

# Press release

Volume of EUROPACE transactions in the second quarter of 2019

## **Hypoport AG: EUROPACE platform maintains its rapid growth rate in the second quarter, following a strong start to 2019**

- Relevant markets for the mortgage finance, building finance and personal loans product groups again expanded only moderately
- All four sales groups – cooperative banks, savings banks, independent loan brokerage advisors and private commercial banks – increased their transaction volumes on EUROPACE at a much faster pace than the overall market's growth rate
- Following an excellent start to the year, the cooperative banks' transaction volume in the second quarter of 2019 was up by more than 150 per cent compared with the same three months of 2018
- At 57 per cent for the first six months and 58 per cent for the second quarter of 2019, the savings banks maintained their high rates of transaction volume growth
- Transaction volume per sales day\*\* on EUROPACE exceeded €275 million for the first time in the second quarter of 2019

**Berlin, 8 July 2019: EUROPACE, the largest B2B lending marketplace in Germany for mortgage finance, building finance products ('Bausparen') and personal loans, saw its transaction volume\* increase by 14 per cent to €31.9 billion in the first six months of 2019 (H1 2018: €27.9 billion). The transaction volume per sales day\*\* rose by 15 per cent to €260 million in the first half of this year (H1 2018: €227 million). These increases over the six-month period were attributable to the robust start to the year and the strong momentum maintained in the second quarter of 2019. The transaction volume for the period April to June was €16.4 billion (Q2 2018: €14.4 billion; year-on-year rise of 14 per cent), giving a transaction volume per sales day\*\* of €276 million (Q2 2018: €239 million; year-on-year rise of 15 per cent).**

Mortgage finance, which is the largest product group, and the building finance product group are continuing to increase their market share. As a result, the volume of mortgage finance rose by 16 per cent to €25.0 billion in the first half of 2019 (H1 2018: €21.5 billion) and also by 16 per cent to €12.9 billion in the second quarter of 2019 (Q2 2018: €11.1 billion). In the building finance ('Bausparen') product group, the transaction volume advanced by 14 per cent to €5.2 billion in the first half of 2019 (H1 2018: €4.5 billion) and by 12 per cent to €2.7 billion in the second quarter of 2019 (Q2 2018: €2.4 billion). The volume in the smallest product group, personal loans, contracted slightly compared with the exceptionally high volume achieved in the prior-year period, falling by 7 per cent to €1.7 billion in the first half of 2019 (H1 2018: €1.8 billion) and by 4 per cent to €0.8 billion in the second quarter of 2019 (Q2 2018: €0.9 billion).

The mortgage finance and building finance product groups, which together account for around 95 per cent of the volume of transactions on EUROPACE, thus again considerably exceeded the growth rates of their respective markets. According to Deutsche Bundesbank statistics, the volume of

new mortgage finance business in Germany rose by approximately 7 per cent in the period January to May\*\*\* 2019. In the same period, the volume of new business for building finance agreements ('Bausparen') expanded by roughly 7 per cent. The volume of new business for consumer loans was also up by 7 per cent compared with the period January to May 2018.

By using FINMAS, the sub-marketplace for institutions in the Savings Banks Finance Group, the savings banks generated a transaction volume of €2.8 billion in the first half of the year (H1 2018: €1.8 billion), an increase of 57 per cent. In the second quarter, the volume rose by 58 per cent to €1.5 billion (Q2 2018: €0.9 billion). In the cooperative banking sector, institutions used the GENOPACE sub-marketplace to achieve a volume of €1.7 billion in the first half of the year and €1.0 billion in the second quarter of 2019. The volume in the first six months was thus up by around 120 per cent (H1 2018: €0.8 billion). The rate of volume growth on GENOPACE in the second quarter was an impressive 154 per cent (Q2 2018: €0.4 billion). Alongside these encouraging trends at the savings banks and cooperative banks, the volumes generated by the non-captive financial distributors and private commercial banks that use EUROPACE also expanded at a faster rate than the market.

Product suppliers on the financial marketplace are divided into three groups: private commercial banks and insurance companies, savings banks and cooperative banks. Traditionally the largest group, private commercial banks and insurance companies generated a volume of €23.4 billion as product suppliers (H1 2018: €21.9 billion). As product suppliers, the savings banks generated a volume of €4.9 billion in the first half of 2019 (H1 2018: €3.8 billion) and the cooperative banks €3.6 billion (H1 2018: €2.2 billion). The savings banks and cooperative banks, which still lag behind the private commercial banks and insurance companies in terms of digitalising their businesses, further increased their new lending business relative to the latter on our marketplace.

"For the first time in EUROPACE's history, we achieved a transaction volume per sales day in excess of €275 million," said Hypoport AG's Chief Executive Officer Ronald Slabke, commenting on the volume growth on EUROPACE. "We are delighted that the expansion of the lending marketplace is being driven by all four user groups. Of particular note is the buoyant volume growth generated by the cooperative banks, a trend that began in 2018 and has continued into 2019. This underscores the strength of the relationship that we established with Bausparkasse Schwäbisch Hall through BAUFINEX in 2018 and the addition of further contractual partners on GENOPACE."

Volume of transactions* on EUROPACE						
(€ billion)	Q2 2019	Q2 2018	Q2 change	H1 2019	H1 2018	H1 change
Total transaction volume	16.40	14.35	+14.3%	31.86	27.87	+14.3%
of which mortgage finance	12.87	11.08	+16.1%	24.95	21.49	+16.1%
of which building finance	2.68	2.39	+12.3%	5.20	4.54	+14.5%
of which personal loans	0.85	0.88	-3.9%	1.71	1.84	-7.0%
Transaction volume per sales day (€ million)**	275.6	239.2	+15.2%	260.1	226.6	+14.8%

\* All figures on the volume of financial products processed (mortgage finance, building finance ('Bausparen') 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 May 2019; figures for June 2019 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 is a network of technology companies for the credit, real-estate and insurance industries with a workforce of more than 1,600 employees. It is grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

The Credit Platform segment operates EUROPACE, which is an online B2B financial marketplace and the largest German platform offering mortgages, building finance products ('Bausparen') and personal loans. A fully integrated system links more than 600 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute more than 30,000 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.

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

All real estate-related activities of the Hypoport Group, with the exception of mortgage finance, are grouped together in the Real Estate Platform segment (previously Institutional Clients) with the aim of digitalising the financing, management, sale and valuation of properties.

The Insurance Platform segment operates SMART INSUR, a web-based B2B platform for advice, comparison of tariffs and the administration of insurance policies. The segment also incorporates the B2B distribution companies for insurers, ASC Assekuranz-Service Center GmbH and the insurance unit of Qualitypool GmbH.

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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#### **Key data on Hypoport's shares**

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