

## Press release

Volume of Private Clients transactions in 2012

### **Dr. Klein: double-digit growth in advisors and branches**

**Lübeck, 25 January 2013:** The Private Clients division of financial service provider Dr. Klein & Co. AG generated significant double-digit growth in 2012, with the number of its advisors rising by 18 per cent year on year to 759. Dr. Klein's branch network expanded by 16 per cent to 206 outlets, strengthening the Company's position as the largest franchise organisation in the German financial services industry. The nationwide increase in the numbers of Dr. Klein's advisors and branches is also reflected in the transaction volumes generated across its various business lines. The value of loan brokerage transactions advanced by 19 per cent, while the volume of insurance transactions was dented by the tough market conditions and consequently fell by 13 per cent year on year despite positive effects from the growth in the branch network.

Dr. Klein & Co. AG thus made a valuable contribution to the transaction growth achieved by the Private Clients business in the Hypoport Group. In 2012 this business unit generated a total transaction volume of some €4.59 billion from loan brokerage, which constituted a year-on-year increase of 19 per cent (2011: €3.86 billion). The value of transactions generated across all insurance products last year declined to €23.8 million owing to the regulatory and interest-rate challenges facing the insurance market (2011: €27.5 million). By significantly raising the number of its advisors, Dr. Klein managed to position itself well for the future despite the adverse trends prevailing in the insurance market. Stephan Gawarecki, the chief executive officer (CEO) of Dr. Klein, believes that the growth in the numbers of advisors and branches can be attributed to the Company's business model.

"The huge loss of trust and confidence in the financial services sector is making customers increasingly discerning. This is boosting demand for impartial advisors who offer clear and comprehensive advice. Dr. Klein has been winning trust and operating successfully according to this principle ever since 1954 and is therefore an employer of choice for highly qualified financial advisors."

#### **2012 was a great year for loan products**

The low level of interest rates made highly attractive borrowing terms available for customers in 2012. The volume of mortgage finance transactions grew by 20.5 per cent year on year to €4.17 billion (2011: €3.46 billion), while the volume of building finance transactions generated over the same period jumped by an impressive 42.7 per cent to €104 million (2011: €73.1 million). The market for personal loans remained more or less flat in 2012, as it had in the previous year. This trend was illustrated by the volume of personal loans brokered, which was virtually unchanged at €311.7 million (2011: €319.8 million).

#### **Regulation and low interest rates acting as a drag on the insurance market**

Several trends and developments in the insurance market had a particularly negative impact on high-margin insurance products in 2012. In addition, the lacklustre operating environment delayed – and diminished – the amount of year-end business that is usually generated from October onwards. The

# DR. KLEIN

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value of health insurance products sold fell by 47.9 per cent to €7.3 million owing to the recent capping of commissions and the extension of policy cancellation periods (2011: €14.1 million). At the same time the low level of interest rates caused problems for life insurance companies. The total value of life insurance policies and personal investments sold rose by 15.2 per cent to €13.3 million despite the challenging market conditions (2011: €11.5 million). General insurance – Dr. Klein's smallest product segment – grew by a substantial 70.8 per cent to €3.2 million (2011: €1.9 million). The total portfolio of policies under management at the end of 2012 had increased by 0.83 per cent compared with the previous quarter to €73.0 billion (Q3 2012: €72.4 billion).

## 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. Around 750 specialists deliver impartial and comprehensive advice over the internet and at more than 200 branches on issues such as current accounts, deposits, insurance, investments, mortgages and personal loans. 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. 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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