

Press release

Volume of EUROPACE transactions in 2018

Hypoport AG: EUROPACE financial marketplace comfortably outperforms the market in 2018

- Overall markets for mortgage finance, building finance and personal loans grew only slightly
- Savings banks, cooperative banks and independent loan brokerage advisors increased their transaction volumes on EUROPACE at a much faster pace than the rate of expansion of the market as a whole
- At around 75 per cent, savings banks recorded the highest rate of transaction volume growth

Berlin, 14 January 2019: EUROPACE, the largest B2B platform in Germany for mortgage finance, building finance products and personal loans, saw its transaction volume* increase by 20 per cent to €57.9 billion over 2018 as a whole (2017: €48.2 billion). The transaction volume per sales day also went up by 20 per cent to reach €232 million in the same period (2017: €193 million).**

The growth in transaction volume was attributable to gains in market share across all three product groups (mortgage finance, building finance and personal loans). The volume for 2018 in the largest product group, mortgage finance, advanced by 18 per cent to €44.9 billion (2017: €38.0 billion). The two smaller product groups, building finance and personal loans, increased their volume from €7.6 billion and €2.7 billion respectively in 2017 to €9.4 billion and €3.6 billion in 2018. This equates to growth of 23 per cent and 34 per cent respectively. The volume of transactions in each product group rose at a substantially faster pace than the rate of growth in the relevant markets. Figures from Deutsche Bundesbank show that, in the period January to November*** 2018, the total volume of new mortgage finance business in Germany grew by roughly 5 per cent year on year, the total volume of new building finance agreements by around 4 per cent and the total volume of new consumer loans by 4 per cent.

Furthermore, FINMAS, the sub-marketplace for institutions in the Savings Banks Finance Group, and GENOPACE, the sub-marketplace for cooperative banks, both increased their transaction volumes at a faster rate than the overall EUROPACE marketplace. Institutions in the Savings Banks Finance Group further digitalised their sales processes through the use of FINMAS, brokering a 74 per cent higher transaction volume (2018: €4.2 billion; 2017: €2.4 billion). In the cooperative banking sector, institutions used GENOPACE to generate a volume of €1.7 billion in 2018, a year-on-year rise of 38 per cent (2017: €1.2 billion). There was also encouraging growth in the volumes generated by the financial distributors and private banks that use EUROPACE.

Product suppliers on the financial marketplace are divided into three groups: private banks and insurance companies, savings banks and cooperative banks. Traditionally the largest group, private

banks and insurance companies achieved further growth in the volume that they generated as product suppliers to €44.3 billion (2017: €39.5 billion). The savings banks and cooperative banks, which have not made much use of digital technologies to date, also reported further increases in new lending business, generating volumes as product suppliers of €8.4 billion (2017: €5.4 billion) and €5.2 billion (2017: €3.3 billion) respectively. This equates to rises of 55 per cent and 60 per cent respectively. With a combined increase of approx. €5.0 billion in the volume generated on EUROPACE as product suppliers, the savings banks and cooperative banks therefore together grew at a faster rate than the private banks and insurance companies for the first time.

Ronald Slabke, Chief Executive Officer of Hypoport AG, explains the substantial volume growth as follows: "The digitalisation of processes in banking is now inevitable. Whether they are looking for mortgage finance, a personal loan or a building finance agreement that helps them hedge against interest-rate risk, consumers expect financial service providers to respond rapidly, provide personal service and offer the best prices. EUROPACE is a solution for the entire sector. In 2018, we embarked on a strategy of end-to-end integration of business processes, from property marketing with FIO through to property valuation with VALUE AG and loan brokerage on EUROPACE. This strategy will enable us to take full advantage of this consumer trend in the years to come."

Volume of transactions* on EUROPACE						
(€ billion)	12M 2018	12M 2017	YoY change	Q4 2018	Q4 2017	Q4 change
Total transaction volume	57.89	48.24	20.0%	15.12	11.89	27.2%
of which mortgage finance	44.92	37.96	18.3%	11.88	9.29	27.9%
of which building finance	9.39	7.60	23.4%	2.42	1.94	24.9%
of which personal loans	3.59	2.67	34.4%	0.82	0.66	23.8%

* 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 the period January to November 2018; figures for December 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 1,500 employees, is a network of technology companies serving the credit, real-estate and insurance industries. 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.

Investor Relations

Jan H. Pahl
Investor Relations Manager
Phone: +49 (0)30 / 42086 - 1942
Mobil: +49 (0)176 / 965 125 19
Email: ir@hypoport.de
www.hypoport.com

Key data on Hypoport's shares

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