



## Biggest strategic restructuring in the history of the company

- **Additions to the Group Management Board**
- **First German packager for mortgage financing**
- **EUROPACE transaction volume soars by 30 percent, despite the weak market environment**

**Berlin, 27 May 2008** – EUROPACE, the financial marketplace operated by Hypoport AG, posted a new record high for the month of April when its transaction volume reached the 1.3 billion euro mark (mortgage financing: 1.2 billion, instalment loans: 0.1 billion euros). In a very poor market environment overall, this equates to an increase of about 30 percent over the previous month's volume of 1.0 billion euros.

In order to ensure considerably faster growth than the market into the future, Hypoport is expanding the range of services it offers to large financial services vendors, banks, savings banks and insurance companies, and reinforcing its management in this market segment that it has earmarked for strategic development.

The Supervisory Board has appointed Thilo Wiegand, formerly Managing Director of Qualitypool, the Group subsidiary responsible for agency business, to the Management Board of Hypoport AG where he will assume responsibility for the business division focusing on financial service providers in the future. In addition to further developing the EUROPACE marketplace, his responsibilities will also focus on expanding the range of services offered to our partners. This will include the launch of the first German packager for mortgage financing.

Packagers are among the most successful market players in Anglo Saxon markets, where they have been in existence for ten years already. This service, which Hypoport will be the first to provide in the German marketplace, offers sales organisations and product providers in the EUROPACE marketplace the optional additional service of centrally processing their financing applications through Hypoport. This will eliminate the need for financial service providers – especially those offering niche products – to set up their own sophisticated back office capacities. The packaging service offered by Hypoport can also close the gap existing to date between sales organisations and the services offered by classic loan servicers to product providers venturing into the German mortgage financing market for the first time.

Klaus Kannen, former member of the Management Board of Dr. Klein & Co. AG, the financial services vendor in Hypoport Group, will move to the Management Board of Hypoport Capital Market AG where he will assume responsibility for the acquisition and management of strategic partners from the banking, savings bank and insurance sectors. This move is prompted by our aim to considerably expand our market position and to develop common business models based on the EUROPACE marketplace for institutional clients that significantly improve both the ability of our partners to compete in the market and, as such, their success in the markets for mortgage financing products, instalment loans and home purchase savings schemes.

Stephan Gawarecki, formerly in charge of insurance and financial investment products, will assume responsibility for the Group's overall private client business on the Management Board of Dr. Klein & Co. AG in future. By merging the two product divisions "Financing products" and "Insurance and financial investments", Hypoport expects to generate both significant synergy effects in client acquisition, and additional contributions to revenues over and above its organic growth through further intensifying its cross selling.



As Ronald Slabke, Co-CEO of Hypoport AG, explains: "This is the biggest strategic restructuring since Dr. Klein & Co. AG and Hypoport AG joined forces back in 2001. It heralds a new era in our core business divisions of financial service providers and private clients, and will enable us to sustain the enormous speed of growth we have witnessed in the past into the future." Prof. Dr. Thomas Kretschmar, second Co-CEO of the Group, adds: "Following the announcement of ING's acquisition of Interhyp AG, we are the ideal independent partner, especially for institutional clients, to allow them to position themselves in the fiercely competitive markets for mortgage financing products and (home) saving schemes. We expect the use of our integrated marketplace and packaging services to significantly reduce the process costs for sales organisations and product providers, resulting in improvements of between 0.1% and 0.3% in terms and conditions. In a market that is becoming increasingly competitive, this can quickly determine whether a sales organisation or product provider is successful, or not."

### About Hypoport AG

The Hypoport Group is an internet-based all-round financial services provider. Its business model consists of two reciprocally beneficial pillars – the sale of financial products and the provision of a platform for transacting financial products via the internet.

Dr. Klein & Co. AG, Hypoport's wholly owned subsidiary, provides banking and finance products - ranging from current accounts to insurance policies to mortgage financing - to private clients via the internet and, if requested, offers advice both over the telephone or face-to-face. Dr. Klein & Co. AG is an independent company that selects the best products for the client from a wide range offered by more than 100 well-known banks and insurance companies. The web-based processes generate cost benefits that are passed on to the private clients. This enables Dr. Klein to usually offer much better terms than local banks, savings banks or insurance agents. In addition, the corporate property clients division at Dr. Klein, which has been operating since 1954, leads the market for financing municipal and cooperative residential property companies.

Hypoport operates the EUROPACE B2B financial marketplace, which is the largest German online platform for transacting financing products. A fully integrated system links more than 30 banks with several thousand financial advisors, thus enabling the quick and direct agreement of contracts. The platform's highly automated processes generate considerable cost benefits. Nowadays, EUROPACE processes some 400 financing transactions every day. EUROPACE is also used as an information platform for ABS transactions throughout Europe

### Contact

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