

Press release

Volume of EUROPACE transactions in 2019

Hypoport AG: EUROPACE platform's transaction volume at almost €70 billion in 2019

- 2019 transaction volume up by around 18 per cent on the previous year
- Fastest growth rates for the cooperative banks, with 170 per cent in 2019 and over 200 per cent in the fourth quarter of 2019
- At almost 50 per cent in 2019, savings banks maintain a high rate of transaction volume growth
- Transaction volume per sales day climbs to €287 million in the fourth quarter of 2019

Berlin, 13 January 2020: EUROPACE, the largest B2B lending marketplace in Germany for mortgage finance, building finance products and personal loans, saw its transaction volume* increase by around 18 per cent to €68.0 billion in 2019 (2018: €57.9 billion). The transaction volume per sales day amounted to €272 million in 2019 (2018: €232 million). The absolute volume of transactions in the fourth quarter, which tends to be slightly weaker owing to the holiday period, stood at €17.7 billion, which was up by 17 per cent compared with the fourth quarter of 2018. Moreover, the transaction volume per sales day in the final quarter of last year reached a record high of €287 million, underlining EUROPACE's sustained pace of growth.**

There were further gains in market share in the two largest product groups, mortgage finance and building finance, in 2019. Mortgage finance, which is by far the largest product group, saw its transaction volume grow by 19 per cent year on year to €53.5 billion (2018: €44.9 billion). In the fourth quarter of 2019, the rise compared with the same quarter of 2018 was 18 per cent. The second-largest product group, building finance, increased its transaction volume by 18 per cent to €11.0 billion in 2019 (2018: €9.4 billion). In this product group too, the volume for the fourth quarter was up substantially, by 16 per cent, compared with the final quarter of the previous year. The volume in the smallest product group, personal loans, was down slightly in 2019 compared with the very strong figure for the prior year, falling by 3 per cent from €3.6 billion to €3.5 billion. In the fourth quarter of last year, the volume of personal loans rose slightly, by 1 per cent, compared with the prior-year period.

The two large product groups, mortgage finance and building finance, which together account for more than 95 per cent of the volume of transactions on EUROPACE, thus considerably exceeded the growth rates of their respective markets once again. Figures from Deutsche Bundesbank show that, in the period January to November*** 2019, the volume of new mortgage finance business in Germany grew by roughly 9 per cent year on year. In the same period, the volume of new building finance agreements rose by around 3 per cent. The volume of new business for consumer loans was up by almost 5 per cent compared with the period January to November 2018.

FINMAS, the sub-marketplace for institutions in the Savings Banks Finance Group, enabled the affiliated banks to again significantly increase their market share last year. The transaction volume on FINMAS swelled by 49 per cent to €6.2 billion in 2019 (2018: €4.2 billion) and by 33 per cent to €1.6 billion in the fourth quarter of 2019 (Q4 2018: €1.2 billion). In the cooperative banking sector, institutions used the dedicated GENOPACE sub-marketplace to generate a volume of €4.5 billion in 2019, a rise of 170 per cent compared with 2018. The rate of increase in the fourth quarter of 2019 was even higher, with a jump of 201 per cent to €1.5 billion (Q4 2018: €0.5 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 EUROPACE lending marketplace are divided into three groups: private commercial banks and insurance companies, savings banks and cooperative banks. The largest group, private commercial banks and insurance companies, granted loans with a volume of €47.8 billion as product suppliers last year (2018: €44.3 billion). In their capacity as product suppliers, the savings banks granted loans totalling €10.8 billion in the same period (2018: €8.4 billion) and the cooperative banks €9.4 billion (2018: €5.2 billion). The savings banks and cooperative banks thus further increased their new lending business relative to private commercial banks and insurance companies by using our marketplace.

Summarising EUROPACE's strong performance in the past financial year, the Chief Executive Officer of Hypoport AG Ronald Slabke said: "In 2019, we again saw sustained high rates of increase for the savings banks. In the cooperative sector, there was an impressive rise of more than 200 per cent in the volume of transactions in the fourth quarter. We believe these two groups offer the greatest potential for growth in the years ahead, so our transaction volume of almost €70 billion will continue to climb in the next few years. We are shaping the digital revolution in mortgage finance in Germany, for the benefit of consumers and the credit industry alike."

Volume of transactions* on EUROPACE						
(€ billion)	Q1-Q4 2019	Q1-Q4 2018	Q1-Q4 change	Q4 2019	Q4 2018	Q4 change
Total transaction volume	68.04	57.89	+17.53%	17.66	15.12	+16.80%
of which mortgage finance	53.55	44.92	+19.20%	14.03	11.88	+18.01%
of which building finance	11.04	9.39	+17.57%	2.81	2.42	+15.92%
of which personal loans	3.46	3.59	-3.50%	0.82	0.82	+0.56%
Transaction volume per sales day (€ million)**	272.0	231.6	+17.53%	287.2	243.9	+17.75%

* 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 November 2019; figures for December 2019 have not yet been published.

About Hypoport AG

Hypoport AG is headquartered in Lübeck (Germany) 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 approx. 1,800 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 and personal loans. A fully integrated system links approx. 700 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 more than €6 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 insurance unit of Qualitypool, a B2B distribution company.

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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ISIN DE 0005493365
WKN 549336
Stock exchanges symbol HYQ