

Press release

Volume of transactions in the first nine months of 2018

Hypoport AG: EUROPACE financial marketplace comfortably outperforms the market as a whole in the first nine months of 2018

- Overall market for mortgage finance in Germany expands slightly
- Savings banks, cooperative banks and independent loan brokerage advisors continue to grow at an exceptionally fast pace on EUROPACE
- At over 70 per cent, savings banks record the highest rate of transaction volume growth
- Transaction volume per sales day on EUROPACE exceeds €225 million in the first nine months of 2018

Berlin, 18 October 2018: The volume of transactions* on the EUROPACE B2B financial marketplace, which is part of the Hypoport Group's Credit Platform segment, rose by around 18 per cent to €42.8 billion in the first nine months of 2018 (Q1–Q3 2017: €36.4 billion). The transaction volume per sales day advanced at the slightly higher rate of 19 per cent to €228 million in the same period (Q1–Q3 2017: €192 million).**

The growth in the volume of transactions in the first three quarters of 2018 was driven by all three product groups: mortgage finance (Q1–Q3 2018: €33.0 billion; Q1–Q3 2017: €28.7 billion), building finance (Q1–Q3 2018: €7.0 billion; Q1–Q3 2017: €5.7 billion) and personal loans (Q1–Q3 2018: €2.8 billion; Q1–Q3 2017: €2.0 billion). The largest product group, mortgage finance, therefore saw its volume of transactions on EUROPACE climb by more than 15 per cent. By contrast, Deutsche Bundesbank's figures for the total volume of new mortgage finance business in Germany show an increase of just under 4 per cent in the period January to August*** 2018.

“Following two years of contraction, we can now see that our most important market, mortgage finance for private clients, is expanding slightly this year,” says Ronald Slabke, Chief Executive Officer of Hypoport AG, commenting on the market's performance and the growth of the transaction volume on EUROPACE. “Thanks to its superior technology, our EUROPACE financial marketplace has demonstrated in both phases of the market that it can capture substantial market share. We are very encouraged by the further increase in the volume of transactions in the third quarter, which comes after the great success achieved in the first two quarters of 2018. The fact that this expansion continues to be driven by all four user groups – independent loan brokerage advisors, private banks, savings banks and cooperative banks – is a sign that our growth is sustainable.”

FINMAS, the sub-marketplace for institutions in the Savings Banks Finance Group, particularly stood out, with its transaction volume rising at the exceptionally strong rate of 73 per cent to €2.9 billion (Q1–Q3 2017: €1.7 billion). The cooperative banks, which use the GENOPACE sub-marketplace, also further expanded their market share and increased their volume of transactions by 31 per cent to €1.2 billion (Q1–Q3 2017: €0.9 billion). Besides the regional banks, the independent financial

distributors also did well in the first nine months of 2018. Thanks to the EUROPACE financial marketplace, which gives them access to more than 400 product suppliers, they are able to offer loan brokerage advice to their customers alongside a broad range of products.

“EUROPACE offers huge productivity gains for loan brokerage advisors, whether they are independent or working in a bank branch. Those who have signed up typically generate a higher sales volume than the market average. Moreover, additional integrated services from the Hypoport network have recently been launched for EUROPACE users, for example property valuation or property marketing from our new members Value AG and FIO SYSTEMS AG,” explains Slabke.

Product suppliers on the financial marketplace are divided into three groups: private banks/insurance companies, savings banks and cooperative banks. During the first three quarters of 2018, the savings banks and cooperative banks each further expanded their share of the product supplier market over the traditionally strong private banks. In their capacity as product suppliers, institutions in the savings bank sector generated a volume of €6.1 billion (Q1–Q3 2017: €3.8 billion), which equates to a rise of 58 per cent. The volume on the financial marketplace attributable to the cooperative financial network as product suppliers rose by 52 per cent to €3.7 billion (Q1–Q3 2017: €2.4 billion).

** All figures on the volume of financial products processed (mortgage finance, building finance and personal loans) are stated before cancellations and, consequently, cannot be compared directly with the revenue figures shown, which exclude subsequent cancellations. Neither the revenue nor the earnings generated by Hypoport can be directly extrapolated from the transaction figures given above.*

*** Sales days are defined as the number of bank working days less half of the number of ‘bridging days’ (days falling between public holidays and weekends).*

**** Deutsche Bundesbank’s figures for September 2018 have not yet been published.*

About Hypoport AG

Hypoport AG is headquartered in Berlin and is the parent company of the Hypoport Group. The Group, which has a workforce of around 1,400 employees, is a network of technology companies serving the financial, real-estate and insurance sectors. These independent subsidiaries are grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

The Credit Platform segment operates EUROPACE, which is an online financial marketplace and the largest German software platform offering mortgages, building finance products and personal loans. A fully integrated system links more than 500 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute some 35,000 transactions per month on EUROPACE, generating a volume of around €5 billion. Besides EUROPACE, the FINMAS and GENOPACE sub-marketplaces and the B2B distribution companies Qualitypool and Starpool support the growth of the Credit Platform segment.

The Private Clients segment, made up of the web-based, non-captive financial product distributor Dr. Klein Privatkunden AG and the consumer comparison portal Vergleich.de, brings together all business models aimed at directly advising consumers on mortgage finance, insurance or pension products.

All property-related activities of the Hypoport Group, with the exception of loan brokerage for private clients, are grouped together in the Real Estate Platform segment (previously Institutional Clients segment) with the aim of digitalising the sale, valuation and management of properties.

The Insurance Platform segment operates Smart InsurTech, a web-based B2B platform for advice, comparison of tariffs and the administration of insurance policies.

The shares of Hypoport AG are listed in the Prime Standard segment of the Frankfurt Stock Exchange (Deutsche Börse) and have been included in the SDAX since 2015.

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