

# Press release

## Corporate news

### Hypoport reports a marked increase in transaction volumes

**Berlin, 20 October 2009: The volume of transactions processed on the Europace platform increased significantly in the third quarter 2009. At the same time, the restructuring process among product providers has stabilised. In light of current interest rate structures, customers are opting for shorter terms.**

The volume of financial service transactions processed on Europace increased once more over the third quarter 2009. By quarter-on-quarter (Q2 2009) comparison, the total volume increased by 14 percent to its current level of EUR 3.59 billion. Certain product providers who were no longer able to offer competitive terms and conditions fell back on the market place and had to be counterbalanced by new partners during the second quarter, whereas the product providers remained relatively stable over the third quarter. The Group was able to expand its business cooperation with new product providers, in particular.

Growth was witnessed in all of the product categories. The volume of mortgage financing increased by 14 percent compared with the previous quarter to EUR 3.20 billion. Personal loans increased by 13 percent to their current level of EUR 0.35 billion, whereas building society contracts – which are being included in the reported figures from now on – gained 16 percent to EUR 44 million. These increases represent new record highs for both personal loans and building society contracts, whereas mortgage financing deals are just 9 percent short of their historical all-time high (Q4/2008).

Overall fee income declined, however, as a result of the considerably shorter terms of the financial service contracts as these fees are calculated on the basis of transaction volume and term of the product. The fixed-interest term for a mortgage loan is currently down to 9.25 years on average. One year ago, this average was 24 percent higher – at 11.51 years – than it is today. "We are not concerned about this development over the long term," is how Thilo Wiegand, member of the Management Board of Hypoport AG and responsible for the financial services division, sees this short-term trend. "The shorter terms are the result of increased utilisation of KfW (subsidy) programmes and of the current interest rate structure curve, which is making short-term loans substantially cheaper than long fixed-interest periods," says Wiegand. The shorter terms also meant, however, that the financings of those customers were returning to the platform sooner to be renewed. This structure could, however, be expected to return to more normality over the medium to longer term.

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### **About Hypoport AG**

Hypoport Group is an internet-based all-round financial services provider based in Berlin. The Group employs some 450 people. The company has been listed in the Prime Standard on Deutsche Börse since the end of 2007. Its business model consists of two reciprocally beneficial pillars – the sale of financial products (Dr. Klein & Co. AG) and the provision of a platform for transacting financial products via the internet.



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 40 product providers 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. Hypoport AG publishes the monthly house price index (HPX) based on real transaction data.

A list of the banks and service providers that use the platform can be downloaded from [www.hypoport.de](http://www.hypoport.de), as can the Annual Report 2008.

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