

# Press release

## Corporate News

### Hypoport AG reports a slight increase in transaction volumes

**Berlin, 16 July 2009: The volume of transactions processed on the Europace platform increased slightly in the second quarter 2009. Shifts in the activities of individual product providers were one of the main reasons for curbed growth.**

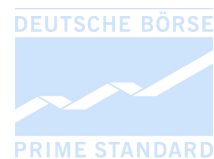
The volume of financing transactions processed on Europace increased again in the second quarter 2009, albeit by only a slight margin. Compared with the previous quarter, the total volume increased by 1 percent to Euro 3.12 billion. Some of the providers offering their products on Europace were no longer quoting competitive terms in the first quarter. At the same time, Hypoport was able to acquire new product providers for the platform. Whilst these new product providers were establishing themselves at the start of the summer season, a previous supplier ceased its financing activities. According to Prof. Dr. Thomas Kretschmar, co-CEO of Hypoport: "In light of these market-related changes in the structure of our product providers, we are very satisfied with the result".

Both mortgage and personal loans witnessed slight increases compared with the previous quarter's result. Mortgage loans with a total volume of Euro 2.814 billion were processed on the platform in the quarter just ended. This volume equates, again, to an increase of one percent. Personal loans increased to a similar extent and reached a new record level of Euro 306 million. Added to which, the (cumulative) volume of transactions processed on Genopace, the platform operated jointly with the cooperative banking sector, topped the Euro 300 million mark – just one year after being launched in April 2008.

***Please find our Interview with Prof. Dr. Kretschmar on the following page.***

#### About Hypoport AG

Hypoport Group is an internet-based all-round financial services provider based in Berlin. The Group employs some 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 product providers 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](http://www.hypoport.de), as can the Annual Report 2008.

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## **Interview with Prof. Dr. Thomas Kretschmar, Co-CEO and Spokesman for the Management Board of Hypoport AG**

- 1. Dr. Kretschmar, some ten percent of all mortgage loans and a growing share of the personal loans transacted in the German marketplace are now being channelled through Europace. Europace is growing, albeit fairly slowly. What are the reasons, especially over the past six months? What particular challenges did you have to face?**

Kretschmar: As already mentioned in our first quarter report, we have acquired new product providers for Europace whereas some of the previous lenders were no longer able to quote competitive terms. From the second quarter onwards, a federal state bank subsidiary tightened its lending terms considerably. As a result, transactions with this formerly very active company ceased virtually entirely. Back in the first quarter 2009, this institute had still been our second largest product provider. In light of these developments, we are very satisfied that we have actually been able to increase transaction volumes slightly. Our ability to compensate such an important product provider with other partners in such a short space of time is further proof of how strong our business model is.

- 2. The long term trend towards a platform solution for product providers and brokers is undisputed. But the differences are enormous. Where does Europace stand in this market?**

Kretschmar: At present we are not aware of any competitors who are able to offer such a B2B financial marketplace as Europace. Europace processes by far the largest transaction volume and is the only internet-based solution that is integrated so thoroughly into banking processes. Europace has practically become the market standard. Some banks are only willing to work with financial service vendors on the basis of Europace.

- 3. Can you offer any insight into the future of Europace?**

Kretschmar: There is a huge trend towards branch banks increasingly mediating financial services to other institutes. Europace is ideal for integrating these transactions. At the same time, Europace is equally ideal for linking the branches to the lending department within a bank. Our sales efforts are going to focus primarily on acquiring branch banks – and especially Volksbanks and savings banks (Sparkassen) - over the coming years. In addition, we are working on Europace 2 for our existing and new clients, which will be even faster and simpler and will enable even very small sales partners to be tied in easily. At the same time, we are bringing more and more products to Europace. In addition to mortgage loans, the platform has been able to process personal loans, current accounts, building society contracts and building-related insurance policies for quite some time now. And last but not least, we are expanding abroad. Europace recently went live in The Netherlands.