

Press release

EUROPACE attracts new product providers

Berlin, 29 April 2009: Following a weak start to the year that was burdened by a more restrictive approach to loan approvals and increases in the terms and conditions offered by existing lenders, Berlin-based financial services provider Hypoport has been able to attract new product providers and managed to record a year-on-year increase in the volume of transactions processed on the EUROPACE platform in March. Considerable growth was generated in new product segments and target groups.

Hypoport AG has adapted successfully to the changes in the market environment. Against a backdrop of more stringent criteria applied to loan approvals and increases in terms and conditions, some of the lenders represented on the EUROPACE platform were no longer able to offer competitive products back at the beginning of the year. Hypoport was, however, subsequently able to attract new product providers and to successfully expand the capacities of existing lenders. The measures started to show effect in February and had resulted in year-on-year growth by March. A marked drop in transaction volumes in January and at the beginning of February caused the volume for the quarter to decline to EUR 3.1 billion, equivalent to a reduction of 9.4 percent compared with the 1st quarter last year. Mortgage financing transactions accounted for EUR 2.8 billion of this amount.

As Ronald Slabke, Co-CEO at Hypoport AG, explains: "Our potential currently lies in widening our range of products and services. We are attracting new product providers and expanding the range of products on offer. The cooperative and savings banks, in particular, offer huge potential for growth." Instalment loans again posted an increase in volume and have now reached just over EUR 300 million. This equates to an increase of 28.6 percent compared with the same quarter last year. Compared with the 4th quarter 2008, the GENOPACE platform posted an increase of 63 percent in transaction volumes to about EUR 85 million. The platform has been operating jointly with product providers from the Volksbank and cooperative banking sectors since spring 2008.

Some 10 percent of all mortgage financing transactions in the German marketplace are meanwhile being processed on EUROPACE. The data generated in the course of the transaction process offer important insights into the sector of mortgage loans. The data collated on EUROPACE indicate that loan volumes in Germany are stable; a conclusion also reflected by the figures published by Bundesbank. The repayment rates and loan-to-value ratios of financing transactions have remained stable over the past four quarters. Preference is comparatively being given to shorter fixed interest terms due to the steep gradient of the interest rate structure curve. The volume of each loan has declined slightly on average, probably as a result of the more restrictive financing policies adopted by the product providers. The fact that some existing buildings are witnessing declining price levels is also influencing loan volumes. According to Prof. Dr. Thomas Kretschmar, Co-CEO at Hypoport AG, however: "The transactions processed on EUROPACE are largely unaffected by house price levels. As we all know, where there is a vendor, there is also always a buyer, and the latter wants to gain the easiest access possible to the best financial services. Which is where Hypoport comes in."

About Hypoport AG

Hypoport Group is an internet-based all-round financial services provider based in Berlin. The Group employs more than 450 people. The company has been listed in the Prime Standard on Deutsche Börse since the end of 2007. Its business model consists of two reciprocally beneficial pillars – the sale of financial products (Dr. Klein & Co. AG) and the provision of a platform for transacting financial products via the internet.



Hypoport operates the EUROPACE B2B financial marketplace, which is the largest German online platform for transacting financing products. A fully integrated system links more than 40 banks with several thousand financial advisors, thus enabling the quick and direct agreement of contracts. The platform's highly automated processes generate considerable cost benefits. Nowadays, EUROPACE processes some 400 financing transactions every day. Hypoport AG publishes the monthly house price index (HPX) based on real transaction data.

A list of the banks and service providers that use the platform can be downloaded from www.hypoport.de, as can the Annual Report 2008.

Contact

Hypoport AG
Klosterstrasse 71
D-10179 Berlin
www.hypoport.de

Michaela Reimann
Group Communications Manager
Tel.: +49 (0) 30 / 4 20 86 1936
E-Mail: michaela.reimann@hypoport.de