contractually agreed payment flows are associated with the financial instruments in question. In respect of financial liabilities, most of the rules in IAS 39 are being retained. The most

significant change lies in the fact that if measurement is carried out at fair value, the changes in value that result from the Group's own credit risk are reported in other comprehensive income rather than in the income statement – unless this leads to an inaccurate presentation. The Group is going to start applying IFRS 9 in the financial year that begins on 1 January 2015 at the latest. The impact of the amendments is not significant for the consolidated financial statements, as COR&FJA does not use any financial instruments. The Group is also going to analyse the further phases of IFRS 9 as soon as they are adopted by the IASB.

- IFRS 10 ('Consolidated Financial Statements'), mandatory application for financial years as from 1 January 2014. This standard builds upon existing principles. IFRS 10 is focused mainly on the introduction of a standardised consolidation model for all companies, which is based on the control of the subsidiary by the parent company. The standard also contains additional guidelines that provide assistance in determining whether such a controlling influence applies. The major elements of the control concept in its newly delimited form require the existence of power, the existence of variable return flows from the interest in a company to which the investor is exposed (variable returns) and the possibility for the investor to genuinely exercise that power to influence the variable payment flows that apply to him (link between power and returns). Insofar as a parent-subsidiary relationship exists, this basically creates an obligation to prepare consolidated financial statements in accordance with IFRS. The regulations in IFRS 3 with regard to the first-time consolidation and to the reporting and measurement of the acquired identifiable assets, the liabilities assumed and all non-controlled shares in the acquired company remain unchanged. The technical consolidation regulations were likewise transferred in unchanged form from IAS 27 to IFRS 10. The impact of the amendments is not significant for the consolidated financial statements.

- IFRS 11 ('Joint Arrangements'), mandatory application for financial years as from 1 January 2014. The subject matter of this standard is focused on the rights and obligations of the partner companies instead of the legal foundation. There are two types of joint arrangements: the joint operation and the joint venture. A joint operation is a joint arrangement whereby the direct rights to the assets and liabilities are transferred to the partner companies that are part of this joint arrangement. A partner company in a joint operation records its share in the assets, liabilities, income and expenses. A joint venture, on the other hand, grants the partner companies rights to the net assets. Joint ventures are reported in the balance sheet using the equity method. The option to report in accordance with the principles of proportionate consolidation has been discontinued. For joint operations, on the other hand, the assets and liabilities as well as the expenses and income must be shown proportionately. The impact of the amendments is not significant for the consolidated financial statements, as COR&FJA is not involved in any joint operations or joint ventures.

- IFRS 12 ('Disclosure of Interests in Other Entities'), mandatory application for financial years as from 1 January 2014. This standard combines the revised disclosure obligations for IAS 27 and/or IFRS 10, IAS 31 and/or IFRS 11 and IAS 28 in a single standard. The purpose of this standard is to provide the financial statements' addressees with information about the nature of the interest in another company and about any accompanying risks as well as the impact of these interests on the Group's net assets, financial position and results of operations. These amendments have no impact on the Group's net assets, financial position and results of operations.

- IFRIC 21 'Levies' contains regulations on the timing and amount of the balance-sheet reporting of obligations to pay official levies that are not levies of the types dealt with in other standards, for example in IAS 12 'Income Taxes'. The interpretation addresses the question of what obligating event leads to the reporting of a duty to pay a levy. Insofar as this event occurs over a period of time, rather than being based on some specific point in time because the obligation to pay the levy is, for example, tied to the generation of income, the debt in question must be reported pro rata temporis. If, on the other hand, the obligation to pay the levy is conditional on reaching or exceeding particular threshold values, the debt, too, may not be reported until the threshold value has been reached or exceeded. The Group is currently not obliged to pay any significant charges in relation to this, with the result that the impact of the interpretation within the group is not significant in this respect.

3. General information about the accounting and valuation methods

With the exception of the mandatory new standards, amendments to standards and interpretations referred to under II.2., the COR&FJA Group did not make any changes to its accounting and valuation methods in the 2013 financial year.

Income from the sale of goods, the rendering of services and **the use of assets belonging** to the Group by third parties in return for **interest, licence charges and dividends** are generally reported only if the inflow of commercial benefits is sufficiently probable, the amount can be determined reliably and the specific criteria for every type of activity specified below have been fulfilled. Measurement is carried out at the fair value of the counter-performance that has been received or will be claimed. Turnover is shown less value-added tax, returns and sales deductions (discounts, cash discounts, customer bonuses and allowances). The Group makes estimates on the basis of past empirical values – taking account of customer-specific, transaction-specific and contract-specific characteristics. More specifically, the following applies for the reporting of turnover and income:

The sales of products, services and software contracts can contain a number of delivery and performance components. In such cases, the company establishes whether there is more than one settlement unit. A transaction is separated if the components supplied have an independent benefit for the customer, the fair value of the still outstanding components can be determined reliably and, if a general right to return unsatisfactory products is applicable for the components delivered, the rendering of delivery or performance for the still outstanding components is probable and largely controllable by the company. Insofar as all three criteria are fulfilled, the Group applies the applicable revenue recognition rule that is appropriate for the respective separate settlement unit. In general, the agreed aggregate remuneration is apportioned to the separate settlement units individually in accordance with their relative fair values. The hierarchy of proof for the fair values is as follows: 1. Sale prices of the components if they are regularly sold individually, 2. Third-party prices for comparable components or 3. Costs plus a reasonable profit margin usual on the market in relation to the component. Insofar as the three separation criteria are not fulfilled, the turnover is deferred until these criteria have been fulfilled or until the period in which the last outstanding component is delivered. The turnover attributable to delivered components is limited to the amount that is not dependent on still outstanding components and/or the fulfilment of other specific performance obligations.

With some of the customer projects (especially fixed-price projects), turnover is recognised in accordance with the progress of the project (percentage-of-completion method) insofar as the degree of completion, the costs incurred in the project and the costs that can be expected up until its final completion can be determined reliably. The basis for calculating the progress of a project is the ratio of costs already incurred to the estimated total cost volume of the contract, which is determined on the basis of project valuations. Any losses expected from these orders are accounted for in the period in which the aggregate costs that are currently estimated exceed the turnover anticipated from the respective contract. The services rendered within the framework of this method are shown as **PoC receivables or advance payments** received. If required, the lower attainable value as of the reporting date is shown.

Service contracts which are settled on the basis of the disbursements, which have been made and are eligible for reimbursement (management projects), are realised subject to the services rendered by the COR&FJA companies.

Turnover from **maintenance services** is recognised pro-rata using the straight-line method over the contractually agreed service period. For licence revenues (including the reference system and the specialist concept) to be recognised, the following conditions must generally be fulfilled cumulatively:

1. A contract has come into being with legal effect – there is a sufficient degree of probability that the company will benefit economically from the transaction,
2. the software / reference system / specialist concept has been delivered,
3. the licensing charge has been fixed and
4. the receipt of payment is probable.

If the sale of the licence is unconnected with other services from a commercial point of view, the turnover is recognised in relation to the customer in the month in which the software (or reference system or specialist concept) is delivered and/or accepted.

If the sale of the licence is connected with other services rendered by COR&FJA, distinctions are basically made between the following cases:

If the service comprises customised standard software which is adapted (max. around three months) at COR&FJA and then delivered to the customer, the turnover is generally recognised in the month of delivery to and/or receipt by the customer if such a service is agreed in the contract.

For longer-term projects, in which the process of adapting the standard software takes more than three months before its first-time implementation on the customer's premises, turnover is recognised using the percentage-of-completion method. If the degree of completion, in relation to the licence, is difficult or impossible to ascertain – in particular when the project work can be influenced by the customer – turnover is treated as an accrued item using the straight-line method until the customised software solution is used productively for the first time.

When a time-limited licence for a COR&FJA standard software product is issued, the revenues are treated as an accrued item using the straight-line method over the agreed period.

Interest income and **interest expenses** are posted through profit and loss on an accrual basis.

Financial assets encompass cash and cash equivalents, securities, trade receivables, other financial receivables and financial investments.

Financial assets are subdivided into the following categories: 'measured at fair value through profit or loss', 'held to maturity', 'available for sale' and 'loans and receivables'. How financial assets are classified depends on the respective purpose for which they were acquired. The management determines how such assets are to be classified when they are reported for the first time. A financial asset is only shown in the statement of financial position if the COR&FJA Group is a contracting party in the regulations for the financial asset in question. All financial assets that have been bought and sold in the customary manner are included in the balance sheet as of the settlement date. Financial assets that do not belong to the 'measured at fair value through profit or loss' category are shown at fair value plus transaction costs when first reported. Financial assets that do belong to this category are initially reported at fair value. Any associated transaction costs are posted through profit and loss. The fair values stated in the balance sheet usually correspond to the market prices' financial assets. If these are not available immediately, they are calculated using acknowledged valuation methods and with recourse to current market parameters. Financial assets are derecognised either when the right to cash flows from a financial asset lapses or when the rights are transferred to a third party. In the event of a transfer, the criteria of IAS 39 regarding the transfer of opportunities and risks associated with the ownership of the financial asset must be given special consideration. 'Available-for-sale financial assets' and assets in the 'measured at fair value through profit or loss' category are measured at fair value after being reported for the first time. 'Loans and receivables' and 'held-to-maturity' assets are reported at amortised cost using the effective interest method. As of every reporting date, the carrying amounts of those financial assets which are not to be measured at fair value through profit or loss are examined for the existence of any objective, substantial indications (such as substantial financial difficulties faced by the debtor, high probability of insolvency proceedings being instituted against the debtor, the lapsing of an active market for the financial asset, a lasting **decrease** in the financial asset's fair value on the basis of amortised cost) of impairment. Any impairment costs comprising a fair value which is lower than the carrying amount is recorded through profit and loss. If it emerges as of subsequent valuation dates that the fair value has objectively increased as a consequence of events which took place after the impairment was recorded, the impairments are reversed through profit and loss in the appropriate amounts. Impairments in the fair values of available-for-sale financial assets are recorded under equity with no effect on income until their realisation. Impairments which affect non-listed equity instruments which are available for sale and are accounted for at acquisition cost may not be reversed. The fair values of held-to-maturity securities which must be tested for impairment during the audit, as well as the fair values of the loans and receivables measured at amortised cost, correspond to the net present value of the estimated future cash flows discounted at the original effective interest rate. The fair value of non-listed equity instruments measured at cost is calculated as the net present value of the expected future cash flow, discounted at the current interest rate which corresponds to the specific risk position of the investment.

Cash and cash equivalents encompass cash on hand and bank balances which have a residual term of three or fewer months at the time of their acquisition or investment. The liquid funds are measured at fair value. Credit balances in foreign currencies are measured at the exchange rate prevailing on the reporting date.

Securities are, in accordance with IAS 39, categorised as either 'available for sale', held to maturity' or 'held for trading'. The securities categorised as 'available for sale' are measured at fair value when being valued for the first time and subsequently as of the reporting date. Any change in the fair value taking account of deferred taxes is shown under equity in revenue reserves with no effect on income until its realisation at the time of sale. If there are any objective, substantial indications that a permanent impairment has taken place, the impairment costs are recorded in profit and loss. Amounts already recorded under equity are removed from equity with effect on income. Securities categorised as 'held to maturity' are measured at fair value upon acquisition and at amortised cost in subsequent valuations. The 'financial assets held for trading' are measured at fair value. Any gain or loss resulting from the subsequent valuation is posted through profit or loss in the statement of income.

The reported **trade receivables** and **other financial receivables**, apart from derivative financial instruments mainly comprise receivables and loans originated by the company. They are categorised accordingly as 'loans and receivables' and are measured at fair value upon acquisition and at amortised cost in subsequent valuations. If the net present value of the expected future cash flows from the receivables or the other assets, discounted using the financial asset's original effective interest rate, is lower than the amortised cost as of the reporting date, a valuation allowance is carried out with effect on income. Receivables bearing low or zero interest with terms of more than one year are discounted.

When they are first recorded, **financial investments** are accounted for at fair value and categorised as 'available for sale'. In their subsequent valuation, these must therefore be shown at face value, with unrealised gains and losses being recorded separately under equity, taking account of deferred taxes, with no effect on income until their realisation. If the financial investments are in equity instruments for which no prices are listed on an active market and no fair value can be determined reliably, they are measured at acquisition cost. If there are any objective indications that the net present value of the estimated cash flows is lower than the carrying amount, valuation allowances are carried out with effect on income.

The COR&FJA Group utilises the possibility of designating **financial assets as measured at fair value through profit or loss when they are shown for the first time**.

Performances rendered for customers, which are rendered despite not yet having a contractual basis, but which at least have a letter of intent with the customer, are reported under **inventories (work in process)**. The inventories are shown at the lower of cost and net realisable value, both when reported for the first time and in subsequent measurements. The production costs of work in process comprise the costs of the production design, raw materials and supplies, direct personnel costs, other direct costs and overheads attributable to production (based on normal operating capacity). The production costs do not include any interest on borrowed capital. The net realisable value comprises the estimated sale proceeds that can be achieved in the normal course of business, less any variable selling costs that may be necessary.

Goodwill arises when subsidiaries, associated companies and jointly controlled entities are acquired and comprises the surplus of the transferred counter-performance from the corporate acquisition over the fair value of the Group's shares in the acquired identifiable assets, the liabilities assumed, the contingent liabilities and all non-controlling interests in the acquired entity at the time of acquisition.

The goodwill is subdivided for the purpose of the impairment tests carried out for cash-generating units (CGUs). It is divided up among those CGUs or groups of CGUs in accordance with the identified business segments that are expected to derive benefits from the merger that gave rise to the goodwill. Every unit or group of units to which goodwill is allocated in this way constitutes the lowest level within the company at which the goodwill is monitored for internal management purposes. The goodwill is monitored at the level of the business segment.

The goodwill is subjected to an annual impairment test in accordance with IAS 36. If there are any indications of potential impairment, the tests are carried out more frequently.

The carrying amount of the goodwill is compared with the recoverable amount, in other words with the higher of its fair value less selling costs and its value in use. An impairment loss is immediately recognised in profit or loss to reduce the asset to its lower recoverable amount and is not reversed in the subsequent periods.

Intangible assets acquired in return for payment are shown at acquisition cost upon their acquisition if it is probable that a future economic benefit will accrue to the COR&FJA Group from the intangible assets and the acquisition costs can be determined reliably. In the subsequent periods, the assets are measured at amortised cost, with scheduled amortisation being carried out using the straight-line method over the assets' estimated useful lives. The Group has no intangible assets acquired in return for payment with indefinite useful lives.

Development costs for new products are capitalised at production cost if a clear expense allocation is possible and both the technical feasibility and the ability and intention to market such products are ensured. It must be sufficiently probable that the development activity will bring the company a future economic benefit. In addition, adequate technical, financial and other resources must be available in order to complete the development and be in a position to use and sell the software product. The capitalised production costs encompass those costs that are directly attributable to the development process. Capitalised development expenses are amortised regularly using the straight-line method from the time the software becomes usable over a useful life that corresponds to the planned product life cycle. Development projects, which are not yet completed and activated, are subjected to an annual impairment test. Research costs, as well as development costs not eligible for capitalisation, are posted to expenses within personnel and other operational expenses when they arise.

Property, plant and equipment are capitalised at acquisition or production cost, plus the ancillary costs which are necessary to make the asset ready for operation. The scheduled depreciation is carried out using the straight-line method in accordance with the probable useful life. No use is made of the option to apply the revaluation method. Costs of ongoing maintenance and repairs are posted to expenses. Expenses which fulfil the conditions of IAS 16.13 and the reporting criteria of IAS 16.7 are capitalised at the carrying amount of the property, plant and equipment in question and depreciated over the assets' probable useful lives. The replaced items are removed from the accounts. Borrowing costs are not included in the acquisition or production costs.

Lease agreements are classified as **finance leases** if the lease terms essentially transfer all of the risks and opportunities associated with ownership to the lessee. All other leasing arrangements are classified as **operating leases**. If the lessee bears the significant opportunities and risks that are associated with the ownership of the leased asset, the leased asset is reported in the lessee's balance sheet. The leased asset is measured at the lower of the fair value and the present value of the future minimum lease payments and depreciated over the shorter of its estimated useful life and the term of the lease. The depreciation is posted through profit and loss. The lessee immediately recognises a finance lease liability corresponding to the carrying amount of the leased asset. In subsequent periods, the lease liability is reduced using the effective interest method and the carrying amount is adjusted accordingly. The ongoing lease instalments are divided into an interest and a repayment portion. The repayment portion reduces the lease liability. In the case of the operating lease, the lease instalments due are recognised as expenses at the time when they are incurred. Contractually stipulated future changes in the lease instalments during the term are posted uniformly to expenses over the entire term, having been stipulated only once on the date when the contract was concluded. In the event of prolongation options, these are initially taken into account at the time when the contract is signed if their utilisation is sufficiently certain. The estimates are changed as appropriate during the term of the lease if any circumstances become known which might lead to a change in the original estimate of the utilisation of prolongation options.

The scheduled **amortisation and depreciation** of intangible assets and property, plant and equipment respectively are based on the following uniform useful lives in the Group:

Useful life	
in years	
Other intangible assets:	
Development costs	3
Trademark rights	10
Other	2 to 5
Property, plant and equipment:	
Buildings on third-party land	10
Hardware and software	3 to 4
Factory and office equipment	4 to 15

Impairment of non-current assets

Intangible assets and goodwill which have indeterminate useful lives are not amortised regularly; instead, they are tested annually to establish whether impairment is required.

Assets which are subjected to scheduled depreciation or amortisation are tested for impairment if relevant events or changes in circumstances indicate that the carrying amount might not be realisable any longer. An impairment loss is recorded in the amount by which the carrying amount exceeds the realisable amount. The realisable amount is the higher of the asset's fair value less selling costs and the value in use. For the impairment test, assets are combined at the lowest level for which the cash flows can be identified separately (CGU).

The depreciation, amortisation and impairment of property, plant and equipment and intangible assets are recorded in the income statement under 'depreciation of property, plant and equipment and amortisation of intangible assets'. An assessment regarding non-monetary assets – with the exception of goodwill – is conducted as of each balance sheet date to ascertain whether or not a reversal should be carried out.

The tax expenses for the period consist of **current** and **deferred taxes**. Taxes are reported in the income statement unless they relate to items that are reported directly in equity or in other comprehensive income. In this case, the taxes are likewise reported in equity or in other comprehensive income.

Ongoing tax expenses are calculated using the tax regulations, valid as of the balance sheet date, of the countries in which the company and its subsidiaries operate and generate the income to be taxed. The management regularly examines tax declarations, especially in relation to subject matter that leaves scope for interpretation, and where appropriate it forms provisions based on the amounts expected to be payable to the tax authorities.

The **deferred tax assets** and **deferred tax liabilities** are determined in accordance with the balance sheet liability method. Deferred tax assets and deferred tax liabilities are generally recorded in the financial statements for all temporary value differences between the carrying amount of an asset or a debt, and the fair value for tax purposes.

Deferred tax assets on loss carryforwards must be set up to the extent that the tax loss carryforwards are likely to be utilisable in the future. Accordingly, deferred tax assets were stated for tax losses, taking their realisability into account. Due to the difficult market environment and a resultant change in the estimates and assumptions, a period of three years was – analogous to the previous year – taken into account for the deferred tax assets. The deferred taxes are determined on the basis of the tax rates which apply or are expected as per the current legal position in the individual countries at the time of realisation. The impact of changes in tax rates on deferred taxes will be posted through profit and loss when the change in the law comes into force.

Deferred taxes, which come about as a result of temporary differences associated with investments in subsidiaries, associated companies and joint ventures, are recognised unless the time of reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not be reversed in the foreseeable future as a result of this influence. As a rule, the Group has no influence on the time of reversal in the case of associated companies. The temporary differences are not recognised only in cases which are contractually structured in such a way that the Group can influence the time of inversion.

Non-current assets available for sale and so-called disposal groups are measured at the lower of carrying amount and fair value less selling costs. They are classified as held for sale if their carrying amount will largely be redeemed by a sale and the sale is highly probable.

Financial liabilities encompass the financial debts, trade payables and other financial liabilities. A financial liability is only stated in the statement of financial position if the COR&FJA Group is a contracting party in the rules for the financial liability. A financial liability is removed from the accounts if it has been redeemed; in other words, when the obligations specified in the contract have been settled or cancelled or have expired.

The methods and material assumptions for determining the fair value of financial liabilities are as follows: the financial liabilities are accounted for at the fair value on the acquisition date, which corresponds to the sum of money received.

Financial debts are recorded for the first time at their fair value. In subsequent years, they are measured at amortised cost using the effective interest method. Any difference between the disbursement amount (after deduction of transaction costs) and the repayment amount is posted to the income statement over the term of the loan using the effective interest method.

Fees incurred in setting up credit lines are reported as transaction costs for the credit in the amount for which it is probable that the credit line will be utilised. In such cases, the fee is capitalised until utilisation takes place. For the amount in which it is not probable that the credit line will be utilised, the fee is capitalised as an advance payment for credit services and amortised over the term of the respective commitment to lend.

Trade payables and **other financial liabilities** are accounted for at their fair value when recorded for the first time. In subsequent years, all liabilities, with the exception of derivative financial instruments, are measured at amortised cost. Liabilities are classified as current liabilities if the payment obligation has to be fulfilled within one year or less than one year. Otherwise they are classified as non-current liabilities.

In respect of financial liabilities, the Group has not yet made use of the option to designate them as financial liabilities **at fair value through profit or loss when they are recorded in the statement of financial position for the first time**.

Other provisions are formed if the Group has a current legal or de facto obligation resulting from a past event and it is more likely than not that settling this obligation will lead to an outflow of resources and the amount of the provision can be estimated reliably. The stated amounts constitute the best possible estimations of expenses which are necessary to fulfil the current obligation as of the reporting date. Non-current provisions are discounted if the interest rate effect is significant.

Pension provisions are calculated using the projected unit credit method in accordance with IAS 19. In this procedure, not only the pensions and accrued entitlements known on the reporting date are taken into account but also the expected future increases in pensions, wages and salaries, with prudent estimates of the relevant influencing factors. The calculation is carried out on the basis of actuarial reports and reflecting biometric assumptions. Actuarial gains and losses arising from experience-based adjustments and alterations of actuarial assumptions are recorded immediately under equity with no effect on income in the period when they arise. The previous record of the anticipated returns on the plan assets and the calculation of the interest expenses on the performance-oriented defined benefit obligation will be replaced in future by entering the net interest costs. According to IAS 12, deferred tax assets from the increase in the pension provision must be taken into account and recorded under equity with no effect on income in accordance with the underlying transaction.

Offsetting financial instruments

Financial assets and liabilities are offset and shown in the balance sheet as a net amount only if there is a legal entitlement to this and an intention to either bring about such a settlement on a net basis or to settle the associated liability simultaneously with the realisation of the asset.

Dividend distribution

Claims of shareholders to dividend payments are reported as liabilities in the period in which the corresponding resolution is passed.

Consolidation principles

IFRS prescribes that the purchase method be applied for all business combinations. The purchase price of an acquired subsidiary is distributed across the acquired assets, liabilities and contingent liabilities. Measurement is based on the values applicable at the date on which the Group gained control over the subsidiary concerned. The recognised assets, and the acquired liabilities and contingent liabilities are measured in full at their fair value, in proportion to the amount of the investment. Any remaining capitalised difference is recognised as goodwill. Any remaining negative difference is recognised in profit or loss.

Costs associated with acquisitions are expensed when they are incurred.

In a business combination achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date. The resulting gain or loss is recognised in the income statement.

Any contingent considerations are measured at fair value as of the time of acquisition. Subsequent changes in the fair value of a contingent consideration classified as an asset or liability are measured within the framework of IAS 39 and any resultant gain or loss is reported either in the income statement or in other comprehensive income. Any contingent consideration that is classified as equity is not remeasured and its subsequent payment is shown under equity.

Income and expenses of a subsidiary are included in the consolidated financial statement from the date of acquisition. Income and expenses of a subsidiary remain in the consolidated financial statement until the parent company ceases to control the subsidiary. Expenses and income, receivables and liabilities and earnings between companies included in the consolidated financial statements are eliminated. The accounting and valuation methods of subsidiaries have been adjusted where necessary to guarantee standardised reporting methods throughout the Group.

Transactions with non-controlling interests not involving any loss of control are treated as transactions with shareholders of the Group. Any difference between the amount paid and the relevant proportion of the carrying amount of the subsidiary's net assets that arises from the acquisition of a non-controlling interest is reported under equity. Any gains and losses which arise during the sale of non-controlling interests are likewise reported under equity.

When the Group loses the control over a company, the remaining interest in the company is remeasured at fair value and the resultant difference is shown as a gain or a loss. The fair value used is that which was determined upon the first-time recognition of an associated company, joint venture or financial asset. In addition, all of the amounts shown in relation to the company in question in other comprehensive income are reported in the manner that would be required if the parent company had sold the associated assets and liabilities directly. This means that any gain or loss previously reported in other comprehensive income is reclassified from equity to income. Associated companies are companies over which the Group exercises significant influence but does not control, a situation which regularly involves ownership of 20 to 50% of the voting rights. A joint venture is a contractual agreement between two or more partners concerning a commercial activity that is pursued jointly. The strategic financial and operational decisions associated with this commercial activity require the unanimous agreement of the parties who comprise the joint management. Interests in joint ventures and associated companies are reported in the balance sheet using the equity method and initially recognised at acquisition cost. The Group's equity stake in an associated company or a joint venture contains any goodwill that arose upon acquisition (taking account of any accumulated impairment).

If the ownership interest in an associated company or a joint venture has diminished, but the entity in question remains an associated company or joint venture, only the proportionate amount of the gains and losses previously reported in other comprehensive income are reclassified to the income statement.

The Group's interest in the gains or losses of associated companies and/or joint ventures is reported in the income statement from the time of acquisition. Any changes in the reserves must be reported pro rata under group reserves. The accumulated changes since the acquisition are offset against the carrying amount of the equity interest. If the Group's share in a loss generated by an associated company or a joint venture corresponds to or exceeds the Group's stake in the company in question, including other unsecured claims, the Group reports no further losses unless it has entered into obligations for the company or has made payments for the company.

Goodwill from applying the equity method is subject to non-regular depreciation. The carrying value of the investment resulting from applying the equity method is examined to see if there are any indications for a loss of value. If the carrying amount of the investment exceeds the recoverable amount, an impairment cost equivalent to the difference shall be charged. The recoverable amount is determined by the fair value less cost of sales or the useful value of the investment, whichever is the higher.

Unrealised profits and losses from business transactions with these companies are eliminated on a pro rata basis. The accounting and valuation methods are adjusted where necessary to guarantee standardised reporting methods throughout the Group.

The preparation of the consolidated financial statement in compliance with the IASB regulations necessitates the application of **estimates** and forward-looking **assumptions** which influence the amounts and the reporting of the assets and liabilities recorded in the statement of financial position, the contingent liabilities disclosed as at the reporting date, and the income and expenses accounted for during the reporting period. The forward-looking assumptions and estimates relate primarily to the recognition of turnover on the basis of performance progress (percentage-of-completion method), the uniform setting of useful economic lives throughout the Group, the accounting and valuation of provisions and the planning and valuation premises that form the basis of the impairment tests. Although these estimates are founded on the ongoing transactions to the best of the company's knowledge, the actual values can ultimately diverge from these assumptions made and estimates. Changes are made with effect on income as of the time when knowledge improves, or in the period when knowledge improves, and in the future periods, if the changes cover several periods.

The most important forward-looking assumptions and other significant sources of estimation uncertainty as at the reporting date, which could give rise to an appreciable risk, necessitating a major adjustment of the recorded assets and liabilities during the next financial year, are presented in Section XI. 'Assumptions and estimates'.

III. Consolidation group

1. Subsidiaries

Subsidiaries are companies that are directly or indirectly controlled by COR&FJA AG. The existence and implication of potential voting rights, which can currently be exercised or converted, including potential voting rights held by other companies, are considered in the assessment of whether a company is controlled. Inclusion in the consolidated financial statement begins at the point in time from which the possibility of control exists and ends when the possibility of control ceases to exist.

As per 31 December 2013, the following companies were fully consolidated in the Group headed by COR&FJA AG as parent company:

Company	Shareholding in %	Abbreviations
COR&FJA Deutschland GmbH, Munich (Germany) [1]	100	(COR&FJA Germany)
with the subsidiary		
FJA-US, Inc., New York (USA) [5]	100	(FJA-US)
COR Pension Management GmbH i. L., Leinfelden-Echterdingen (Germany) [1 4]	100	(COR Pension)
COR&FJA Slovakia s.r.o., Bratislava (Slovakia) [3]	100	(COR&FJA Slovakia)
COR&FJA Schweiz AG, Zurich (Switzerland)	100	(COR&FJA Switzerland)
COR&FJA Austria Ges.m.b.H., Vienna (Austria)	100	(COR&FJA Austria)

Company	Share-holding	Abbreviations
	in %	
COR&FJA OdaTeam d.o.o., Maribor (Slovenia)	100	(COR&FJA OdaTeam)
FJA bAV Service GmbH i. L., Munich (Germany) [1]	100	(FJA bAV Service)
PYLON GmbH, Hamburg (Germany) [1]	100	(PYLON)
Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), Leinfelden-Echterdingen (Germany)	100	(COR&FJA Banking)
COR&FJA Consulting GmbH, Aachen [2] (Germany)	100	(COR&FJA Consulting)
COR bAV Services GmbH i. L., Leinfelden-Echterdingen (Germany)	100	(COR bAV)
COR&FJA Benelux B.V., Amsterdam (Netherlands)	100	(COR&FJA Netherlands)
COR&FJA Metris GmbH, St. Georgen im Schwarzwald (Germany)	74.29	(COR&FJA Metris)
Wagner & Kunz Aktuare AG, Basel (Switzerland)	100	(WKA)
COR&FJA Czech, spol. s r.o., Prague (Czech Republic)	100	(COR&FJA Czech Republic)
COR&FJA Polska Sp. z o.o., Warsaw (Poland)	100	(COR&FJA Poland)
COR&FJA Systems Portugal, Unipessoal Lda, Porto (Portugal)	100	(COR&FJA Portugal)
plenum AG, Frankfurt (Germany)	41.33	(plenum)
with the sub-subsidiary		
plenum Customer Intelligence GmbH, Frankfurt (Germany) [7]	50.1	(pCI)
with the subsidiary		
plenum Management Consulting GmbH, Frankfurt (Germany) [6]	100	(pMC)
plenum International Management Consulting GmbH, Frankfurt (Germany) [6]	100	(pIMC)
plenum FZ LLC, Dubai (UAE) [6]	100	(pFZ)

[1] The parent company made a loss assumption declaration vis-à-vis COR&FJA Deutschland GmbH, FJA bAV Service GmbH i.L., PYLON GmbH and COR Pension Management GmbH i. L. and disclosed it.
[2] There is a profit and loss transfer agreement with COR&FJA Consulting GmbH, Aachen, according to which the company must assume both profits and losses.
[3] The participating interests in question are indirect. The shares are held by COR&FJA Deutschland GmbH, Munich.
[4] 40 per cent of the shares are held indirectly via COR&FJA Deutschland GmbH, Munich.
[5] The participating interests in question are indirect. The shares are held by COR&FJA Deutschland GmbH, Munich.
[6] The participating interests in question are indirect. The shares are held by plenum AG, Frankfurt.
[7] This is an indirect equity interest of plenum AG. The shares are held by plenum International Management Consulting GmbH, Frankfurt.

Sigma Sourcing AG (transferring entity) of Zurich (Switzerland) merged with COR&FJA Schweiz AG (receiving entity) of Zurich (Switzerland) as per the entry in the commercial register of the Canton of Zurich dated 2 July 2013 with retroactive effect from 1 January 2013.

MANIC Management Information Consulting GmbH was merged with plenum Management Consulting GmbH with retroactive effect from 1 January 2013 by means of the merger agreement from 21 June 2013.

COR Pension Management GmbH i. L. (Leinfelden-Echterdingen), COR bAV Services GmbH i. L. (Leinfelden-Echterdingen) and FJA bAV Service GmbH i. L. (Munich) are in liquidation as at the balance sheet date.

Furthermore, the Banking segment, which was previously split between COR&FJA Alldata Systems GmbH and COR&FJA Deutschland GmbH, was transferred in its entirety to Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) as the receiving entity by way of a spin-off in accordance with the demerger agreement dated 28 August 2013, with economic effect as at 1 January 2013. COR&FJA acquired all of the shares in this company on 16 July 2013, at that time in the form of a shelf company; the name of the company was then changed to COR&FJA Banking Solutions GmbH as per the entry in the commercial register at Stuttgart District Court dated 18 July 2013 and its head office moved from Stuttgart to Leinfelden-Echterdingen. On 20 March 2014, the company's name was changed to Sopra Banking Software GmbH by means of an entry in the commercial register at Stuttgart District Court.

Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), Leinfelden-Echterdingen, is a wholly-owned subsidiary of COR&FJA AG as per the balance sheet date. COR&FJA AG had announced the sale of the company, which was subject to a variety of conditions precedent, on 14 November 2013 by means of an ad-hoc announcement. On 18 February 2014, COR&FJA AG successfully completed the sale of its subsidiary by transferring all of the shares in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) to the French company Sopra Banking Software S.A., Paris, France. The company was then renamed Sopra Banking Software GmbH.

COR&FJA Alldata Systems GmbH, Leinfelden-Echterdingen, was a wholly-owned subsidiary of COR&FJA AG. After the Banking segment had been split off, COR&FJA Alldata Systems GmbH (transferring entity) was merged with COR&FJA Deutschland GmbH, Munich (receiving entity) in the 2013 financial year with economic effect as at 1 January 2013. COR&FJA Alldata Systems GmbH was rendered defunct upon entry of the merger in the commercial register of the receiving entity, COR&FJA Deutschland GmbH, at Munich District Court on 4 October 2013.

The transformation procedures described above have no impact on the consolidated financial statements.

COR SISTEMAS ESPAÑA S.L., Madrid, Spain, was a wholly-owned subsidiary of COR&FJA AG. COR SISTEMAS ESPAÑA S.L., Madrid, Spain, became defunct upon registration of its liquidation on 11 December 2013.

2. Groups of assets and liabilities held for sale

On 14 November 2013, COR&FJA signed a contract of sale with the French company Sopra Banking Software S.A., a subsidiary of Sopra Group S.A. (NYSE Euronext Paris, ISIN: FR0000050809), Paris, concerning the sale of all of the shares in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), a subsidiary of COR&FJA AG. The purchase price for the shares specified in the contract is 13.0 million euros.

On 18 February 2014, COR&FJA AG successfully completed the sale of its subsidiary Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) by transferring all of the shares in that company to the French company Sopra Banking Software (previously: COR&FJA Banking Solutions GmbH). At the same time, Sopra Banking Software (previously: COR&FJA Banking Solutions GmbH) will become part of the consolidated group of Sopra Banking Software's parent company, Sopra Group S.A., also based in France, with retroactive effect from 1 January 2014. An internal restructuring at COR&FJA in the summer of 2013 led to the concentration of the company's Banking segment within Sopra Banking Software (previously: COR&FJA Banking Solutions GmbH), which meant that from then on the segment was no longer handled by COR&FJA itself.

On 11 March 2014, moreover, COR&FJA AG sold its equity stake in the management consultancy plenum AG, Frankfurt am Main (Munich Stock Exchange m:access; ISIN DE000A0Z23Y9). The contract of sale concerns the 4,008,825 no-par-value bearer shares in plenum, corresponding to an equity stake of around 41.33 per cent of its nominal capital, which were held by COR&FJA AG. Since the end of the 2013 financial year, plenum and its subsidiaries have no longer been part of COR&FJA AG's consolidated group and are therefore no longer fully consolidated from 2014 onwards. Since the beginning of the 2014 financial year, COR&FJA's equity stake in plenum has been accounted for using the equity method; plenum's turnover and earnings contribution is therefore not included in COR&FJA's target figures for 2014. COR&FJA announced its plan to sell its equity stake in plenum AG in an ad hoc announcement on 9 October 2013.

Sopra Banking Software GmbH (formerly COR&FJA Banking Solutions GmbH) and the plenum subgroup were classified as a disposal group and as a discontinued business unit as of 31 December 2013. Its earnings are as follows:

	2013	2012
thousand euros		
Income	35,256	26,121
Expenses	-39,641	-35,485
Gross profit (loss) on turnover	-4,385	-9,364
Financial expenses	-85	-151
Impairment loss recognised on the remeasurement	-141	–
Pre-tax loss from the discontinued business unit	-4,159	-9,213
Shares in circulation on average (undiluted/diluted)	40,895,861 (units)	40,895,861 (units)
Earnings per share (undiluted/diluted)	-0.13 (euro)	-0.27 (euro)
Tax income/expenses in relation to the current earnings (loss) before taxes	-1,307	-1,960
Profit (loss) after tax from the discontinued business unit	-5,466	-11,173
Non-current assets	749	3,022
of which property, plant and equipment	106	332
Current assets	11,286	11,108
Of which trade receivables	6,804	5,301
Of which cash and cash equivalents	3,787	4,431
Assets	12,035	14,131
Equity	-6,425	-10,516
Long-term borrowed capital	-3,748	-7,840
of which financial debt	-137	–
Short-term borrowed capital	-6,961	-4,893
of which financial debt	-200	–
Sale price	14,100	14,100

The net cash flows of the business unit classified as discontinued are as follows:

	2013	2012
thousand euros		
Operating activity	-218	-1,579
Investment activity	-78	468
Financing activity	-348	0
Net cash flows	-644	-1,112

As at the previous year's reporting date, the following companies were fully consolidated in the Group headed by COR&FJA AG as the parent company:

Company	**Share-holding**	**Abbreviations**
	in %	
COR&FJA Deutschland GmbH, Munich (Germany) [1]	100	(COR&FJA Germany)
with the subsidiary		
FJA-US, Inc., New York (USA) [5]	100	(FJA-US)

Company	Share-holding	Abbreviations
	in %	
with the subsidiary COR Pension Management GmbH, Leinfelden-Echterdingen (Germany)[1 4]	100	(COR Pension)
COR&FJA Slovakia s.r.o., Bratislava (Slovakia) [3]	100	(COR&FJA Slovakia)
COR&FJA Schweiz AG, Zurich (Switzerland)	100	(COR&FJA Switzerland)
COR&FJA Austria Ges.m.b.H., Vienna (Austria)	100	(COR&FJA Austria)
COR&FJA OdaTeam d.o.o., Maribor (Slovenia)	100	(COR&FJA OdaTeam)
FJA bAV Service GmbH, Munich (Germany) [1]	100	(FJA bAV Service)
PYLON GmbH, Hamburg (Germany) [1]	100	(PYLON)
Sigma Sourcing AG, Zurich (Switzerland)	100	(Sigma)
COR&FJA Consulting GmbH, Aachen (Germany) [2]	100	(COR&FJA Consulting)
COR bAV Services GmbH, Leinfelden-Echterdingen (Germany)	100	(COR bAV)
COR&FJA Alldata Systems GmbH, Leinfelden-Echterdingen (Germany) [1]	100	(COR&FJA Alldata)
COR&FJA Benelux B.V., Amsterdam (Netherlands)	100	(COR&FJA Netherlands)
COR&FJA Metris GmbH, St. Georgen im Schwarzwald (Germany)	74.29	(COR&FJA Metris)
Wagner & Kunz Aktuare AG, Basel (Switzerland)	100	(WKA)
COR&FJA Systems Portugal, Unipessoal Lda, Porto (Portugal)	100	(COR&FJA Portugal)
COR SISTEMAS ESPAÑA S.L., Madrid (Spain)	100	(COR Spain)
COR&FJA Czech, spol. s r.o., Prague (Czech Republic)	100	(COR&FJA Czech Republic)
COR&FJA Polska Sp. z o.o., Warsaw (Poland)	100	(COR&FJA Poland)
plenum AG, Wiesbaden (Germany)	41.33	(plenum)
with the subsidiary		
plenum Customer Intelligence GmbH, Frankfurt (Germany) [6]	80	(pCI)
MANIC GmbH, Frankfurt (Germany) [6]	100	(Manic)
plenum Management Consulting GmbH, Frankfurt (Germany) [6]	100	(pMC)
plenum International Management Consulting GmbH, Frankfurt (Germany) [6]	100	(pIMC)
plenum FZ LLC, Dubai (UAE) [6]	100	(pFZ)

[1] The parent company made a loss assumption declaration vis-à-vis COR&FJA Deutschland GmbH, FJA bAV Service GmbH, PYLON GmbH, COR Pension Management GmbH and COR&FJA Alldata Systems GmbH and disclosed it.
[2] There is a profit and loss transfer agreement with COR&FJA Consulting GmbH, Aachen, according to which the company must also assume losses.
[3] The participating interests in question are indirect. The shares are held by COR&FJA Deutschland GmbH, Munich.
[4] 40 per cent of the shares are held indirectly via COR&FJA Deutschland GmbH, Munich.
[5] The participating interests in question are indirect. The shares are held by COR&FJA Deutschland GmbH, Munich.
[6] The participating interests in question are indirect. The shares are held by plenum AG, Wiesbaden.

The subsidiaries COR&FJA Deutschland GmbH, Munich, COR Pension Management GmbH i. L., Leinfelden-Echterdingen, FJA bAV Service GmbH i. L., Munich, PYLON GmbH, Hamburg, and COR&FJA Consulting GmbH, Aachen, have made use of the possibility of exemption from the duty to prepare annual financial statements in accordance with the regulations valid for limited liability companies as per Section 264 Para. 3 of the German Commercial Code (HGB) for the 2013 financial year.

At all of the subsidiaries, the reporting date corresponds to the Group's reporting date.

The following changes in the consolidation group occurred after the reporting date:

On 18 February 2014, COR&FJA AG successfully completed the sale of its subsidiary Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) by transferring all of the shares in that company to the French company Sopra Banking Software S.A. At the same time, Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) has become part of the consolidated group of the parent company of Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), Sopra Group S.A., also based in France, with retroactive effect from 1 January 2014. An internal restructuring process at COR&FJA in the summer of 2013 led to the concentration of the company's Banking segment within Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), which meant that from then on the segment was no longer handled by COR&FJA itself. The sale of the company, which was subject to various conditions precedent, had already been announced on 14 November 2013 in an ad-hoc statement by COR&FJA.

On 11 March 2014, moreover, COR&FJA AG sold its equity stake in the management consultancy plenum AG, Frankfurt am Main (Munich Stock Exchange m:access; ISIN DE000A0Z23Y9). The contract of purchase and sale concerns the 4,008,825 no-par-value bearer shares in plenum, corresponding to an equity stake of around 41.33 per cent of its nominal capital, which were held by COR&FJA AG. Since the expiration of the 2013 financial year, plenum and its subsidiaries have no longer been part of COR&FJA AG's consolidated group and are therefore no longer fully consolidated from 2014 onwards.

3. Associated companies

Associated companies are companies upon which COR&FJA AG exerts significant influence, but are not subsidiaries or joint ventures. Associated companies are included in the consolidated financial statement according to the equity method.

4. Joint ventures

A joint venture is an entity in which control is held jointly with another company. Joint ventures are included in the consolidated financial statement according to the equity method.

IV. Business combinations

1. Restructuring of the Banking segment

The Banking segment, which was previously split between COR&FJA Alldata Systems GmbH and COR&FJA Deutschland GmbH, was transferred in its entirety to Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) as the receiving entity by way of a spin-off in accordance with the demerger agreement dated 28 August 2013, with economic effect as at 1 January 2013. COR&FJA AG acquired all of the shares in this company on 16 July 2013, at that time in the form of a shelf company; the name of the company was then changed to COR&FJA Banking Solutions GmbH as per the entry in the commercial register at Stuttgart District Court dated 18 July 2013 and its head office moved from Stuttgart to Leinfelden-Echterdingen. On 20 March 2014, the company's name was changed to Sopra Banking Software GmbH by means of an entry in the commercial register at Stuttgart District Court

Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), Leinfelden-Echterdingen, is a wholly-owned subsidiary of COR&FJA AG as per the balance sheet date. COR&FJA AG had announced the sale of the company, which was subject to a variety of conditions precedent, on 14 November 2013 by means of an ad-hoc announcement. On 18 February 2014, COR&FJA AG successfully completed the sale of its subsidiary by transferring all of the shares in Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) to the French company Sopra Banking Software S.A., Paris, France. The company was then renamed Sopra Banking Software GmbH.

COR&FJA Alldata Systems GmbH, Leinfelden-Echterdingen, was a wholly-owned subsidiary of COR&FJA AG. After the Banking segment had been split off, COR&FJA Alldata Systems GmbH (transferring entity) was merged with COR&FJA Deutschland GmbH, Munich (receiving entity) in the 2013 financial year with economic effect as at 1 January 2013. COR&FJA Alldata Systems GmbH was rendered defunct upon entry of the merger in the commercial register of the receiving entity, COR&FJA Deutschland GmbH, at Munich District Court on 4 October 2013.

2. Merger of Sigma Sourcing AG with COR&FJA Schweiz AG

Sigma Sourcing AG, Zurich, Switzerland, was a wholly-owned subsidiary of COR&FJA AG. It (transferring entity) was merged with COR&FJA Schweiz AG, Zurich, Switzerland (receiving entity) by means of an entry in the commercial register in the Canton of Zurich, Switzerland, on 2 July 2013 and with retroactive effect from January 2013.

3. Liquidation of COR SISTEMAS ESPAÑA

COR SISTEMAS ESPAÑA S.L., Madrid, Spain, was a wholly-owned subsidiary of COR&FJA AG. COR SISTEMAS ESPAÑA S.L., Madrid, Spain, became defunct upon registration of its liquidation on 11 December 2013.

4. Liquidation of FJA bAV Service GmbH i. L., COR bAV Services GmbH i. L. and COR Pension Management GmbH i. L.

FJA bAV Service GmbH i. L., COR bAV Services GmbH i. L. and COR Pension Management GmbH i. L. have been in liquidation since the 2013 financial year; this will presumably be completed in 2014.

V. Foreign currency translation

The foreign currency translation is carried out in accordance with IAS 21. The functional currency is the currency of a business enterprise's primary commercial environment. It is always the currency which influences performance and costs most strongly. The functional currency is determined for each business enterprise within the Group. As the Group companies run their business operations autonomously, the functional currency is generally identical to that of the respective company's national currency.

Foreign currency translation is basically carried out in two stages. Transactions in foreign currencies, or assets and liabilities in foreign currencies resulting from those, are translated into the functional currency of the business operations in question. The exchange rates at the time of the transaction or valuation are authoritative; they are therefore translated at historical exchange rates (temporal method). Currency differences are recognised in profit or loss. If the functional currency of the business operations diverges from the reporting currency (EUR), all of the assets (including goodwill resulting from consolidation) and debts are translated at the average rates on the reporting date and the items in the income statement are translated at the average rates for the year (modified current rate method). All translation differences are reported under equity as items in their own right within other reserves.

The exchange rates on which the currency translation is based have changed as follows in relation to one euro:

	AVERAGE RATE ON THE DATE OF THE STATEMENT OF FINANCIAL POSITION		AVERAGE RATE FOR THE YEAR	
	31.12.2013	31.12.2012	2013	2012
in EUR				
1 USD	0.7251	0.7579	0.7297	0.7623
1 CHF	0.8146	0.8283	0.8166	0.8271
1 CZK	0.0365	0.0398	0.0363	0.0397
1 PLN	0.2407	0.2455	0.2395	0.2442

The COR&FJA Group has no business operations in a hyperinflationary country. IAS 29 is therefore not applicable.

VI. Segmental reporting

The COR&FJA AG is a leading consulting and software company for the insurance, banks and retirement pensions market. Its software solutions and consulting services give support to insurance companies, banks and company pension funds in the conceptual planning, realisation and administration of their products.

Today, around half of all German life insurance companies, as well as renowned health and non-life insurers, put their faith in solutions from COR&FJA. In the Banking segment, COR&FJA is one of the market leaders in both the mortgage lending and automotive finance sectors. COR&FJA also sees itself in a leading position in the German market for full banking systems for private banks. The software is now used in more than 30 countries on five continents around the world, including the US, Australia and numerous Eastern European countries.

As the leading provider for insurance companies, banks and operators of company pension schemes, the COR&FJA Group offers a full range of state-of-the-art prospective solutions in the form of consulting, services, software solutions and application service providing. The service spectrum in the Insurance segment addresses the field of policy management in particular, including actuarial mathematics, migration and across-the-board processes. In the Banking segment, core banking systems are offered, which include numerous peripheral systems for bank-specific processes such as cover, lending, foreign transactions, risk control, payment transactions, reporting, online banking and treasury. Consulting and services on the one hand and the product spectrum on the other complement each other to make up the range of solutions that mutually benefits the Group's business model. The products are standard software products, which are fit for release and have been launched on the market under the COR&FJA brand name.

IFRS 8 ('Business Segments'), specifies that the identification of reportable operative segments is based on the management approach. According to this approach, segment reporting should reflect the in-house company organisational and management structures and the company's financial reporting to the most senior management body. In the Group headed by COR&FJA AG, the COR&FJA AG Management Board is responsible for measuring and controlling the business results of the segments and is held to be the most senior management body as defined by IFRS 8.

The Life Insurance, Non-Life Insurance and Banking segments are presented.

For that reason, disclosures about the segments, products and services, geographical areas and important customers have to be made below in the reporting year.

1. Disclosures about segments

The COR&FJA Group gears its segments subject to mandatory reporting requirements to the targeted selling markets of Life Insurance (encompassing the areas of life insurance and company pensions in particular), Non-Life Insurance (encompassing non-life insurance and health insurance in particular) and Banking. This reflects both the Group's internal reporting system and its internal decision-making processes.

Despite a high level of specialisation, the segments assist each other with development and customer projects, which is beneficial in terms of punctuality of delivery, quality, and capacity utilisation. This internal exchange of services is shown under inter-segment sales. The turnover between the segments is generated at internal prices which are based on the cost of production. The turnover from external customers, which is reported to the Management Board, is calculated according to the same principles as in the income statement.

Expenses incurred for central functions (management, selling, central services) are charged to the operating segments under costs allocated according to actual origin and reason. The segment result constitutes the earnings before income taxes, as the income taxes are not subject to segment allocation due to their being centrally controlled. The valuation methods for segment reporting correspond to those used for the consolidated financial statement as at 31 December 2013.

2013	External turn-over	Intersegment turnover	Aggregate turnover	Earnings before taxes (EBT)	Number of employees
thousand euros					
Life Insurance	74,622	3,346	77,968	365	701
Non-Life Insurance	21,546	3,114	24,660	-860	183
Banking	35,148	0	35,148	-7,057	232
Total	**131,316**	**6,460**	**137,776**	**-7,553**	**1,116**
Transfer	0	-6,460	-6,460	0	0
Overall Group	**131,316**	**0**	**131,316**	**-7,553**	**1,116**

2012	External turn-over	Intersegment turnover	Aggregate turnover	Earnings before taxes (EBT)	Number of employees
thousand euros					
Life Insurance	79,369	17,854	97,223	788	733
Non-Life Insurance	27,426	4,669	32,095	-18,289	254
Banking	29,885	2,259	32,144	-2,817	191
Total	**136,680**	**24,782**	**161,462**	**-20,318**	**1,178**
Transfer	0	-24,782	-24,782	0	0
Overall Group	**136,680**	**0**	**136,680**	**-20,318**	**1,178**

The Life Insurance segment includes impairments on goodwill of Wagner & Kunz Aktuare AG to the tune of 0.03 million euros. The Banking segment includes impairments on goodwill of plenum AG amounting to 1.09 million euros.

In accordance with IFRS 8, which has been amended in the context of improvements to IFRS 2009, notes on assets by segment are no longer required. This key capital ratio is not part of in-house reporting in the COR&FJA Group. In addition, interest income and interest expenses, regular amortisation, main earnings and expense items, and main non-cash items, as well as the Group’s share in the net profit or loss for the period of associated companies and joint ventures accounted for using the equity method are not part of the Group’s in-house reporting and are therefore not separately listed in segmental reporting.

2. Disclosures about products and services

Turnover from external customers is classified according to products and services as follows:

	2013	2012
thousand euros		
Services	91,302	96,440
Licences	10,995	10,693
Maintenance	24,819	25,666
Other income	4,200	3,881
Group turnover	**131,316**	**136,680**

3. Disclosures about geographical areas

Turnover from external customers by country is recorded on the basis of the respective COR&FJA Group company that managed the transaction and is classified as follows:

thousand euros	2013	2012
Germany	109,001	115,682
USA	13,735	11,207
Switzerland	4,448	4,732
Austria	2,655	3,727
Slovenia	982	825
Benelux	367	390
Poland	128	117
Total	**131,316**	**136,680**

Non-current assets, consisting of goodwill, other intangible assets, property, plant and equipment and other claims, are comprised as follows:

thousand euros	2013	2012
Germany	37,163	41,725
Slovakia	106	187
USA	113	170
Austria	66	77
Switzerland	36	52
Slovenia	21	29
Benelux	2	7
Other	14	0
Total	**37,521**	**42,247**

In Germany, impairments on goodwill were recognised at 1.1 million euros.

4. Disclosures about important customers

In the year under review and in the previous year, the COR&FJA Group did not have any customers whose turnover accounted for at least 10 per cent of aggregate turnover.

VII. Notes to the income statement

1. Turnover

The turnover includes invoiced revenues for licences, services, maintenance services, cost reimbursements and reductions in earnings. It also includes turnover from chargeable services which are shown as receivables not yet invoiced or advance payments received using the percentage-of-completion method (PoC). All in all, 16.899 million euros (previous year: 25.425 million euros) was realised using the PoC method in 2013.

Projects measured using the PoC method had the following income and expenses components as at the reporting date:

thousand euros	2013	2012
Turnover recognition (PoC) in the financial year	7,716	8,080
Recorded expenses in the financial year	5,793	6,214
Reported profit in the financial year	1,923	1,866

2. Capitalised own services for development

The Group's business activity encompasses the development of software products. The expenses incurred in connection with this are set off as expenses pursuant to IAS 38 up until the time when the technological feasibility has been established with certainty; costs incurred thereafter are capitalised as development costs until the products have been completed and receive general approval. In consideration of this period from the time of software products' technological availability to the time of their readiness for marketing, no own development work for software products were capitalised through profit and loss in the 2013 financial year (previous year: 882,000 euros).

3. Cost of purchased services

thousand euros	2013	2012
Freelance employees	9,992	14,669
Computing centre services	2,966	2,730
Purchased goods for resale and similar services	3,515	1,356
Total	**16,473**	**18,755**

The cost of purchased services primarily encompasses the cost of freelance employees.

4. Personnel expenses

thousand euros	2013	2012
Wages and salaries	84,412	85,514
Social security contributions	12,230	12,573
Personnel expenses excluding pensions	96,642	98,087
Pension expenses	508	431
Total	**97,150**	**98,518**

Social security contributions comprise, in particular, the employers' contribution to social insurance and contributions to the employers' liability insurance association.

The employers' contribution to the statutory pension scheme amounted to 5.914 million euros (previous year: 5.930 million euros) in the reporting period.

Pension expenses primarily comprise the allocations to pension provisions and other old-age benefit systems.

5. Other operating income

thousand euros	2013	2012
Income from the reversal of other provisions and other liabilities	919	573
Use-related reversal of provisions	457	188
Use of company cars	540	508
Rental income	1,233	1,076
Income from compensation	0	6
Income from the write-off of financial liabilities	256	277
Income from settlement payments by former members of management bodies	0	680
Other	744	486
Total	**4,149**	**3,794**

The use-driven reversal of provisions comprised the use of provisions which cannot be clearly allocated to individual expense items.

In the past 2013 financial year, income was generated from the write-off of financial liabilities (debt waivers) from certain financing creditors amounting to 256,000 euros. On this subject, cf. the statements made in 'VIII. Notes to the Balance Sheet, 14. Financial Liabilities'.

The item 'Other' consists primarily of income relating to other periods and cost reimbursements from the employees' health insurance funds.

6. Other operating expenses

thousand euros	2013	2012
Costs of business premises	8,556	8,604
Travel expenses	3,876	4,652
Consulting, accounting, Supervisory Board	2,521	2,567
Motor vehicle costs	1,515	1,520
IT expenses	1,710	1,658
Advertising expenses	796	872
Communication expenses	881	907
Lease costs	208	448
Staff recruitment	212	597
Ongoing training	395	418
Insurance companies	389	296
Exchange losses	0	8
Project costs	0	445
Fees, premiums	165	192
Valuation allowances on PoC receivables	369	8,709
Valuation allowances on invoiced receivables	445	60
Other	1,363	824
Total	**23,401**	**33,343**

The item ‘Other’ largely comprises lease expenses and expenses not relating to the accounting period.

The fees incurred for auditing services in the reporting year and the previous year amounted to:

thousand euros	2013	2012
Audits of financial statements (including outlays)	325	261
Other certification and valuation services	0	0
Tax consulting services	0	0
Other services	25	0
Total	**350**	**261**

Of the auditing expenses incurred, 97,000 euros relate to the previous year.

7. Depreciation of property, plant and equipment and amortisation of intangible assets

	2013	2012
thousand euros		
Depreciation of property, plant and equipment and amortisation of intangible assets	2,652	4,412
Impairment costs of intangible assets	2,514	5,724
Total	**5,166**	**10,136**

The impairment costs of intangible assets amounting to 2.5 million euros concern the goodwill impairment totalling 1.1 million euros and the impairment of other intangible assets amounting to 1.4 million euros. On this subject, cf. 'VIII. Notes to the Balance Sheet, 9. Goodwill and other intangible assets'.

8. Net interest result

	2013	2012
thousand euros		
Interest income	142	197
Interest expenses	-1,054	-1,128
Net interest result	**-912**	**-931**
Of which from financial instruments in the valuation categories:		
Loans and receivables	15	40
Financial assets held for sale	0	0
Financial liabilities measured at amortised cost	-474	-676
Hire-purchase liabilities	0	0

The net interest income relates to the interest on cash and cash equivalents, income from the discounting of non-current trade receivables, income from the accrual of additional interest on current income tax claims and refund interest vis-à-vis the tax authorities.

There are no net interest income and expenses in the valuation categories 'Held-to-maturity investments', 'Assets measured at fair value through profit and loss' and 'Liabilities measured at fair value directly through profit and loss'.

9. Income from participating interests

	2013	2012
thousand euros		
ARGE FJA KR BU-System	80	0
Valuation of B+S Banksysteme Aktiengesellschaft	0	-210
Profit distributions from innovas GmbH	0	81
Total	**80**	**-129**

10. Taxes on income and revenues

The tax expenses arise from the components listed below:

	2013	2012
thousand euros		
Current income tax expenses		
Germany	138	-351
Other countries	-1,526	-373
Total current income taxes	**-1,388**	**-724**
Deferred taxes from temporary differences	1,198	979
Deferred taxes on tax loss carryforwards	1,076	-4,506
Total deferred income taxes	**2,274**	**-3,527**
Total	**886**	**-4,251**

The actual tax expenses included income amounting to 212,000 euros (previous year: income of 412,000 euros) which relates to the previous periods.

The ongoing losses in Germany as from 2009, on the other hand, can be carried forward without restriction.

As at 31 December 2013, the COR&FJA Group had unutilised loss carryforwards amounting to 85.428 million euros (previous year: 187.166 million euros) for which deferred tax assets were formed to the extent that their realisability was guaranteed with a sufficient degree of certainty. Due to the difficult market environment and a resultant change in the estimates and assumptions, a period of three years was – analogous to the previous year – taken into account for the deferred tax assets. All in all, deferred tax assets were formed for loss carryforwards amounting to 15.972 million euros (previous year: 11.182 million euros).

The loss carryforwards with no time limit on their utilisation amount to 83.516 million euros (previous year: 183.725 million euros).

The loss carryforwards with limits on their utilisation can, from a time perspective, be utilised for the last time in the subsequent years.

	2014	2015	2016 and later
thousand euros			
Loss carryforwards	0	1,912	0

The actual tax expenses were reduced by 0 euros (previous year: 422,000 euros) thanks to the utilisation of tax loss carryforwards that were not yet capitalised and resulted from previous years.

Deferred tax income amounting to 0.152 million euros (previous year: 1.169 million euros) results from the reporting of deferred tax claims on loss carryforwards from previous periods that were previously not covered by deferred tax. The write-down of deferred tax claims on loss carryforwards reported in previous years led to deferred tax expenses of 0.370 million euros (previous year: 5.673 million euros).

The aforementioned effects are contained in the following reconciliation statement under 'Effects of tax losses'.

In the following reconciliation statement for the Group, the individual company-specific reconciliation statements are condensed taking account of consolidation measures. In the process, the expected tax expenses are reconciled with the effectively reported tax expenses.

The tax rate of 30 per cent applied in the reconciliation statement reflects the domestic tax rate of 15.83 per cent for corporate income tax and solidarity surcharge and of 14.17 per cent for trade tax that have applied since 2008.

	2013	2012
thousand euros		
Earnings before income taxes	-6,925	-20,318
Tax rate	30%	30%
Expected income taxes	**2,078**	**6,095**
Tax effects with regard to:		
Difference in tax rates	-457	103
Amortisation of goodwill from capital consolidation due to impairment	337	1,495
Tax-free income and tax additions and deductions	-269	284
Effect of tax losses	-782	-11,946
Taxes for previous years	-375	-422
Other	354	140
Effective income taxes	**886**	**-4,251**

Goodwill resulting from capital consolidation was adjusted by 1.123 million euros (previous year: 7.591 million euros) in 2013 due to non-tax deductible impairment.

On this subject, cf. the explanations under ‘VIII. Notes to the statement of financial position, 12. Deferred tax claims’.

VIII. Notes to the statement of financial position

1. Cash and cash equivalents

	31.12.2013	31.12.2012
thousand euros		
Other collateralised credit accounts	3,604	4,610
Uncollateralised current accounts	10,762	6,728
Total	**14,366**	**11,338**

The cash and cash equivalents comprise collateralised and uncollateralised cash in hand and bank balances. The cash and cash equivalents correspond to the total funds shown in the cash flow statement. These serve the collateralisation of the financing principal banker.

Fixed-term deposits amounting to 3.604 million euros (previous year: 4.610 million euros) are used as collateral for various sureties and financial liabilities. As at 31 December 2013, the uncollateralised cash and cash equivalents amount to 10.762 million euros (previous year: 6.728 million euros).

2. Securities

	31.12.2013	31.12.2012
thousand euros		
Mittelschule und Tourismusfachschule Samedan AG (Samedan High School and College of Tourism), Samedan (Switzerland)	4	4
Total	**4**	**4**

The shares held in Mittelschule und Tourismusfachschule Samedan AG, Samedan (Switzerland), amounting to 4,000 euros, have been posted under securities. The company is not listed. They are valued at acquisition costs.

3. Trade receivables

	31.12.2013	31.12.2012
thousand euros		
Invoiced receivables	21,294	23,178
PoC receivables	15,021	13,912
Total	**36,315**	**37,090**

The trade receivables fall due within one year.

Invoiced receivables	31.12.2013	31.12.2012
thousand euros		
Gross value	**21,658**	**23,347**
Of which:		
impaired	364	169
Book value	**21,294**	**23,178**
Of which:		
neither impaired nor overdue as on the reporting date	15,817	14,309
Not impaired and overdue in the following time bands as on the reporting date		
< 30 days	3,738	7,410
31 to 60 days	833	264
61 to 90 days	192	529
91 to 120 days	73	24
121 to 360 days	641	642

Concerning the portfolio of trade receivables that have been invoiced for, which was neither impaired nor in default, as on the reporting date, there were no indications that the debtors would not meet their payment obligations.

The valuation allowances on receivables that have been invoiced for developed as follows:

	2013	2012
thousand euros		
Valuation allowances as at 01.01.	**169**	**134**
Changes, consolidation group	0	0
Transfers	287	60
Consumption	-23	-25
Reversals	-69	0
Valuation allowances as at 31.12.	**364**	169

The full amount of the transfers, i.e. 287,000 euros (previous year: 60,000 euros), consumption, i.e. -23,000 euros (previous year: -25,000 euros), and reversals, i.e. -69,000 euros (previous year: 0 euros), relates to itemised valuation allowances.

The table below shows the cost of cancelling trade receivables, as well as the income from the receipt of cancelled receivables:

thousand euros	2013	2012
Cost of cancelling receivables entirely	0	8,709
Income from the receipt of cancelled receivables	0	0

The cost of cancelling receivables has been posted under other operating expenses, and income from the receipt of cancelled receivables under other operating income.

In connection with the projects valued according to the percentage-of-completion method (PoC), the COR&FJA Group sets off the total amount of the costs incurred and the profits posted against the amount of the advance payments that have been offset. If this results in a positive balance, the latter will be reported under the item trade receivables, and, if it results in a negative balance, under other current liabilities.

Overall, for all orders, the following balances result under assets and liabilities respectively:

2013 thousand euros	Orders under assets	Orders under liabilities	Total
Total amount of costs incurred and profits posted	23,151	0	**23,151**
Offset advance payments	-8,130	-40	**-8,170**
Total	**15,021**	**-40**	**14,981**

2012 thousand euros	Orders under assets	Orders under liabilities	Total
Total amount of costs incurred and profits posted	21,292	2,132	**23,424**
Offset advance payments	-7,380	-3,163	**-10,543**
Total	**13,912**	**-1,031**	**12,881**

In order to provide security for credit lines, receivables amounting to 21.294 million euros were assigned to financial institutions in the reporting year (previous year: 15.711 million euros). The assigned receivables provide security for the financing principal bank.

4. Receivables and liabilities vis-à-vis affiliated companies

thousand euros	31.12.2013	31.12.2012
Receivables from affiliated companies	45	32
Amounts owed to affiliated companies	-15,116	-487

The amounts owed by Group companies totalling 45,000 euros in the reporting year are owed by msg systems ag, Ismaning.

In the previous year, the balance included receivables from msg systems GmbH, Brunn am Gebirge (Austria), amounting to 2,000 euros; from PiAL Consult GmbH, Hamburg, amounting to 16,000 euros; and from msg Gillardon AG, Bretten, amounting to 14,000 euros. These receivables are due within one year.

Amounts owed to Group undertakings totalling 15.116 million euros are out-standing in the amount of 10.043 million euros vis-à-vis msg systems ag, Ismaning, in the amount of 5.000 million euros are owed to msg systems GmbH, Brunn am Gebirge, Austria, and 73,000 euros to msg services AG, Ismaning. In the previous year, the amounts owed to Group undertakings were owed to msg systems ag, Ismaning, in the amount of 91,000 euros; to innovas GmbH, Hamburg, in the amount of 184,000 euros; to consulo GmbH, Hamburg, in the amount of 140,000 euros; and to msg services AG, Ismaning, in the amount of 72,000 euros. Liabilities totalling 5.116 million euros have a residual term of up to one year, while liabilities totalling 10.000 million euros have a residual term of between 1 and 5 years.

In the reporting year, msg systems ag granted a long-term loan with a term until 31 July 2016 and an annual interest rate of 4.0 per cent from the day of its being granted.

In the reporting year, msg systems GmbH granted the company a short-term loan with a term until 31 March 2014 and an annual interest rate of 4.0 per cent from the day of its being granted.

	TOTAL	CASH FLOWS 2014		CASH FLOWS 2015		CASH FLOWS 2016 – 2018	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
thousand euros							
As at 31.12.2013							
Loan, loans, mortgages	**15,000**	64	11,000	0	4,000	0	0
From deliveries and services	**116**	0	116	0	0	0	0
Amounts owed to affiliated companies	**15,116**	**64**	**11,116**	**0**	**4,000**	**0**	**0**

	TOTAL	CASH FLOWS 2013		CASH FLOWS 2014		CASH FLOWS 2015 – 2017	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
thousand euros							
As at 31.12.2012							
From deliveries and services	**487**	0	487	0	0	0	0
Amounts owed to affiliated companies	**487**	**0**	**487**	**0**	**0**	**0**	**0**

5. Inventories

The inventories (work in progress that cannot yet be charged for), amounting to 346,000 euros, relate to the region of Germany only (previous year: 567,000 euros). In the reporting period and in the same period of the previous year, no impairments were reported as expenses.

In the reporting year and in the previous year, no inventories were reported at fair current value minus selling expenses.

No inventories providing security for liabilities were pledged.

6. Ongoing income tax claims

thousand euros	31.12.2013	31.12.2012
Short-term	451	1,240
Long-term	695	894
Total	**1,146**	**2,134**

The current income tax claims consisted of advance payments and refund claims for corporation and trade tax amounting to 1.146 million euros (previous year: 2.134 million euros). The short-term portion of this was 0.451 million euros (previous year: 1.240 million euros) and the long-term portion 0.695 million euros (previous year: 894 million euros). The long-term portion relates to the long-term component of the capitalised corporation tax credit balance.

7. Other financial receivables (short-term)

thousand euros	31.12.2013	31.12.2012
Loan, loans, mortgages	284	331
Purchase price plenum USA	120	160
Security deposits	166	101
Other	135	166
Total	**705**	**758**

The other financial receivables (short-term) fall due within one year.

8. Other short-term assets

thousand euros	31.12.2013	31.12.2012
Value-added tax	93	119
Deferred items	803	386
Other	234	421
Total	**1,130**	**926**

In particular, the part-payments of the insurance and rent paid in the reporting year that do not give rise to expenditure until the following year are reported under prepaid expenses.

9. Goodwill and other intangible assets

2013	Goodwill	OTHER INTANGIBLE ASSETS Development costs	OTHER INTANGIBLE ASSETS Other	Total
thousand euros				
Acquisition costs				
As at 01.01.2013	**37,297**	**4,043**	**20,729**	**62,069**
Additions	0	6	75	81
Disposals	0	0	0	0
Repostings	0	60	-60	0
As at 31.12.2013	**37,297**	**4,109**	**20,744**	**62,150**
Depreciation and amortisation				
As at 01.01.2013	**11,566**	**2,822**	**10,433**	**24,821**
Additions	1,122	845	1,569	3,536
Disposals	0	0	0	0
As at 31.12.2013	**12,688**	**3,667**	**12,002**	**28,357**
Book value as at 31.12.2013	**24,609**	**442**	**8,742**	**33,793**

2012	Goodwill	OTHER INTANGIBLE ASSETS Development costs	OTHER INTANGIBLE ASSETS Other	Total
thousand euros				
Acquisition costs				
As at 01.01.2012	**37,361**	**3,161**	**22,156**	**62,678**
Additions	0	882	0	882
Disposals	0	0	-1,427	-1,427
Disposals in the consolidation group	-64	0	0	-64
As at 31.12.2012	**37,297**	**4,043**	**20,729**	**62,069**
Depreciation and amortisation				
As at 01.01.2012	**6,582**	**1,125**	**10,309**	**18,016**
Additions	4,984	1,697	1,551	8,232
Disposals	0	0	-1,427	-1,427
As at 31.12.2012	**11,566**	**2,822**	**10,433**	**24,821**
Book value as at 31.12.2012	**25,731**	**1,221**	**10,296**	**37,248**

The research and development costs (personnel expenses and other operating expenses) that were recognised under expenses in 2013 amounted to 12.447 million euros (previous year: 15.348 million euros).

In addition, we refer to the Notes included in 'VII.2 Capitalised own services for development'.

The valuation tests for goodwill and individual intangible assets that must be conducted every year were carried out in the reporting year, where there were indications that an impairment existed.

Information on the other intangible assets in the reporting year

The other intangible assets amounting to 10.296 million euros consist largely of capitalised software amounting to 7.523 million euros.

Information on the other intangible assets in the previous year

In 2012 there were changes of circumstance on account of which the individual book values can no longer be achieved with a self-developed software product. In 2012, this led to unscheduled impairments amounting to 0.739 million euros on the other intangible assets.

The valuation of the goodwill acquired within the scope of corporate mergers was assessed in accordance with IAS 36 and on the basis of cash generating units. The goodwill is made up of the following:

	31.12.2013	31.12.2012
thousand euros		
COR&FJA OdaTeam	952	952
COR&FJA Alldata Systems	–	2,835
COR&FJA Germany	19,232	19,536
FJA-US	81	81
PYLON	1,205	1,205
COR&FJA Banking	3,139	0
WKA	0	34
plenum	0	1,088
Total	**24,609**	**25,731**

COR&FJA Alldata Systems became defunct in 2013. More information about this can be found under 'III. Consolidated group, 1. Subsidiaries'.

As part of the assessment of goodwill impairment, the carrying amounts of the goodwill are allocated to individual cash-generating units. The business units COR&FJA OdaTeam, COR&FJA Banking, COR&FJA Deutschland, FJA-US, PYLON, COR&FJA Metris, WKA and plenum from the COR&FJA Group are used as cash-generating units.

In accordance with its definition, the book values (net assets) of the individual cash generating units are subsequently checked at least once a year to establish whether any requirement for impairment exists. The achievable amount corresponding to the value in use that has been ascertained according to the 'discounted cash flow' method is thus compared with the book values. In addition, the COR&FJA Group also takes the relationship between market capitalisation and the book value into account when assessing whether there are indications that an asset might be impaired.

Information on the goodwill in the reporting year

The valuation of other goodwill was verified on the basis of cash flows estimated for the future, which were derived from the current plans prepared by the management. The basis used to establish future cash flows was the data emanating from the corporate plans for the financial years to 2018, with subsequent transition to perpetuity. These plans use a planning horizon of five years. For the period of time thereafter ('perpetuity'), a growth rate of 1 per cent on average was applied to the cash flows in the valuation tests. These assumptions are based on past experience, the current operating results and the best possible estimates of future developments made by the management as at the reporting date.

The free cash flows were discounted with a capital cost rate (WACC) of 9.17–9.61 per cent p.a. (previous year: 9.17–9.61 per cent p.a.) before tax. Sensitivity analyses revealed that an increase of more than 0.5 percentage points (previous year: 0.5 percentage points) in the capital cost rate did not lead to a valuation allowance requirement for goodwill. As a result of the impairment tests, goodwill impairments totalling 1.122 million euros were carried out in the reporting year. Specifically, the goodwill related to WKA (34,000 euros) and plenum (1.088 million euros). The impairment was carried out at plenum because the sale price in 2014 was below the capitalised value.

Information on the goodwill in the previous year

As a result of the impairment tests, goodwill impairments totalling 4.984 million euros were carried out in the previous year. Specifically, the goodwill related to COR&FJA Metris (3.405 million euros), WKA (0.256 million euros) and plenum (1.323 million euros). The reason for the impairments on goodwill was the lower operating results of the individual companies in comparison to the year before the previous year.

10. Property, plant and equipment

2013	Buildings on third-party land	Hardware and software	Factory and office equip-ment	Total
thousand euros				
Acquisition costs				
As at 01.01.2013	**5,143**	**10,037**	**4,972**	**20,152**
Additions	0	1,772	0	1,772
Disposals	-90	-2,014	-384	-2,488
Foreign currency differences	-20	-6	-17	-43
As at 31.12.2013	**5,033**	**9,789**	**4,571**	**19,393**
Depreciation and amortisation				
As at 01.01.2013	**3,891**	**8,213**	**4,144**	**16,248**
Additions	184	1,038	266	1,488
Disposals	-90	-746	-303	-1,139
Foreign currency differences	-22	-3	-13	-38
As at 31.12.2013	**3,963**	**8,502**	**4,094**	**16,559**
Book value as at 31.12.2013	**1,070**	**1,287**	**477**	**2,834**

2012	Buildings on third-party land	Hardware and software	Factory and office equip-ment	Total
thousand euros				
Acquisition costs				
As at 01.01.2012	**5,108**	**10,275**	**5,699**	**21,082**
Additions	65	789	130	984
Disposals	-21	-1,013	-851	-1,885
Disposals in the consolidation group	0	-2	0	-2
Foreign currency differences	-9	-12	-6	-27
As at 31.12.2012	**5,143**	**10,037**	**4,972**	**20,152**
Depreciation and amortisation				
As at 01.01.2012	**3,709**	**7,945**	**4,497**	**16,151**
Additions	205	1,287	412	1,904
Disposals	-14	-1,007	-759	-1,780
Foreign currency differences	-9	-12	-6	-27
As at 31.12.2012	**3,891**	**8,213**	**4,144**	**16,248**
Book value as at 31.12.2012	**1,252**	**1,824**	**828**	**3,904**

No new finance lease agreements were made in the 2013 financial year (previous year: acquisition costs of 120,000 euros). The finance lease agreements concluded in the previous year have resulted in rental payments amounting to 91,000 euros over the next five years.

11. Financial investments

thousand euros	31.12.2013	31.12.2012
Shareholding, B+S Banksysteme Aktiengesellschaft	1,767	1,767
Shareholding, innovas GmbH	0	2,898
Shareholding, ARGE FJA KR BU-System	3	3
Cooperative shares, Volksbank Donau Neckar eG	3	3
Other	0	16
Total	**1,773**	**4,687**

Since the financial year 2010, COR&FJA AG has held 24.13 per cent, or 1,498,462 of the shares in B+S Banksysteme Aktiengesellschaft, Munich. In 2013 there were no changes in the share price with relevance for valuation compared with the previous year, with the result that its fair value on 31 December 2013 amounted to 1.767 million euros. For the changes in the share price in the course of the year, cf. the information given in 'VII.9. Income from investments'.

COR&FJA AG held 10 per cent of innovas GmbH, Hamburg. The equity interest in innovas GmbH amounting to 2.898 million euros was classified as a financial instrument in the available-for-sale category. The shares were held by COR&FJA AG until 30 September 2013. COR&FJA AG sold all of its shares to msg systems ag with economic effect as at 1 October 2013. Since then, innovas GmbH, Hamburg, has been a wholly-owned subsidiary of msg systems ag.

The shareholding in ARGE FJA KR BU-System, Munich, has not been consolidated. The COR&FJA Group does not have a decisive influence over ARGE FJA KR BU-System, as it does not have many opportunities to collaborate in the financial and business decision-making processes of the partly owned subsidiary. The COR&FJA Group owns 50 per cent of the shares. ARGE's shareholders' equity amounts to 10,000 euros as per 31 December 2013 (previous year 133,000 euros). The total assets are 40,000 euros (previous year: 180,000 euros), and the total liabilities are 30,000 euros (previous year: 47,000 euros). In the 2013 financial year, ARGE generated turnover of 78,000 euros (previous year: 82,000 euros) and a result of 38,000 euros (previous year: 17,000 euros).

The valuation allowances on the financial investments developed as follows:

thousand euros	2013	2012
Valuation allowances as at 01.01.	**2,211**	**2,211**
Price differences	0	0
Transfers to the consolidation group	0	0
Transfers	0	0
Consumption	0	0
Reversals	0	0
Valuation allowances as at 31.12.	**2,211**	**2,211**

12. Deferred tax claims and deferred tax liabilities

The deferred taxes were determined using the relevant country-specific tax rates that were between 19 per cent and 39.6 per cent (previous year: between 19 per cent and 39.6 per cent). Changes in tax rate that had already been decided upon as of the balance sheet date were taken into account when the deferred taxes were determined.

The deferred taxes of the domestic companies are evaluated, depending on the trade tax collection rate being applied, using an aggregate tax rate, including solidarity surcharge, of between 27.7 per cent and 33.0 per cent (previous year: between 27.7 per cent and 33.0 per cent).

The deferred taxation is allocated to the following items of the statement of financial position:

	31.12.2013		31.12.2012	
	Assets	Liabilities	Assets	Liabilities
thousand euros				
PoC receivables	79	2,780	0	3,140
Receivables and other current assets	52	3,609	7	54
Intangible assets	1,059	0	1,305	3,410
Goodwill	31	0	100	0
Financial assets	0	347	0	347
Property, plant and equipment	0	14	12	24
Other provisions	151	6	257	35
Pension provisions	1,985	346	1,384	0
Other financial liabilities	64	169	152	9
Deferred revenue	0	0	23	68
Tax losses carried forward	6,180	0	3,823	0
Total	**9,601**	**7,271**	**7,063**	**7,087**

The deferred taxes that were recognised in shareholders' equity amount to 504,000 euros (previous year: 782,000 euros).

13. Other financial receivables (long-term)

	31.12.2013	31.12.2012
thousand euros		
Total	**199**	**201**

The other financial receivables largely comprise a loan to a former Management Board member. The loan is collateralised and its term runs to 30 April 2015.

14. Financial liabilities

	31.12.2013	31.12.2012
thousand euros		
Short-term	3,197	14,895
Long-term	0	585
Total	**3,197**	**15,480**

Interest-bearing credit liabilities based on a contractual obligation to a third party are posted under financial liabilities. There is presently a credit line with the principal bank amounting to 10.000 million euros, of which 2.689 million euros had been utilised as of the balance sheet date. This credit agreement contains financial covenants rules. There is a further credit line at another bank amounting to 200,000 euros.

Specifically, the financial liabilities were as follows:

Type	Credit currency	31.12.2013	31.12.2012	2013	2012
		thousand euros		Interest rate p.a. in %	
Bank credit 1	euros	0	500	0	3.81
Bank credit 2	euros	0	6,599	0	3.71
Bank credit 3	euros	–	6,700	–	3.81
Bank credit 4	euros	–	20	–	6.39
Bank credit 5	euros	300	300	9.00	9.00
Bank credit 6	euros	–	0	–	–
Bank credit 7	euros	–	125	–	9.00
Bank credit 8	euros	2,689	0	6.58	–
Bank credit 9	euros	200	0	5.00	–
Loan employee 1	euros	–	101	–	6.00
Loan employee 2	euros	–	111	–	6.00
Loan employee 3	CHF	–	228	–	10.00
Dormant equity holdings 1	euros	–	0	–	–
Dormant equity holdings 2	euros	–	181	–	0.00
Dormant equity holdings 3	euros	–	74	–	6.00
Dormant equity holdings 4	euros	–	113	–	6.00
Loans associated company	euros	–	175	–	11.00
Loan other 1	euros	8	160	–	6.00
Loan other 2	euros	–	93	–	11.00
Total	**euros**	**3,197**	**15,480**	**–**	**–**

The tables below show the contractually agreed (non-discounted) interest and redemption payments relating to the financial liabilities:

	TOTAL	CASH FLOWS 2014		CASH FLOWS 2015		CASH FLOWS 2016 – 2018	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
thousand euros							
As at 31.12.2013							
Short-term	**3,197**	0	3,197	0	0	0	0
Long-term	**0**	0	0	0	0	0	0
Financial liabilities	**3,197**	**0**	**3,197**	**0**	**0**	**0**	**0**

	TOTAL	CASH FLOWS 2013		CASH FLOWS 2014		CASH FLOWS 2015 – 2017	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
thousand euros							
As at 31.12.2012							
Short-term	**14,895**	594	14,895	0	0	0	0
Long-term	**585**	11	0	11	206	12	379
Financial liabilities	**15,480**	**605**	**14,895**	**11**	**206**	**12**	**379**

Within the scope of the financial liabilities to banks, bank deposits of 3.604 million euros and trade receivables totalling 21.294 million euros have been assigned (see Notes, VIII.3).

15. Trade payables

Trade payables have as in the previous year a residual term of up to one year.

16. Current income tax liabilities

	31.12.2013	31.12.2012
thousand euros		
Short-term	204	113
Long-term	0	0
Total	**204**	**113**

The current income tax liabilities are due in the short term.

17. Other provisions

	31.12.12	Foreign currency differences	Consumption	Reversal	Transfer	31.12.13
thousand euros						
Guarantee payments	209	0	0	-209	200	200
Provision for project costs	5	0	0	0	0	5
Contingent losses	767	0	0	-197	0	570
Expected incoming invoices	1,320	0	-1,039	-248	2,009	2,042
Other	964	-12	-384	0	386	954
Other provisions	**3,265**	**-12**	**-1,423**	**-654**	**2,595**	**3,771**

The reversals of provisions are reported in the income statement under other operating income (VII.5).

During the reporting period, no increases took place in the discounted amounts because of the passage of time.

The valuation as at the reporting date takes into account the financial charges the company is expected to have to bear.

Provisions for guarantee payments were formed on the basis of the existing or estimated future claims experience.

The provision for project costs includes the cost of services not yet rendered.

The provisions for contingent losses include the cost of rental agreements.

The provision for anticipated incoming invoices relates to other operating expenses and the cost of purchased services.

The other provisions essentially included the provisions formed for the financial statements, Annual Report, etc.

As at the reporting date, the other provisions had the following maturity pattern:

	LONG-TERM		SHORT-TERM		TOTAL	
	2013	2012	2013	2012	2013	2012
thousand euros						
Guarantee payments	0	0	200	209	200	209
Provision for project costs	0	0	5	5	5	5
Contingent losses	360	395	210	372	570	767
Expected incoming invoices	0	0	2,042	1,320	2,042	1,320
Other	184	184	770	780	954	964
Other provisions	**544**	**579**	**3,227**	**2,686**	**3,771**	**3,265**

Payments under the provision for guarantee payments are not made directly, but are essentially effected in the context of personnel and other operating expenses.

The sums accounted for under the provisions for project costs, contingent losses, expected incoming invoices and other provisions totalling 3.571 million euros (previous year: 3.056 million euros) must be paid out in the short term within the scope of operating activity, with the exception of a sum amounting to 544,000 euros (previous year: 579,000 euros).

COR&FJA Group has sufficient liquid funds to make the payments concerned using the provisions.

18. Other debts

	31.12.2013	31.12.2012
thousand euros		
Tax liabilities	1,300	1,513
Payments received on account for customer orders	40	1,031
Deferred items	2,534	1,625
Total	**3,874**	**4,169**

Concerning the payments received on account for customer orders, see the statements made in 'VIII. Notes to the statement of financial position, 3. Trade receivables'.

As at the reporting date, the other liabilities had the following maturity pattern:

	Total	Residual term of up to 1 year	Residual term of between 1 year and 5 years	Residual term of more than 5 years
thousand euros				
31.12.2013				
Tax liabilities	1,300	1,300	0	0
Payments received on account for customer orders	40	40	0	0
Deferred items	2,534	2,534	0	0
Other debts	**3,874**	**3,874**	**0**	**0**
31.12.2012				
Tax liabilities	1,513	1,513	0	0
Payments received on account for customer orders	1,031	1,031	0	0
Deferred items	1,625	1,625	0	0
Other debts	**4,169**	**4,169**	**0**	**0**

19. Other financial liabilities

	31.12.2013	31.12.2012
thousand euros		
Liabilities from the personnel and welfare area	10,497	10,074
Hire purchase liability	91	121
Other	1,317	2,351
Total	**11,905**	**12,546**

The liabilities from the personnel and welfare area relate principally to liabilities from holiday, overtime, bonus and anniversary entitlements.

By means of contracts dated 22 October 2012, COR&FJA Deutschland GmbH concluded a sale and finance leaseback transaction for hardware with a lessor. COR&FJA Deutschland GmbH sold hardware to the lessor in return for a one-off payment (0.126 million euros). In a second step, the parties agreed on a hire-purchase arrangement for the transfer of a right of use for this hardware by the lessor (hirer) to COR&FJA Deutschland GmbH as hire purchaser in return for the payment of regular, recurring rental payments (2,807.63 euros) over a period of 48 months. As the main opportunities and risks associated with the asset remain with the COR&FJA Group, what has been created is a finance lease and/or hire-purchase liability. The hire-purchase liability is commensurate with the cash value of the minimum lease payments.

No security was provided for the fulfilment of the obligations arising from this hire-purchase agreement.

The 'Other' item essentially includes the wage and church tax liabilities.

As at the reporting date, the other financial liabilities had the following maturity pattern:

	Total	Residual term of up to 1 year	Residual term of between 1 year and 5 years	Residual term of more than 5 years
thousand euros				
31.12.2013				
Liabilities from the personnel and welfare area	10,497	9,780	717	0
Hire purchase liability	91	31	60	0
Other	1,317	1,317	0	0
Other financial liabilities	**11,905**	**11,128**	**777**	**0**
31.12.2012				
Liabilities from the personnel and welfare area	10,074	9,452	622	0
Hire purchase liability	121	30	91	0
Other	2,351	2,351	0	0
Other financial liabilities	**12,546**	**11,833**	**713**	**0**

The tables below show the contractually agreed (non-discounted) interest and redemption payments relating to the other financial liabilities:

	TOTAL	CASH FLOWS 2014		CASH FLOWS 2015		CASH FLOWS 2016 – 2018	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
thousand euros							
As at 31.12.2013							
Liabilities from the personnel and welfare area	**10,497**	0	9,780	0	0	0	717
Hire-purchase liabilities	**91**	4	31	3	31	1	29
Other	**1,317**	0	1,317	0	0	0	0
Other financial liabilities	**11,905**	**4**	**11,128**	**3**	**31**	**1**	**746**

	TOTAL	CASH FLOWS 2013		CASH FLOWS 2014		CASH FLOWS 2015 – 2017	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
thousand euros							
As at 31.12.2012							
Liabilities from the personnel and welfare area	**10,074**	0	9,452	0	0	0	622
Hire-purchase liabilities	**121**	4	30	3	31	1	60
Other	**2,351**	0	2,351	0	0	0	0
Other financial liabilities	**12,546**	**4**	**11,833**	**3**	**31**	**1**	**682**

All the financial instruments that were in the portfolio as at the reporting date in question, and for which payments have already been contractually agreed, have been included. No budgeted figures have been considered for liabilities that might come about in the future. Financial liabilities that can be met at any time are always allocated to the earliest possible time period.

In the past financial year, 2013, and in the previous year, no bad debt losses or breaches of contract were sustained by the company.

20. Pension provisions

Pension agreements exist for some of the subsidiary companies within the COR&FJA Group in the form of direct defined-benefit obligations. In defined-benefit plans, the employer undertakes to make the promised pension payments and to finance them by forming pension provisions or separate plan assets for pension purposes.

Provisions for pension obligations are formed on the basis of plans for retirement, incapacity and survivors' benefit. Group pension obligations to employees are based on direct and indirect pension commitments. Benefits from direct pension obligations are fundamentally determined as a function of monthly salary and length of service with the company.

The amount of the pension obligation is calculated by actuarial methods using the internationally accepted projected unit credit method in accordance with IAS 19 ('Employee benefits'), with future obligations being calculated on the basis of the proportional entitlements acquired on the reporting date. Evaluation takes account of assumed trends for the relevant variables which affect the amount of benefit. Actuarial calculations are required for all benefit systems.

Not only assumptions about life expectancy and incapacity, but also premises using the biometric principles of the Heubeck mortality table 2005G play a role.

The calculations are based on the following actuarial assumptions for the respective reference dates:

2013	COR&FJA AG	COR&FJA Germany	COR&FJA Banking	plenum
% per year				
Actuarial interest rates	3.45	3.45	3.45	3.45
Projected increase in salaries	2.25	2.25	2.25	0.00
Rate of pension progression (civil service adjustment)	1.90	1.90	1.90	1.90 / 0.00

Sensitivity analyses have indicated that an increase or reduction in the weighted average costs of capital of more – or less – than 0.5 percentage points would require an adjustment of 0.7 million euros.

2012	COR&FJA AG	COR&FJA Germany	COR&FJA Alldata	COR&FJA Banking	plenum
% per year					
Actuarial interest rates	3.45	3.45	3.45	3.45	3.45
Projected increase in salaries	0.00	0.00	0.00	0.00	0.00
Rate of pension progression (civil service adjustment)	1.90	1.90	1.90	0.00	1.90 / 0.00

No allowance was made for the probability of fluctuation.

The outlay for defined-benefit pension plans consists of the following:

	2013	2012
thousand euros		
Service cost	87	101
Net interest costs	326	427
Total expenses	**413**	**528**

Service cost is posted as part of personnel expenses. The net interest costs are shown in the financial result.

The portfolio of actuarial gains and losses posted in equity with no impact on profit and loss are as follows:

	31.12.2013	31.12.2012
thousand euros		
Actuarial gains (+), losses (–)	**-2,812**	**-2,676**

The asset is invested using counter guarantee insurance. 100 per cent of the assets are direct claims from the insurance company. The anticipated long-term returns are based upon past experience of insurance contracts and on anticipated future returns. No change in the composition of the plan assets is intended in the 2014 financial year.

The actual returns on the plan assets are as follows:

	2013	2012
thousand euros		
Actual returns on plan assets	**53**	**36**

As well as the reinsurance, time deposits amounting to 760,000 euros serve to collateralise claims from commitments relating to pensions and other obligations.

Reconciliation calculations of the cash values of defined-benefit obligations, the plan asset values to be reconciled and the figures derived from them for pension provisions are shown below:

thousand euros	2013	2012
Cash value of the benefit obligation as at 01.01.	11,487	8,367
Service cost	87	101
Interest charges on the project unit credit	326	453
Pension payments	-225	-256
Actuarial gain (-), loss (+)	141	2,822
Disposals	-622	0
Cash value of the benefit obligation as at 31.12.	**11,194**	**11,487**
Plan assets as at 01.01.	2,015	1,931
Counter guarantee insurance premiums	254	59
Anticipated returns on plan assets	52	26
Benefits paid	-38	-11
Actuarial gain (+), loss (-)	5	10
Disposals	-367	0
Plan assets as at 31.12.	**1,921**	**2,015**
Net obligation	**9,273**	**9,472**

The reconciliation calculation of the cash value of the defined-benefit obligation and the fair value of the plan assets with the assets and liabilities posted on the statement of financial position is shown below:

thousand euros	2013	2012
Net obligation at the beginning of the year	**9,472**	**6,436**
Net cost entered	361	528
Actuarial gain (-)/loss (+) shown directly under equity	136	2,812
Employer’s contributions	-254	-59
Benefits paid directly	-187	-245
Disposals	-255	0
Provisions as at 31.12.	**9,273**	**9,472**

Payments amounting to 253,000 euros are planned for the subsequent year (2014).

21. Subscribed capital

The subscribed capital as at 31 December 2013 after treasury shares had been taken into account totalled 40,895,861.00 euros (31 December 2012: 40,895,861.00 euros) and is fully paid-in. Overall, the subscribed capital is divided into 42,802,453 no par value bearer shares, each representing a computational equity stake of 1 euro. Each share entitles its holder to one vote. No preference shares are issued.

Repurchase of treasury shares

On 21 August 2008, the Management Board of COR&FJA AG resolved, on the basis of the authorisation of the Annual General Meeting of 20 June 2008, to acquire up to 638,680 of its treasury shares, i.e. around 1.5 per cent of the nominal capital, on the stock exchange from 25 August 2008 onwards. By 31 December 2009, COR&FJA AG had acquired 638,680 shares for a purchase price of 1,193,549.57 euros. This corresponds to an average acquisition price of 1.87 euros per share. The purchase price of 1,193,549.57 euros is shown directly as nominal capital under subscribed capital (638,680.00 euros) and the capital reserve (554,869.57 euros). Furthermore, 1,267,912 treasury shares from the portfolio of the former COR AG accrued as a result of the merger with COR AG. The addition totalling 2,662,615.00 euros is entered directly in equity under subscribed capital (1,267,912.00 euros) and the capital reserve (1,394,703.00 euros). All in all, treasury shares amounting to 1,906,592 euros were openly removed from the subscribed capital and the capital reserve was reduced by 1,949,572.57 euros.

At the Annual General Meeting held on 17 August 2010 it was decided to empower the company to acquire and use treasury shares in the company by 16 August 2015, under partial exclusion of the shareholders' subscription rights, for a proportional amount of up to 10 per cent of nominal capital. The shares can be purchased on the stock exchange or by means of a public purchase offer addressed to all the company's shareholders. As well as by purchase on the stock exchange, the company can also purchase treasury shares by means of a public purchase offer. The company can use the treasury shares as follows: with the approval of the Supervisory Board as a consideration in a business combination or as a consideration in the purchase of companies or interests, furthermore to dispense to employees of the company or companies affiliated to the Group, to service convertible bonds or warrants issued by the company, or to fulfil obligations from employee profit-sharing programmes, disposal of a different type other than on the stock exchange or by means of an offer to all shareholders, for example to an institutional investor or to develop new circles of investors.

The Management Board has not yet made use of this empowerment.

No new capital was approved in the reporting year.

The following authorised capital exists from the previous years:

Authorised Capital 2010

At the Annual General Meeting held on 17 August 2010, it was decided that by lifting the empowerment of the Management Board regulated in Section 5 Para. 4 of the company's statutes to increase the nominal capital of the company, with approval of the Supervisory Board, until 22 June 2011 by up to a total of 10,398,708.00 euros, the Management Board was to be empowered to increase the company's nominal capital by 16 August 2015 by issuing new individual bearer shares in return for contributions in cash and kind on one or more occasions, to a limit of a maximum sum of 21,401,226.00 euros. The Management Board is authorised to exclude the right of shareholders to subscribe, with approval of the Supervisory Board, in compliance with the precise regulations and to determine the further details with respect to capital increases from authorised capital.

Share option scheme

On 17 August 2007, the Management Board and the Supervisory Board of COR AG were authorised by the Annual General Meeting to increase the nominal capital of the company by issuing up to 715,000 ordinary bearer shares. The purpose of this contingent capital increase is to grant rights to purchase company shares to the members of the Management Board and employees. In a first tranche, 142,992 options were issued to employees and 35,750 to members of the Management Board of the company until 13 September 2007. 35,748 options in this first tranche lapsed by 31 December 2009 due to employees leaving the company. 107,244 options for employees and 35,750 for members of the Management Board are therefore still outstanding from this first tranche. The options in the first tranche confer the right to acquire shares in COR&FJA AG from 13 September 2010 for up to six years from issue of the options, in specific windows for exercise of the right, at a strike price of 3.78 euros once the strike price of 4.91 euros is reached. By 18 April 2008, 142,992 options had been issued to employees in a second tranche, and 35,750 to members of the Management Board. 12,999 options in the second tranche lapsed by 31 December 2009 as a result of employees leaving the company. 129,993 employee options and 35,750 options of members of the Management Board in this second tranche are therefore still outstanding. The options from the second tranche confer the right to purchase shares in COR&FJA AG at a strike price of 4.17 euros when a strike price of 5.42 euros is reached, from 18 April 2011 for up to six years after issue of the options, in specific windows for the exercise of the right. A total of 308,737 options from this share option scheme are thus still available for exercise, provided that the conditions of exercise are met.

COR&FJA AG grants all option holders equal rights, in accordance with Section 23 of the German Reorganisation of Companies Act (UmwG). Each option confers a right corresponding to the exchange ratio stipulated in the merger agreement between COR AG and FJA AG to purchase 1.7857 individual bearer shares in COR&FJA AG, representing a proportional amount of the nominal capital of former FJA AG of 1.00 euro each, instead of a individual registered share in former COR AG representing a proportional amount of the nominal capital of 1.00 euro. In other respects, the existing conditions remain unchanged, with the proviso that COR&FJA AG replaces former COR AG and 1.7857 individual shares in COR&FJA AG replace one individual share in former COR AG, and that the holders of the options granted up to 13 September 2007 can now acquire, on the basis of their subscription right, for one share in former COR AG, 1.7857 shares in COR&FJA AG at a strike price of 3.78 euros when a strike price of 4.91 euros is reached for 1.7857 shares in COR&FJA, corresponding to a strike price of 2.75 euros for one share in COR&FJA; and the holders of options granted up to 18 April 2008 can now acquire 1.7857 shares in COR&FJA, on the basis of their subscription right, for one share in former COR AG, at a strike price of 4.17 euros once the strike price of 5.42 euros is reached, for 1.7857 shares in COR&FJA, which corresponds to a strike price of 3.04 euros for one COR&FJA share.

The options can be serviced with own shares of COR&FJA AG. Insofar as no subscription rights emerge for whole COR&FJA shares due to the exchange ratio, COR&FJA undertakes, in accordance with the stipulations of the respective option agreements, to put holders of options on fractions of COR&FJA shares in a position in which they are not financially disadvantaged in respect of such fractions.

The fair value of the options in the first tranche, determined in accordance with the Black-Scholes option price evaluation model at the time of issue, amounted to 1.15 euros per option. 0 euros (previous year: 38,000 euros) were entered as staff costs for 2013.

The fair value of options in the second tranche determined in accordance with the Black-Scholes option price evaluation model at the time of issue amounted to 1.18 euros per option. A stock market price of 4.35 euros on the date of issue, a volatility of 33.9 per cent, determined over a period of six months prior to issue of the option, and a risk-free interest rate of 4.75 per cent, which roughly corresponds to the average yield of risk-free federal loans with a corresponding term, were used as a calculation basis. The evaluation was undertaken on the premise that none of the shares issued would lapse. Under IFRS 2, share option schemes with the fair value at the time of issue, distributed over the payment period, must be entered with an effect on expenditure with a counter-entry in nominal capital. The end of the payment period is determined in accordance with IFRS 2.15 by the time at which the nominal capital instruments are freely available or may be exercised. Staff costs of 0 euros (previous year: 0 euros) were entered for the 2013 financial year on the basis of the parameters listed.

22. Capital reserve

The capital reserve includes the amount accruing in excess of the nominal price when shares are issued. As per 31 December 2013, the capital reserve amounted to 33,601,049.76 euros (31 December 2012: 33,601,049.76 euros).

Only the restrictions of Section 150 of the German Stock Corporation Act (AktG) on the payment of dividends or repayment of capital apply to the capital reserve.

23. Group retained income

Retained income includes the profits of the companies within the scope of the consolidated financial statement, unless they have been paid out as dividends. Differences arising from currency conversion, with no impact on earnings, from the financial statements of foreign subsidiaries, actuarial gains and losses from pension provisions and other transactions posted as nominal capital continue to be included.

A detailed schedule of changes in Group retained income emerges from the development of equity.

Under the German Stock Corporation Act, dividends available for distribution depend on the net profit which COR&FJA AG declares in its financial statement, drawn up in accordance with the provisions of the German Commercial Code.

No dividend is anticipated for the 2013 financial year.

24. Minority interests

thousand euros	2013	2012
As at 01.01.	1,765	2,068
Accrual to the consolidation group	0	91
Disposal	0	-41
Proportion of result for the year	-761	-353
As at 31.12.	**1,004**	**1,765**

25. Other financial obligations

The following liabilities arise from long-term leases, tenancy agreements and service contracts **(operating leasing)**:

thousand euros	Total
31.12.2013	34,794
of which with a residual term	
up to 1 year	9,731
1 to 5 years	15,938
over 5 years	9,125
31.12.2012	**35,952**
of which with a residual term	
up to 1 year	8,821
1 to 5 years	16,577
over 5 years	10,554

Liabilities from operating leasing are shown as the cash value of the minimum leasing payments.

The continuous cost of leases, tenancy agreements and service contracts in the financial year entered with an impact on results was 10.278 million euros (previous year: 10.573 million euros).

The item ‘Operating Lease’ includes leased fixtures and fittings and liabilities arising from office tenancy agreements. The service contracts involve liabilities arising from the maintenance of the hardware and software used in the company.

The sum of future minimum payments, receipt of which was anticipated by 31 December 2013 under non-cancellable sub-tenancy agreements, is 1.212 million euros (previous year: 3.577 million euros).

There are no further financial liabilities, apart from finance leasing (lease purchase liability) shown under ‘VIII. Notes on the accounts, 19. Other financial liabilities’.

The minimum leasing payments and their cash value on the reporting date are as follows, broken down by due date:

	Minimum leasing payments	Cash value of minimum leasing payments
thousand euros		
31.12.2013	1,284	1,204
of which with a residual term		
up to 1 year	727	682
1 to 5 years	557	522
over 5 years	0	0
31.12.2012	**4,100**	**3,849**
of which with a residual term		
up to 1 year	1,653	1,551
1 to 5 years	2,447	2,298
over 5 years	0	0

Reconciliation of the sum of minimum leasing payments in the amount of 1.284 million euros (previous year: 0.129 million euros) with the cash value of 1.204 million euros (previous year: 121,000 euros) took place by deducting the costs of finance or the interest element of 80,000 euros (previous year: 8,000 euros).

The principal leases are the following:

This hire-purchase agreement is a standardised sale and finance leaseback transaction in which the seller of the leased item is simultaneously the hire purchaser.

26. Contingencies and contingent liabilities

Like all software products, the COR&FJA Group's products can have defects whose elimination under guarantee increases costs and thereby influences the profit margin or even leads to compensation claims against the COR&FJA Group. The COR&FJA companies generally assume the warranty which is customary in the industry. The liability obligations are, as far as possible, limited contractually to the legal minimum and secured with appropriate third-party liability insurance policies. It can nevertheless not be ruled out that contractually agreed limitations on liability will be regarded as invalid and the available insurance cover will be available to an insufficient extent or not at all – even if this is improbable. This applies in particular to the US market. Warranty obligations were formed based on experience from the past and are included in other provisions. Please refer to 'VIII. Notes on the Balance Sheet, 17. Other provisions'. It is not possible to estimate the financial impact.

27. Pending litigation

The General Works Council was taking legal action with the aim of achieving higher bonus claims for employees for the 2010 financial year. The settlement negotiations undertaken by the company last year with the General Works Council did not bring about a result. As a consequence, court proceedings have been reactivated. A court settlement at the Munich Labour Court was agreed on 23 April 2013 between COR&FJA Deutschland GmbH and the General Works Council. This has resulted in 65 per cent of the variable remuneration for 2010 still owed being paid out to those employees who were employed by COR&FJA Deutschland GmbH at that point in time and who were included in the scope of application of the respective Group-wide labour-management agreement.

COR&FJA AG was the defendant in a mediation procedure brought before Stuttgart Regional Court (LG) pursuant to Section 15 Para. 1, German Transformation Act (UmwG) in conjunction with Section 1 (4), German Award Proceedings Act (SpruchG). In the aftermath of the merger of COR AG Financial Technologies with FJA AG, several former COR AG Financial Technologies shareholders have initiated a legal challenge to examine the appropriateness of the share exchange ratio established in the merger agreement. If at least one of the motions for the examination and redetermination of the exchange ratio had been successful and the court had stipulated a settlement by means of additional cash payment, not only the claimants who mounted the legal challenge, but also every other former shareholder in COR AG Financial Technologies, would have been entitled to assert this claim.

In its decision of 16 October 2012, Stuttgart Regional Court (LG) completely rejected the claims of all of the claimants at first instance. COR&FJA AG merely had to pay the court costs and the out-of-pocket expenses and remuneration that were due to the representative of the outside shareholders. The complaint lodged by one claimant against the decision of Stuttgart Regional Court at first instance was withdrawn, with the result that COR&FJA AG ultimately prevailed in the mediation procedure. The relevant announcement was published in the Federal Gazette on 6 May 2013.

28. Further information on financial instruments

Objective and methods of financial risk management

Financial risk management is designed to put the COR&FJA Group in a position to recognise all the significant risks to which it is potentially exposed at an early stage and to take appropriate counter-measures.

The potential risks to the COR&FJA Group associated with financial instruments consist notably of liquidity risks, which can result in a company being unable to raise the funds needed to settle its financial liabilities; foreign exchange risks resulting from its activities in different currency areas; default risks arising from the non-fulfilment of contractual obligations by contracting parties; interest rate risks whereby movements in the market interest rate lead to a change in the fair value of a financial instrument; and interest-related cash flow risks, which lead to a change in the future cash flows of a financial instrument due to changes in market interest rates.

Organisation

The company has organised its risk management process along clear, functional lines. Specific tasks have been assigned to the individual organisational units involved in the risk management process.

One of the Management Board's most important tasks in the overall management of the Group is to lay down general conditions and processes of risk management for the COR&FJA Group, to monitor the degree of compliance with them and, in collaboration with the heads of the operating units and the administrative departments, to analyse regularly the development of risks in the respective segments. The Supervisory Board is closely integrated into this process by the Management Board's regular reports.

The risk management system at the COR&FJA Group and the risk profiles of the individual divisions are documented in a risk manual. One employee in the holding company's financial division has been appointed risk officer of the Group and thereby entrusted with submitting the prevailing risk management system to regular internal evaluation and documenting this process. The risk officer also has the task, under instructions from the Management Board, of analysing each division by random sampling to determine the extent to which the measures adopted are being implemented for the limitation or prevention of risks.

It is the responsibility of the managers of the individual divisions to continuously monitor and deal with the risks to which their own divisions are exposed. If the probability of individual risks occurring and/or their potential scale increases significantly beyond a set threshold, the managers are obliged to inform the Management Board immediately. The foundation of good risk management is the reliable and prompt provision of the management with relevant information about the course of business. For this purpose, COR&FJA has set up a controlling and reporting system with which reports are compiled at monthly intervals about the development of significant ratios relating to the business operations in the individual divisions and the financial results, as well as the likely commercial and financial development in each of the next twelve months.

Credit risks (default risks)

Credit risk arises from deteriorating economic circumstances of the company's debtors or counterparties. This results firstly in a risk of partial or complete default on contractually agreed payments, and secondly a reduction in the value of financial instruments due to a poorer credit record.

Credit risk management is responsible for the operational measurement and management of credit risks. Its functions include, in particular, monitoring credit risk positions and exposure, and credit-standing analysis.

In terms of credit risk, the Group is only exposed to risk in relation to trade receivables. Adequate value adjustments have been made to cover the estimated default risk. As the credit standing of clients in the insurance and banking industry is generally good, the receivables are not insured. The maximum default risk is in principle equivalent to the nominal values minus value adjustments. There is no other loan collateral and there are no other risk-mitigating agreements (such as guarantees, land charges or pledges) in place. Usage reservations exist until payment is complete. For invoiced receivables, the net balance of additions to and reversals of value adjustments was 218,000 euros (previous year: 60,000 euros). The costs for the full write-off of receivables amount to 0 euros (previous year: 0 euros). In contrast, receivables not yet invoiced, which occur in the context of the PoC assessment, amounting to 0 euros (previous year: 8.709 million euros) had to be derecognized in the 2013 financial year. On the respective cut-off dates, trade receivables do not include any book values for which terms have been renegotiated, and which would otherwise be overdue.

With regard to the analysis of trade receivables which are overdue but not impaired as of the end of the reporting period, we refer to VIII. Notes to the balance sheet, 3. Trade receivables.

There are no default risks in relation to cash and cash equivalents. These are invested with banks with good ratings.

There are no significant default risks in relation to the other financial assets.

Liquidity risks

Managing the liquidity risk includes ensuring that the company always has sufficient liquid funds or credit lines available to enable it to meet its payment obligations and face risks from fluctuations in cash flow. The payment obligations consist of interest and redemption payments, among other things. The liquidity risk also includes the risk of not being able to obtain sufficient liquidity at the expected terms when required (refinancing risk).

Under the management mechanisms now in place, the daily holdings of cash and cash equivalents and the monthly rolling financial plans are monitored by the company's management. The purpose of liquidity management is to finance predictable deficits at standard market terms under normal market conditions. This means that both losses from borrowing capital at excessive interest rates and the investment of surplus funds at interest rates below the market level should be avoided.

Due to its relatively high level of cash and cash equivalents, COR&FJA AG currently regards its liquidity risk as low. The COR&FJA Group has sufficient liquid funds to service its financial liabilities. During the reporting period, one of the principal bankers that had hitherto played a financing role was replaced by the msg systems ag; the contract in question, for a credit line of 10 million euros, is of a long-term nature with a term to the end of July 2016. In addition, the msg systems GmbH has put a further 5 million euros at the company's disposal at short notice as a bridging loan in 2013. Of this aggregate sum of 15 million euros, 11 million euros was repaid in the first quarter of 2014.

Furthermore, there is presently a credit line with the principal banker amounting to 10.000 million euros, which as of the balance sheet date was utilised to the extent of 2.689 million euros. This credit agreement contains financial covenants rules.

COR&FJA AG is currently holding discussions with banks with a view to fundamentally realigning its medium- to long-term financing strategy. In connection with this, the company is assuming that, among other things, it will be able to replace the third-party lender with a commercial bank at short notice.

In the past 2013 financial year, income was achieved from debt waivers from certain financing creditors in the amount of 256,000 euros (previous year: 277,000 euros).

Market risks

Market risks result from changes in market prices. These cause the value attached to financial instruments or future payment flows from them to fluctuate. Market risks encompass interest rate, exchange rate and other price risks (such as commodity prices and equity prices).

Price risk

As at the reporting date, the company holds 24.13 per cent of B+S Banksysteme Aktiengesellschaft. This shareholding is subject to the general market risk of listed shares. As of the reporting date, the risk of fair values totalled 1.767 million euros. Price gains and short-term price declines are accounted for in equity with no impact on earnings. Medium and long-term price declines are reported in the financial result with effect on earnings. A 10-percent drop in the share price could have an effect on the earnings or equity of the COR&FJA Group in the amount of 0.178 million euros, depending on whether the drop is significant or permanent. A 10-percent increase would only have an effect on the equity, but not on the earnings. The sensitivity analysis is based on the share's closing price as of the balance sheet date.

The COR&FJA Group is not exposed to other price risks.

Interest rate risks

Interest rate risks result from a fluctuation in the fair value or future cash flows of a financial instrument due to changes in market interest rates.

The income and operating cash flows of the Group are not, on the whole, exposed to any interest rate risk. There are no significant interest rate risks in relation to its financial assets. The investment of cash and cash equivalents is done on a short-term basis and follows the normal market fluctuations. If all other parameters had remained unchanged, the company assumes that, in the year under review, interest rates would have been 10 basis points lower (higher). In this case, the net profit for 2013 would have been 15,000 euros lower (higher) (in the previous year, 15,000 euros lower (higher)) and the equity components would have been 15,000 euros lower (higher) (in the previous year, 15,000 euros lower (higher)).

Some of the (interest-bearing) financial liabilities have variable interest rates. The company is exposed to interest rate risks for these financial liabilities. On condition that all other parameters remained unchanged, the company assumes that interest rates were 10 base points higher (lower) in the reporting period. In this case, the net result for the year in 2013 would have been 3,000 euros lower (higher) (in the previous year 155,000 euros lower (higher)) and the equity components would have been 3,000 euros lower (higher) (in the previous year 155,000 euros lower (higher)).

Foreign exchange risks

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is not exposed to any significant foreign exchange risks in its operating business. 86 per cent (previous year: 88 per cent) of its revenues are generated in eurozone countries, and the remainder in Switzerland, the USA, the United Kingdom and Australia. The foreign exchange risk on the asset side in relation to trade receivables comes from receivables not denominated in euros, accounting for 11 per cent (previous year: 18 per cent). In the case of trade accounts payable, foreign exchange risks occur in relation to the 3 per cent (previous year: 2 per cent) of accounts payable not denominated in euros. No other balance sheet items are affected by foreign exchange risks.

Information on risk concentration ('cluster risks')

The company does not have any dependencies on the procurement side. On the sales side, there tend to be concentrations of risk due to the geographic distribution of turnover: Germany accounts for an 82.7 per cent (previous year: 81.0 per cent) share of turnover.

Within trade receivables, there is no significant concentration on individual customers. In the year under review, the ten largest customers account for a 36 per cent share of turnover (previous year: 40 per cent) and a 45 per cent share of trade receivables (previous year: 54 per cent).

With regard to cash and cash equivalents, there is no concentration on individual institutions.

Book values, valuations and fair values

The fair values of the financial assets and liabilities as compared with the book values are as follows:

	Valuation category	Book value as at 31.12.2013	Valuation in the statement of financial position under IAS 39			Valuation in the statement of financial position under IAS 17	Fair value
			Net book value	Fair value with no impact on earnings	Fair value affecting earnings		
thousand euros							
Cash and cash equivalents	LaR	14,366	14,366	0	0	0	14,366
Securities	FAHfT	4	4	0	0	0	4
Trade receivables	LaR	36,315	36,315	0	0	0	36,315
Receivables from affiliated companies	LaR	45	45	0	0	0	45
Financial investments	AfS	1,767	0	0	1,767	0	n.a.
Other financial receivables	LaR	705	705	0	0	0	705
Amounts owed to affiliated companies	FLAC	15,116	15,116	0	0	0	15,116
Trade payables	FLAC	4,890	4,890	0	0	0	4,890
Financial liabilities	FLAC	3,197	3,197	0	0	0	3,197
Other financial liabilities	FLAC	11,905	11,905	0	0	0	11,905
Including, on an aggregate basis, by valuation category							
Loans and receivables	LaR	51,386	51,386	0	0	0	51,386
Financial assets held for trading	FAHfT	4	4	0	0	0	4
Available-for-sale investments	AfS	1,767	0	0	1,767	0	n.a.
Liabilities Measured at Amortised Cost	FLAC	35,108	35,108	0	0	0	35,108

	Valuation category	Book value as at 31.12.2012	Valuation in the statement of financial position under IAS 39: Net book value	Fair value with no impact on earnings	Fair value affecting earnings	Valuation in the statement of financial position under IAS 17	Fair value
thousand euros							
Cash and cash equivalents	LaR	11,338	11,338	0	0	0	11,338
Securities	FAHfT	4	4	0	0	0	4
Trade receivables	LaR	37,090	37,090	0	0	0	37,090
Receivables from affiliated companies	LaR	32	32	0	0	0	32
Financial investments	AfS	4,686	2,903	0	1,783	0	n.a.
Other financial receivables	LaR	958	958	0	0	0	958
Amounts owed to affiliated companies	FLAC	487	487	0	0	0	487
Trade payables	FLAC	3,382	3,382	0	0	0	3,382
Financial liabilities	FLAC	15,480	15,480	0	0	0	15,480
Other financial liabilities	FLAC	12,546	12,546	0	0	0	12,546
Including, on an aggregate basis, by valuation category							
Loans and receivables	LaR	49,418	49,418	0	0	0	49,418
Financial assets held for trading	FAHfT	4	4	0	0	0	4
Available-for-sale investments	AfS	4,686	2,903	0	1,783	0	n.a.
Liabilities Measured at Amortised Cost	FLAC	31,895	31,895	0	0	0	31,895

LaR: Loans and Receivables
AfS: Available-for-sale investments
FAHfT: Financial Assets held for trading
FLAC: Financial Liabilities Measured at Amortised Cost

Valuation categories under IFRS 7.27

The information on the methods used to calculate fair values is presented in tabular form for each category of financial instruments using a three-level fair value hierarchy. There are three different valuation categories:

Level 1: On the first level, fair values are determined on the basis of publicly quoted market prices, as the best possible objective indication of the fair value of a financial asset or financial liability is observable in an active market.

Level 2: If there is not an active market in a financial instrument, companies use valuation models to determine the fair value. Valuation models include the use of the most recent business transactions between expert, contract-seeking, independent business partners, comparison with the current fair value of another virtually identical financial instrument, the use of the Discounted Cash Flow method, or of option pricing models. The fair value is estimated based on the results of a valuation method which uses as much market data as possible and hence is based as little as possible on company-specific data.

Level 3: The valuation methods used at this level are also based on parameters that cannot be observed on the market.

	ASSETS		
	Financial assets held for trading	**Available-for-sale investments**	**Derivative financial assets held for hedging purposes**
thousand euros			
31.12.2013			
Level 1	0	1,773	0
Level 2	0	0	0
Level 3	0	0	0
Total	**0**	**1,773**	**0**
31.12.2012			
Level 1	0	1,767	0
Level 2	0	0	0
Level 3	0	0	0
Total	**0**	**1,767**	**0**

There are no assets in the valuation category ‘Assets held until maturity’.

There are no liabilities in the valuation category ‘Liabilities at fair value with direct effect on income’.

Cash and cash equivalents, trade receivables and other short-term financial accounts receivable on the whole have short remaining terms. Therefore their book values on the reporting date are approximately equivalent to the fair value.

The reported values for the securities are the acquisition costs, as no market prices are available.

The values accounted for in financial investments correspond partially to the acquisition costs. In the event that the price is not quoted on an active market and their fair value cannot be reliably determined, they are valued at their acquisition cost when recognised for the first time.

The fair values of the financial liabilities are determined on the basis of the expected payment flows, discounted at an appropriate market interest rate. As these are short-term financial liabilities, their book values can be used as an approximate fair value.

Trade accounts payable and other financial liabilities on which interest is not payable routinely have short life spans; the values reported in the statement of financial position are an approximate representation of their fair values.

Net income by valuation category

2013	Valuation category	From interest/ investment income	From revaluation			From disposals	Net result
thousand euros			At fair value	Currency conversion	Value adjustment		
Loans and receivables	LaR	15	0	0	0	0	15
Available-for-sale investments	AfS	0	0	0	0	0	0
Financial Liabilities Measured at Amortised Cost	FLAC	0	0	0	0	0	0
Hire-purchase liabilities	n.a.	0	0	0	0	0	0
Total		**15**	**0**	**0**	**0**	**0**	**15**

2012	Valuation category	From interest/ investment income	From revaluation			From disposals	Net result
thousand euros			At fair value	Currency conversion	Value adjustment		
Loans and receivables	LaR	40	0	0	-8,769	0	-8,729
Available-for-sale investments	AfS	-129	0	0	0	0	-129
Financial Liabilities Measured at Amortised Cost	FLAC	-476	0	0	277	0	-199
Hire-purchase liabilities	n.a.	0	0	0	0	0	0
Total		**-565**	**0**	**0**	**-8,492**	**0**	**-9,057**

Interest earned on financial instruments is reported in interest income. See note 8 under 'VII. Notes to the income statement'. Investment income is dealt with under 'VII.9. Investment income'.

The COR&FJA Group includes the remaining components of the net income under other operating expenses and other operating income.

Information on furnished and received collateral:

Financial assets which were put up as collateral – including collateral that can be sold or pledged by the recipient – cover the following items and book value entries. See also the information in the notes on the individual items of the statement of financial position:

	31.12.2013	31.12.2012
thousand euros		
Cash and cash equivalents	3,604	4,610
Trade receivables	21,294	15,711
Total	**24,898**	**20,321**

Overall, as at 31 December 2013, financial assets worth 24.898 million euros (previous year: 20.321 million euros) were furnished as collateral.

The book value of the financial assets pledged as collateral where the collateralised party is entitled to sell or repledge the assets is 21.294 million euros (previous year: 15.711 million euros).

Collateral is furnished to cover the following liabilities and contingent liabilities:

	31.12.2013	31.12.2012
thousand euros		
Financial liabilities	3,197	14,244
Total	**3,197**	**14,244**

In 2009, the COR&FJA Group received a bank guarantee to the value of 370,000 euros in connection with a guarantee arrangement for a lease. This remains valid as at 31 December 2013.

29. Information on capital

IAS 1 provides information on equity and the management thereof, in order to facilitate the assessment of the risk profile and potential reactions to unexpected negative developments.

The objective of the company with regard to capital management is:

- To guarantee the company as a going concern, so that the company can continue in future to generate dividends for shareholders and benefits for other interest groups.
- The generation of reasonable yields for shareholders via a risk-commensurate pricing policy for products and services.

The COR&FJA Group defines the scope of capital in relationship to risk. The management and, if necessary, the adjustment of the capital structure are carried out on the basis of changes in the economic environment and changes to the risk characteristics of the underlying assets. In order to maintain and/or adjust the capital structure, dividend payments, capital repayments to shareholders, the issuing of new shares, the assumption or redemption of financial liabilities and the sale of assets for debt reduction are taken into consideration.

As per 31 December 2013 and 2012, respectively, no amendments were made to the objectives, guidelines and procedures for capital management.

The COR&FJA Group monitors its capital on the basis of the equity ratio. This quotient is calculated as equity to balance sheet total.

The equity ratios on 31 December 2013 and 31 December 2012 amounted to:

	31.12.2013	31.12.2012
in EUR		
Equity	42,757,506	49,951,836
Statement of financial position, total	102,258,001	105,951,845
Equity ratio	**42%**	**47%**

Within the financial liabilities, some of the credit agreements include financial covenants rules.

IX. Notes on the cash flow statement

The capital flow statement displays the origin and use of payment flows in the 2013 and 2012 financial years. Here payment flows from operating activities and from investment and financial activities are differentiated. The cash and cash equivalents cover all cash in hand, and bank balances available within three months and other liquid investments that can be exchanged for known sums of money at any time and are not subject to any significant risks to changes in value. The cash and cash equivalents correspond to cash and cash equivalents reported in the statement of financial position.

Changes in cash and cash equivalents from operating activities are adjusted for effects from currency translation.

Changes in cash and cash equivalents from investment and financial activities are calculated in terms of sums paid.

Changes in cash and cash equivalents from continuing activities are, in contrast, indirectly derived from earnings before interest and taxes.

The main non-cash effects in the cash flow from operating activities were: depreciation of property, plant and equipment and intangible assets amounting to 5.166 million euros (previous year: 10.136 million euros).

The additions resulting from changes in the consolidated group amount to 0 euros (previous year: 0 million euros).

X. Earnings per share

The **undiluted earnings per share** for the 2013 financial year amount to -0.14 euros (previous year: -0.59 euros).

The undiluted earnings per share are calculated by dividing the consolidated profit after minority interests by the weighted number of shares issued. The weighted number of shares issued for the 2013 financial year amounted to 40,895,861 (previous year: 40,895,861 shares).

	2013	2012
in EUR		
Consolidated earnings that are attributed to the parent company	-5,906,614	-24,216,041
Weighted number of shares issued	40,895,861	40,895,861
Total	**-0.14**	**-0.59**

The **diluted earnings per share** for the 2013 financial year amount to -0.14 euros (previous year: -0.59 euros).

The diluted earnings per share are calculated assuming that all option rights in circulation are exercisable so that there is maximum potential for dilution. Since the stock market price of the COR&FJA share as at 31 December 2013 and as at the fixed date of the previous year was significantly lower than the exercise prices determined in the stock option programme and therefore the exercise thereof was unlikely, no fair-value measurement was undertaken.

XI. Assumptions and estimates

In the sections 'III. Consolidation group, 1. Subsidiaries' and 'VIII. Notes to the statement of financial position, 9. Goodwill and other intangible assets' of the Notes, the main assumptions are presented that were taken as the basis for the impairment test for goodwill carried out on the fixed date.

With some of the customer projects (especially fixed-price projects) evaluation is carried out in accordance with the progress of the project (percentage-of-completion method). Using this method, the likely turnover, total cost of completing the project and the degree of completion must be estimated. Suppositions, estimations and uncertainties that are associated with the determination of the degree of completion have effects on the amount and temporal distribution of the achieved turnover and the expenses reported. The main assumptions are set out in the sections 'II. Accounting and valuation methods', 'VII. Notes on the Profit & Loss Account, 1. Turnover' as well as 'VIII. Notes to the Balance Sheet, 3. Trade receivables'.

Other important assumptions relevant for the future and major sources of estimation uncertainties available on the fixed date, which could constitute a considerable risk, with the result that within the next financial year a major adjustment of the recorded assets and debts could be necessary, do not exist. Due to the difficult market environment and a resultant change in the estimates and assumptions, a period of three years was – analogous to the previous year – taken into account for the deferred tax assets. Further estimates and assumptions relevant for the future are explained in the individual items of the balance sheet and in the profit-and-loss account.

XII. Relationships to associated parties

Associated parties are the Management Board and the Supervisory Board of COR&FJA AG and msg group GmbH, Ismaning, which has been the highest-level parent company of COR&FJA AG since 16 March 2009, including its subsidiaries and associated companies.

1. Total remuneration of the Management Board and the Supervisory Board

Changes in Management Board remuneration

On 1 July 2010, the Supervisory Board agreed on a new system for the remuneration of members of the Management Board. In the course of this decision, the rules, which have been in place since 5 August 2009, stipulated in the Act on the Appropriateness of Management Board Remuneration (VorstAG) and of the German Corporate Governance Codex were implemented. The Annual General Meeting on 17 August 2010 approved this new system.

In this new system, the Group turnover and Group EBTA ('EBTA') were to be used as the control ratio for calculating the short-term (bonus) and long-term variable remuneration components (long-term incentive, LTI) for the Management Board. EBTA refers to earnings before income taxes plus amortisation of the intangible assets identified in the course of the COR AG merger, not recognised in the statement of financial position (software, contract portfolio, customer relationships).

In a deviation from the above, the Supervisory Board based the control ratio for calculating the short-term and long-term variable remuneration components for the Management Board not only on Group turnover, but also on Group EBT* ('EBT*') for the 2011 financial year, on both Group turnover and Group EBITDA ('EBITDA') for the 2012 financial year, and on Group turnover excluding plenum AG's proportion of the turnover, as well as Group EBITDA excluding the earnings contribution of plenum AG ('EBITDA without plenum') for the 2013 financial year. EBT* refers to earnings before taxes before the profit shares of plenum AG and COR&FJA Metris GmbH, and the effect on earnings from the shares in B+S Banksysteme Aktiengesellschaft. EBITDA refers to the earnings before interest, taxes, depreciation of tangible assets and amortisation of intangible assets. EBITDA without plenum refers to the earnings before interest, taxes, depreciation of tangible assets and amortisation of intangible assets without the earnings contribution from the equity stake in plenum AG.

The employment contracts of the serving members of the Management Board in 2013, the year under review, were all in accordance with the remuneration system described below.

The principles of Management Board remuneration

Assessment of the Management Board's salaries should be in proportion to their tasks and performance and also in relation to the situation of the company. The remuneration structure is oriented towards sustained development of the company. For this reason, a period of several years shall form the basis of assessing the long-term variable element of remuneration. All variable elements of remuneration include a cap or limitation option for extraordinary developments.

Management Board's remuneration

The remuneration system for the Management Board includes a fixed salary and variable components. Members of the Management Board receive additional benefits in the form of a company car, telecommunications services and the refund of reasonable expenses. They are also covered by accident insurance as well as by the D&O insurance policy taken out by the company. Finally, the company pays the members of the Management Board 50 per cent of the highest contributions to social insurance (state pension, unemployment, health and long-term nursing care insurance) as well as 100 per cent of the highest contributions for voluntary membership in the employers' liability insurance association. The remuneration system does not include any other components, e.g. a company pension or benefits on termination of membership of the Management Board or a change in control of the company. The fixed salary is intended to account for about 70 per cent of total remuneration. The variable portion of remuneration consists of two components: an annual bonus (about 45 per cent of the variable portion of remuneration) and a long-term incentive (LTI) (about 55 per cent of the variable portion of remuneration).

For the employment contract of Dr Christian Hofer, the Chairman of the Board who will be occupying the Management Board position only for a transitional period, COR&FJA has agreed on remuneration without any variable component. The company takes the view that the agreement of variable remuneration components in this specific case would have no advantage in comparison to the agreement of purely fixed remuneration. In addition, Dr Christian Hofer receives no allowances towards the statutory pension and unemployment insurance from COR&FJA on grounds of age.

SHORT-TERM VARIABLE REMUNERATION COMPONENTS

The annual bonus in the new remuneration system is linked to Group turnover ('turnover') and Group earnings (2010: Group EBTA, 2011: Group EBT* and 2012: Group EBITDA). The annual short-term variable remuneration component for the members of the Management Board is determined by the percentage attained of objectives for Group turnover and Group earnings agreed upon between the Supervisory Board and the respective member of the Management Board at the beginning of each financial year. Short-term variable remuneration represents between 0 per cent and 200 per cent of the agreed short-term variable proportion of remuneration for 100 per cent fulfilment of the objective in relation firstly to Group turnover and secondly to Group earnings. The short-term variable bonus is payable without undue delay after adoption of the annual financial statement; if the appointment is terminated during the year it is granted in proportion to the term of office.

LTI AS LONG-TERM VARIABLE REMUNERATION COMPONENT

In the remuneration model, the LTI is a long-term, performance-based plan. The plan's assessment basis consists of Group turnover and average Group earnings (2010: Group EBTA; 2011: Group EBT*; and 2012: Group EBITDA) over a period of three years. The LTI is granted in tranches which revolve annually, with each tranche having a term of three years. The long-term variable remuneration is between 0 and 200 per cent of the long-term salary component agreed for a target attainment of 100 per cent in relation to both Group turnover and Group earnings. The long-term variable bonus for a performance period is payable at the end of the month in which the consolidated financial statements for the third financial year of the performance period are adopted. An advance payment of 50 per cent of the respective basic amounts is made at the end of the month in which the consolidated financial statements for the first or second financial year respectively of the performance period is adopted. If the advance payments exceed the amount payable for the performance period, the difference must be refunded immediately. If the appointment is terminated during one or more performance periods, the LTI will be granted pro rata.

Management Board remuneration

The remuneration of the Management Board, active in the financial year is 2.441 million euros (previous year: 2.280 million euros). The remuneration is allocated as follows:

	2013	2012
thousand euros		
Short-term remuneration payable to employees	1,161	1,645
Remuneration arising from the termination of employment relationship	1,280	483
Advance on LTI	0	152
Total	**2,441**	**2,280**

Remuneration for former members of the Management Board in 2013 amounted to 58,000 euros (previous year: 55,000 euros).

Pension provisions for former members of the Management Board offset against plan assets amounted to 326,000 euros on 31 December 2013 (previous year: 747,000 euros).

According to Section 314 Para. 1 No. 6a (5) of the German Commercial Code (HGB), Section 314 Para. 2 (2) HGB in connection with Section 286 Para. 5 HGB and Section 314 Para. 2 No. 4 (2) HGB, separate information about remuneration of every individual member of the Management Board is necessary:

Management Board	Fixed yearly remuneration	Other remuneration	Short-term variable remuneration	Remuneration arising from the termination of employment relationship	Advance on LTI	Total
thousand euros						
Ulrich Wörner (until 31 January 2013)	37	2	78	1,280	0	**1,397**
Dr Christian Hofer (from 1 February 2013)	352	50	0	0	0	**402**
Milenko Radic (until 9 January 2013)	7	1	0	0	0	**8**
Volker Weimer	280	30	0	0	0	**310**
Rolf Zielke	280	44	0	0	0	**324**
Total	**956**	**127**	**78**	**1,280**	**0**	**2,441**

In the 2013 financial year, a total of 24,000 euros (previous year: 4,000 euros) was entered against costs for the Management Board's long-term variable remuneration (long-term incentive, LTI). as at 31 December 2013, there are Management Board entitlements amounting to 24,000 euros from the LTI. These Management Board claims are more than offset by advances from the company amounting to 69,000 euros. For that reason, a receivable amounting to 45,000 euros is reported under receivables and other assets as at 31 December 2013.

The main content of the benefit arrangements for pension schemes, incapacity provision and provision for dependants, which were approved for the former members of the Management Board, Michael Junker and Prof. Dr Manfred Feilmeier, in the event of the termination of their activity, are as follows:

- Both men will receive a pension for life when they reach the age of 65 or in the case of occupational disability in line with Section 23 of the Employee Insurance Law (AnVG) or if they leave the company before the age of 65 in the case of termination of the contract or non-renewal thereof by the company.
- The monthly pension amounts to 2,556.46 euros after the fulfilment of four years of employment. This is adjusted – also in the case of payment beginning before retirement – proportionally in line with the basic salary of a civil servant in Bavaria in the A 13 pension benefits group at the highest seniority level.
- At the time of their passing, their legal spouse will receive a widow's pension amounting to 25 per cent of the pension. The widow's pension is terminated in the case of remarriage.
- Both men are entitled, in the case of payment due to attainment of pension age, to request a one-time capital payment of the sum of the converted present value of the pension commitment instead of a pension, as long as this request is communicated at least three years in advance. In this case, all claims lapse with this direct compensation.
- If they leave the company before payment begins, the pension entitlement earned is maintained. This will be calculated according to the share of the pension compensation that corresponds to the length of employment with the company from the time of taking up employment with the company to reaching the prescribed pension age, i.e. the age of 65.

Basic features of Supervisory Board remuneration

The currently valid remuneration rules for the Supervisory Board were adopted by both Annual General Meetings on 28 July 2009 and on 17 August 2010.

Each member of the Supervisory Board receives fixed remuneration of 16,000 euros per financial year.

As well as their fixed remuneration, each member of the Supervisory Board receives annual variable remuneration amounting to 0.25 per cent of the earnings before income taxes reported in the consolidated financial statement approved by the Supervisory Board and prepared in accordance with international accounting standards (IFRS) plus the amount pertaining to amortisation of the intangible assets identified in the course of the COR AG Financial Technologies merger with the company, but which are not recognised in the statement of financial position (software, contract portfolio, customer relationships) ('EBTA'). Variable remuneration lapses when the consolidated financial statement record no positive EBTA.

The Chairman receives double, and the Deputy Chairman one and a half times, the fixed and variable remuneration described above.

The total of the agreed fixed and variable remuneration components for each member of the Supervisory Board is limited to 32,000 euros per financial year. For the Chairman of the Supervisory Board this sum amounts to 64,000 euros, and for the Deputy Chairman to 48,000 euros per financial year.

If Supervisory Board committees are formed, each member of the Supervisory Board is given 1,000 euros for every committee meeting of the Supervisory Board that the member attends in addition to the agreed fixed and variable remuneration, which is limited by statute; this, however, is limited to a maximum of 5,000 euros per financial year. Compensation for expenses incurred in holding a Supervisory Board position are also reimbursed. Members of the Supervisory Board are reimbursed with turnover tax paid on remuneration.

Supervisory Board remuneration

Remuneration of the Supervisory Board amounts to 103,000 euros (previous year: 149,000 euros), with 0 euros of this for former members of the Supervisory Board (previous year: 0 euros). The remuneration paid to the Supervisory Board consisted of the following:

Supervisory Board	Fixed components	Performance-related components	Total
thousand euros			
Prof. Dr Elmar Helten	36	0	**36**
Klaus Kuhnle	28	0	**28**
Thomas Nievergelt (until 25 June 2013)	12	0	**12**
Johann Zehetmaier	17	0	**17**
Dr Christian Hofer (until 31 January 2013)	1	0	**1**
Dr Jens Seehusen (until 25 June 2013)	9	0	**9**
Total	**103**	**0**	**103**

2. Share ownership of the Management Board and the Supervisory Board

The number of shares and options of the Management Board and the Supervisory Board on 31 December 2013:

	Number of shares	Number of options
Management Board		
Dr Christian Hofer (from 1 February 2013)	0	0
Volker Weimer	0	24,916
Rolf Zielke	0	0
Supervisory Board		
Prof. Dr Elmar Helten	100,000	0
Klaus Kuhnle	0	0
Johann Zehetmaier	0	0

3. Other transactions with associated parties

Other associated companies and parties

There are no transactions with the members of the Management Board and the Supervisory Board in the financial year.

The following table contains the total amounts from transactions between related companies for the reporting year:

Associated companies 2013	Income from transactions with associated parties and companies	Expenses from transactions with associated parties and companies	Amounts due from associated parties and companies	Amounts payable to associated parties and companies
thousand euros				
a) msg systems ag, Ismaning	481	384	45	43
b) innovas GmbH, Hamburg	18	700	0	0
c) consulo GmbH, Hamburg	0	0	0	0
d) msg systems GmbH, Brunn am Gebirge, Austria	0	0	0	0
e) msgGillardon AG, Bretten	71	19	0	0
f) msg services AG, Ismaning	0	342	0	73
g) PiAL Consult GmbH, Hamburg	0	0	0	0

Associated companies 2012	Income from transactions with associated parties and companies	Expenses from transactions with associated parties and companies	Amounts due from associated parties and companies	Amounts payable to associated parties and companies
thousand euros				
a) msg systems ag, Ismaning	134	471	0	91
b) innovas GmbH, Hamburg	45	687	0	184
c) consulo GmbH, Hamburg	0	496	0	140
d) msg systems GmbH, Brunn am Gebirge, Austria	100	0	2	0
e) msgGillardon AG, Bretten	122	43	14	0
f) msg services AG, Ismaning	0	303	0	72
g) PiAL Consult GmbH, Hamburg	53	0	16	0

4. Notifications in line with Section 21 Para. 1 and/or Section 26 Para. 1 of the German Securities Trading Act (WpHG)

In the 2013 financial year there were no notifications in accordance with Section 21 Para. 1 or Section 26 Para. 1 of the German Securities Trading Act (WpHG).

XIII. Information on the management bodies

The members of the Supervisory Board are:

Prof. Dr Elmar Helten, Chairman, President of Bayerisches Finanz Zentrum e.V., Munich

- Deputy Chairman of the Advisory Council at FidesSecur Versicherungsmakler GmbH in Munich;
- Deputy Chairman of the Supervisory Board at Delta Lloyd Lebensversicherungs AG, Wiesbaden;
- Deputy Chairman of the Supervisory Board at Delta Lloyd Pensionskasse AG, Wiesbaden;
- Deputy Chairman of the Supervisory Board at Hamburger Lebensversicherung AG, Wiesbaden;
- Member of the Advisory Council at Solutio AG, Grünwald

Klaus Kuhnle, Deputy Chairman, management consultant, Grünwald

- Member of the Advisory Council of the Deutsche Gesellschaft für Personalführung e.V. (DGfP);
- Chairman of the Advisory Council at dmc digital media center GmbH, Stuttgart

Thomas Nievergelt, lic. iur., solicitor and notary, Samedan in Switzerland (until 25 June 2013)

- President of the Board of Directors of Academia Engiadina AG, Samedan (Switzerland);
- Member of the Board of Directors of Roland Berger AG, Zurich (Switzerland);
- President of the Board of Directors COR&FJA Schweiz AG, Zurich (Switzerland);
- Vice President of the Board of Trustees at the Planta Foundation, Samedan (Switzerland);
- President of the Engadiner Lehrwerkstatt für Schreiner Foundation (‘Training Workshop for Carpenters’) in Samedan (Switzerland);
- Member of the Board of Directors of Hotel Fex AG, Sils (Switzerland);
- President of the Board of Directors of Wagner & Kunz Aktuare AG, Basel (Switzerland)

Dr Jens Seehusen, graduate physicist, actuary, Hamburg (until 25 June 2013)

Dr Christian Hofer, graduate mathematician (until 31 January 2013)

- Chairman of the Supervisory Board of msg systems ag, Ismaning (until 31 January 2013);
- Member of the Supervisory Board of Bruderhilfe Sachversicherung AG im Raum der Kirchen, Kassel (until 6 June 2013);
- Member of the Supervisory Board of Familienfürsorge Lebensversicherung AG im Raum der Kirchen, Detmold (until 6 June 2013);
- Member of the Supervisory Board of PAX Familienfürsorge Krankenversicherung AG im Raum der Kirchen, Detmold (until 6 June 2013);
- Member of the Supervisory Board of INSIDERS Technologies GmbH, Kaiserslautern;
- Member of the Supervisory Board at plenum AG, Wiesbaden (23 April 2013–15 April 2014)

Johann Zehetmaier, Chairman of the Board of msg systems ag, Wartenberg

- Chairman of the Supervisory Board of msgGillardon AG, Bretten;
- Member of the Supervisory Board of msg services AG, Ismaning;
- Chairman of the Board of Directors of msg global solutions ag, Zurich (Switzerland);
- Chairman of the Board of Directors of Prevo-System AG, Basel (Switzerland);
- Member of the Board of Directors of finnova AG, Lenzburg (Switzerland);
- President of the Board of Directors at msg systems ag Schweiz, Zurich (Switzerland);
- Member of the Supervisory Board of Plaut AG, Vienna (Austria);
- Member of the Supervisory Board of inex24 AG, Ismaning

The members of the Management Board are:

Dr Christian Hofer (direct overall responsibility for Non-Life and Central Functions – Chairman), graduate mathematician, Munich (from 1 February 2013)

- Chairman of the Supervisory Board of msg systems ag, Ismaning (until 31 January 2013);
- Member of the Supervisory Board of Bruderhilfe Sachversicherung AG im Raum der Kirchen, Kassel (until 6 June 2013);
- Member of the Supervisory Board of Familienfürsorge Lebensversicherung AG im Raum der Kirchen, Detmold (until 6 June 2013);
- Member of the Supervisory Board of PAX Familienfürsorge Krankenversicherung AG im Raum der Kirchen, Detmold (until 6 June 2013);
- Member of the Supervisory Board of INSIDERS Technologies GmbH, Kaiserslautern;
- Member of the Supervisory Board at plenum AG, Wiesbaden (23 April 2013–15 April 2014);
- Managing Director of COR&FJA Deutschland GmbH, Munich (from 25 February 2013);
- Managing Director of PYLON GmbH, Hamburg (from 21 May 2013);
- Managing Director of COR&FJA Alldata Systems GmbH, Leinfelden-Echterdingen (from 21 May 2013) [as at 4 October 2014, company was merged with COR&FJA Deutschland GmbH];
- Managing Director of COR&FJA Consulting GmbH, Aachen (from 19 November 2013)

Volker Weimer (direct overall responsibility for Banking, Non-Life and IT Services), graduate in business management/IT (ADP), Leinfelden-Echterdingen (until 28 February 2014)

- Managing Director of COR&FJA Deutschland GmbH, Munich (until 28 February 2014)
- Managing Director of Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), Leinfelden-Echterdingen (16 July 2013–18 February 2014);
- Managing Director of COR&FJA Alldata Systems GmbH, Leinfelden-Echterdingen [as at 4 October 2013, company was merged with COR&FJA Deutschland GmbH];
- Liquidator of COR bAV Services GmbH i. L., Leinfelden-Echterdingen (from 1 January 2013);
- Liquidator of COR Pension Management GmbH i. L., Leinfelden-Echterdingen (from 1 January 2013)

Rolf Zielke (direct overall responsibility for Life and National Market), Munich

- Managing Director of COR&FJA Deutschland GmbH, Munich;
- Liquidator of FJA bAV Service GmbH i. L., Munich (from 1 January 2013);
- Managing Director of PYLON GmbH, Hamburg; Managing Director of COR&FJA Austria Ges.m.b.H., Vienna (Austria) (until 26 February 2013);
- Member of the Board of Directors of Sigma Sourcing AG, Zurich (Switzerland) (until 13 June 2013) [as per the merger agreement of 13 June 2013, the company was merged with COR&FJA Schweiz AG; the company has been liquidated]

Ulrich Wörner (direct overall responsibility for Sales, Consulting and International – Chairman), graduate mathematician, Leinfelden-Echterdingen (until 31 January 2013)

- Managing Director of COR&FJA Deutschland GmbH, Munich (5 July 2012–14 February 2013);
- Member of the Board of Directors of COR&FJA Schweiz AG, Regensdorf (Switzerland) (until 14 February 2013);
- Member of the Board of Directors at FJA-US, Inc., New York (USA) (until 14 February 2013);
- Member of the Supervisory Board at plenum AG, Wiesbaden (until 14 February 2013);
- Member of the Board of Directors at Wagner & Kunz Aktuare AG, Basel (Switzerland) (until 14 February 2013)

Milenko Radic (with direct overall responsibility for Life & Insurance Suite, Nearshore, the Slovenian national subsidiary and Human Resources), graduate information systems specialist, Leinfelden-Echterdingen (until 9 January 2013)

– Managing Director of COR&FJA Deutschland GmbH, Munich (until 15 February 2013)
– Managing Director of COR&FJA Slovakia s.r.o., Bratislava (Slovakia) (until 26 March 2014);
– Managing Director of COR&FJA Systems Portugal, Unipessoal Lda, Porto (Portugal) (until 31 March 2014);
– Managing Director of COR&FJA Austria Ges.m.b.H., Vienna (Austria) (26 February 2013–26 March 2014);
– Member of Management Board at FJA-US, Inc., New York (USA) (until 31 March 2014);
– Managing Director of COR SISTEMAS ESPANA S.L., Madrid (Spain) (until 11 December 2013)
– Member of the Board of Directors of COR&FJA Schweiz AG, Regensdorf (Switzerland) (until 31 March 2014)

Bernhard Achter (direct overall responsibility for International Markets, Consulting and IT Services), banker, Leinfelden-Echterdingen (from 1 January 2014)

– Managing Director of COR&FJA Deutschland GmbH, Munich (from 25 February 2014);
– Managing Director of COR&FJA Slovakia s.r.o., Bratislava (Slovakia) (from 26 March 2014);
– Managing Director of COR&FJA Systems Portugal, Unipessoal Lda, Porto (Portugal) (from 1 April 2014);
– Managing Director of COR&FJA Austria Ges.m.b.H., Vienna (Austria) (from 26 March 2014);
– Member of the Board of Directors at FJA-US, Inc., New York (USA) (from 31 March 2014);
– Member of the Board of Directors of COR&FJA Schweiz AG, Regensdorf (Switzerland) (from 31 March 2014)

XIV. Declaration of Compliance with the German Code of Corporate Governance

In December 2013, the Management and Supervisory Boards of COR&FJA AG submitted their updated declaration of compliance by COR&FJA AG with the German Code of Corporate Governance under Section 161 of the German Stock Corporation Act (AktG) and made it permanently available to the shareholders on the company's website (http://cor.fja.com/en/investor-relations/corporate-governance/declarations-of-compliance.html).

XV. Events after the reporting date

Events the balance sheet date and the date of release of the consolidated financial statement to the Supervisory Board by the Management Board, 15 May 2014, have been taken into account.

COR&FJA AG published its target figures for the 2014 financial year on 14 February 2014. These indicate that COR&FJA is anticipating aggregate turnover of some 100 million euros and earnings before interest, taxes, depreciation and amortisation (EBITDA) of approximately 11 million euros. These target figures no longer include the equity stake in the Banking segment, sold in 2013, that was transferred to COR&FJA Banking Solutions GmbH. The contribution to turnover and earnings made by the COR&FJA equity stake in plenum AG, which was removed from the COR&FJA AG consolidated group at the end of the 2013 financial year and is consequently from 2014 onwards accounted for using the equity method rather than being fully consolidated, has also been removed from the target figures.

On 18 February 2014, COR&FJA AG successfully completed the sale of its subsidiary Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) by transferring all of the shares in that company to the French company Sopra Banking Software S.A. At the same time, Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH) has become part of the consolidated group of the parent company of Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), Sopra Group S.A., also based in France, with retroactive effect from 1 January 2014. An internal restructuring process at COR&FJA in the summer of 2013 led to the concentration of the company's Banking segment within Sopra Banking Software GmbH (previously: COR&FJA Banking Solutions GmbH), which meant that from then on the segment was no longer handled by COR&FJA itself. The sale of the company, which was subject to various conditions precedent, had already been announced on 14 November 2013 in an ad-hoc statement by COR&FJA. The purchase price for the shares is 13 million euros.

On 11 March 2014, moreover, COR&FJA AG sold its equity stake in the management consultancy plenum AG, Frankfurt am Main (Munich Stock Exchange m:access; ISIN DE000A0Z23Y9). The contract of purchase and sale concerns the 4,008,825 no-par-value bearer shares in plenum, corresponding to an equity stake of around 41.33 per cent of its nominal capital, which were held by COR&FJA AG. Since the expiration of the 2013 financial year, plenum and its subsidiaries have no longer been part of COR&FJA AG's consolidated group and are therefore no longer fully consolidated from 2014 onwards. Since the beginning of the 2014 financial year, COR&FJA's equity stake in plenum has been accounted for using the equity method; plenum's turnover and earnings contribution is therefore not included in COR&FJA's target figures for 2014.

Besides, the Chairman of the company's Supervisory Board, Prof. Dr Elmar Helten, has announced on 14 April 2014 that he is stepping down from his office as member and Chairman of the Supervisory Board as of the end of business on 30 June 2014.

At the suggestion of msg systems ag, Ismaning, which holds more than 25 per cent of the voting rights in the company, it is intended that Dr Christian Hofer, the current Chairman of the Board at COR&FJA AG, should be proposed for election as the successor to Prof. Dr Elmar Helten at COR&FJA AG's upcoming Annual General Meeting. The Supervisory Board gave its consent to this suggestion at its meeting on 23 April 2014. Furthermore, the Supervisory Board appointed Rolf Zielke, who has been a member of COR&FJA AG's Management Board since 1 May 2009, as Spokesman for the Management Board effective from 1 July 2014.

On 2 May 2014, COR&FJA AG announced that it would close the 2013 financial year with earnings before interest, taxes, depreciation of property, plant and equipment and amortisation of intangible assets (EBITDA) amounting to -1.6 million euros. The company had previously assumed that it would achieve a break-even EBITDA result. On 28 April 2014, the company had already postponed the presentation of its individual and consolidated financial statements for 2013 by a short period and announced in connection with this that it intended to hold the Supervisory Board meeting for adopting the individual financial statements and approving the consolidated financial statements on 15 May 2014 and then publish those statements immediately afterwards.

Audit Certificate

We have audited the consolidated financial statements prepared by COR&FJA AG, Leinfelden-Echterdingen, consisting of the balance sheet, the profit and loss account, consolidated statement of earnings, the statement of changes in shareholders' equity, the cash flow statement and the notes, as well as the condensed management report and Group management report of COR&FJA AG, for the financial year from 1 January to 31 December 2013. The preparation of the consolidated financial statements and the condensed management report and Group management report in accordance with IFRS, as applicable in the EU, and the regulations under German commercial law as per Section 315a, Para. 1 of the German Commercial Code (HGB) that apply supplementary to these, is the responsibility of the legal representatives of the company. Our task is to give an assessment of the consolidated financial statements and the condensed management report and Group management report on the basis of our audit.

We carried out our Group audit in accordance with Section 317, HGB in consideration of the auditing standards generally accepted in Germany, established by the German Institute of Auditors (IDW). These stipulate that the audit must be planned and conducted in such a way that irregularities and infringements that could materially affect the picture of the assets, financial and earnings position of the Group communicated by the consolidated financial statements in compliance with the applicable accounting rules and by the condensed management report and the Group management report can be established with a sufficient degree of certainty. When the audit activities are determined, account is taken of knowledge about the business operations of the Group and the commercial and legal environment in which it operates, as well as expectations of possible errors. The effectiveness of the internal accounting control system and evidence of the amounts and disclosures in the consolidated financial statements and the condensed management report and Group management report are examined primarily on a sample basis within the framework of the audit. The audit includes an assessment of the financial statements of the companies included in the consolidated financial statements, the delimitation of the consolidated entity, the accounting and consolidation principles applied and the significant estimates made by the legal representatives, as well as an evaluation of the overall presentation of the consolidated financial statements and the condensed management report and Group management report. We believe that our audit provides a sufficiently sound basis for our assessment.

Our audit did not give rise to any objections.

In our estimation, based on the information gathered during the course of the audit, the consolidated financial statements comply with the IFRS, as applicable in the EU, and the regulations under German commercial law as per Section 315a, Para. 1 of the HGB that apply supplementary to these, and, in compliance with these regulations, communicate a true and accurate picture of the assets, financial and earnings position of the Group. The condensed management report and Group management report are consistent with the consolidated financial statements, communicate an accurate overall picture of the Group's situation and accurately describe the opportunities and risks of future development.

Munich, 15 May 2014

kleeberg audit GmbH
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

Petersen
AUDITOR

Prechtl
AUDITOR

Balance Sheet Oath

Declaration by the statutory representatives under Section 297 Para. 2 (4) and Section 315 Para. 1 (6) of the German Commercial Code (HGB)

We affirm to the best of our knowledge that, in accordance with the applicable accounting principles, the consolidated financial statement conveys a true and fair picture of the assets, financial and earnings position of the Group, and that the course of business, including the business results, and the position of the Group are presented in such a way in the condensed management report and the Group management report that a true and accurate picture is communicated and the opportunities and risks of the Group's likely future development are described.

Leinfelden-Echterdingen, 15 May 2014

COR&FJA AG

Dr Christian Hofer
CHAIRMAN OF THE MANAGEMENT BOARD

Bernhard Achter
MEMBER OF THE MANAGEMENT BOARD

Rolf Zielke
MEMBER OF THE MANAGEMENT BOARD

Financial calendar & Imprint

Financial Calendar 2014	
16 May 2014	Publication of company and consolidated financial statements for 2013
28 May 2014	Publication of report for 1st quarter of 2014
26 June 2014	Annual General Meeting 2014 in the Filderhalle, Leinfelden-Echterdingen
14 August 2014	Publication of report for 1st half-year 2014
20 November 2014	Publication of report for 1st–3rd quarters 2014
November 2014	Analysts’ conference

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Further up-to-date information about COR&FJA can also be found on the Internet at www.cor.fja.com.

Please note

We have dispensed with printing the individual financial statement of COR&FJA AG, which you can download from our website or order by telephone.

www.cor.fja.com