

Press release

Volume of new business with private clients brokered in 2014

Private Clients: value of new loans brokered and insurance portfolio achieve significant double-digit growth

Lübeck, 19 January 2015: The volume of new loans brokered in Hypoport AG's Private Clients division under its main brand, Dr. Klein, increased by 16 per cent year on year to €6.3 billion in 2014. Despite an impressive fourth quarter, the volume of new insurance business brokered last year shrank by a further 8 per cent compared with 2013 in line with the general market trend, falling to €19.9 million. By contrast, the insurance portfolio managed by Dr. Klein performed well, growing by almost 18 per cent in 2014 to a new record of €118.9 million.

"Demand for residential property remains high on the back of continually low interest rates. However, increasingly limited supply and rising real-estate prices are making it more and more difficult to find the right property. The statistics published by the Bundesbank reveal that the total volume of mortgage lending across the German market as a whole is increasing only marginally," explained Stephan Gawarecki, the chief executive officer of Dr. Klein & Co. AG, adding: "We are therefore especially delighted to see our significant double-digit growth in this business."

Mortgage finance – by far the largest product segment – grew by 19 per cent year on year to €5.9 billion. The total value of building finance business advanced by 36 per cent to €209.8 million. On the other hand, the volume of personal loans brokered fell by 32 per cent to €214.7 million. "Competitive pressures in this field have intensified hugely over the past twelve months," explained Gawarecki. "We have therefore partially withdrawn from this business to allow ourselves the time and space to reconfigure our strategic approach."

New insurance business as a whole continued to decline. Whereas health insurance and general insurance – the two smaller segments – contracted by 40 per cent and 11 per cent to €2.3 million and €5.4 million respectively, life insurance actually grew slightly by 3 per cent to €12.2 million. Because the period leading up to the year-end is traditionally buoyant and the lowering of the guaranteed rate of return with effect from 1 January 2015 caused some life insurance business to be brought forward, the fourth quarter was strong in relative terms (up 100 per cent on the third quarter). "However, regulation and the persistently low level of interest rates will continue to make life difficult for the insurance industry in 2015," was how Gawarecki viewed the outlook.

The insurance portfolio managed by Dr. Klein expanded across all product segments. Whereas health insurance grew by only 1 per cent (to €30.8 million), life insurance & investments – the largest segment – increased by 19 per cent (to €66.3 million) and general insurance jumped by 48 per cent (to €21.8 million).

DR. KLEIN

DIE PARTNER FÜR IHRE FINANZEN

"For some time now we have been of the view that portfolio growth will be the key benchmark for gauging the success of insurance product distributors going forward. Only sufficiently large insurance portfolios can guarantee a certain level of protection against market volatility. Our growth of 18 per cent shows that we are on the right track in this respect," concluded Gawarecki.

Note: Neither the revenue nor the earnings generated by Dr. Klein can be directly extrapolated from the transaction figures given above.

Information on Dr. Klein

Dr. Klein is an independent provider of financial services for private and corporate clients. It offers personalised solutions for private clients' full range of financial needs. Some 650 specialists deliver impartial and comprehensive advice over the internet and at more than 200 branches on issues such as mortgages, insurance and investments.

Dr. Klein & Co. AG has been a major financial service partner to housing companies, local authorities and commercial property investors since 1954. It provides its institutional clients with a fully integrated service comprising expert advice and customised solutions in the areas of financial management, portfolio management and insurance for business customers. Its client-focused advisory expertise and close, longstanding relationships with all leading banks and insurance companies ensure that its customers always have quick and easy access to the best financial services. It is for these achievements that the Company has been awarded accolades such as 'Exemplary Financial Product Distributor' by Springer Fachmedien and the 'German Fairness Prize' by the n-tv news channel. Dr. Klein is a wholly owned subsidiary of Hypoport AG, an online financial service provider that is listed on the Frankfurt Stock Exchange.

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