Press release

Preliminary financial results for the first half of 2016

Hypoport reports the best half-year results in its history

Berlin, 1 August 2016: Technology-based financial service provider Hypoport again generated record results in the first half of 2016. Consolidated revenue rose by 9 per cent to €73.7 million (H1 2015: €67.5 million), and growth in earnings before interest and tax (EBIT) was well into double digits, with a rise of 22 per cent to €11.1 million (H1 €9.1 million).

"We achieved these record results partly thanks to the current market situation – but mostly in spite of it," said Ronald Slabke, Chief Executive Officer of Hypoport AG. He went on to explain: "Demand for housing is high and financing terms are attractive. What remains absent is a political environment in which new-build projects are quickly brought to fruition. The government's latest attempts to create more housing, e.g. through tax relief, were not only dragged down by party politics but also fundamentally failed to effectively tackle the essence of the problem. Moreover, many participants in the property finance market were held back by the implementation of the Mortgage Credit Directive (MCD) in the period March to May." In this environment, Hypoport succeeded in gaining further market share and using these new regulations as an opportunity.

The Financial Service Providers business unit offers legally compliant integration of the MCD into EUROPACE **Baufi**Smart, thereby providing the ideal solution for new and existing partners to deal with the regulations. The marketplace model demonstrated its clear superiority here, with EUROPACE once more gaining significant market share in the first half of the year. Despite expanding its distributor resources and incurring additional expenses in connection with the implementation of the Mortgage Credit Directive, the business unit generated its best-ever revenue and earnings figures. In the first six months of 2016, the Financial Service Providers business unit reported revenue of €24.0 million (H1 2015: €20.5 million). EBIT was up significantly year on year at €5.7 million (H1 2015: €5.1 million).

Despite the MCD, the Private Clients business unit's mortgage finance business also grew faster than the market as a whole The differing interpretation of the MCD among banks has further increased the importance of non-captive home loan specialists for consumers. The business unit also increased the volume of personal loans. Dr. Klein personal loan experts help partners to advise customers as part of offline alliances. This trend, combined with the expansion of the advisor network and increased productivity, contributed to the business unit also achieving its most successful half year. In the period January to June 2016, it generated revenue of €42.2 million (H1 2015: €39.3 million). Strong productivity gains for advisors and increased contributions to revenue from the personal loans business resulted in a rise in revenue of 7 per cent. Combined with the fact that the negative impact on earnings from the insurance business no longer applies, this resulted in a 41 per cent jump in earnings, which rose to €5.0 million (H1 2015: €3.5 million).

The Corporate Real Estate Clients business unit posted solid results in line with normal volatility experienced during the course of a year. Preparations for many new-build projects can be seen, but their actual implementation is being significantly affected by the political environment. Steadily falling interest rates did not provide much in the way of stimulus. Consequently, there was a year-on-year decrease in the volume of new lending brokered, but the healthy conversion rate for new loans brokered enabled revenue to hold steady at €7.9 million (H1 2015: €8.1 million). Capital expenditure on developing the new business models meant that EBIT was down on the first half of 2015 (€2.2 million compared with €2.9 million).

The Management Board's forecasts for the second half of the year are positive: "We expect to further increase our market share. Despite the various uncertainties in and around our main markets, we are confident that we will be able to convert the challenges that arise into opportunities. For 2016 as a whole, we continue to forecast revenue and earnings growth that is just into double digits, both at Group level and in the three business units." said Ronald Slabke, Chief Executive Officer of Hypoport AG.

About Hypoport AG
The Hypoport Group is a technology-based financial service provider. The business model is based on its three mutually supporting business units: Private Clients, Financial Service Providers, and Institutional Clients. All three units are engaged in the distribution of financial services, facilitated or supported by finance-technology ('fintech').
As a wholly-owned subsidiary of Hypoport, Europace AG develops and operates the web-based EUROPACE financial marketplace, which is Germany's largest platform for mortgages, building finance products and personal loans. A fully integrated system links more than 350 partners – banks, insurers and financial product distributors. Several thousand users execute some 35.000 transactions worth a total of up to €4 billion on EUROPACE every month.
The Hypoport subsidiary Dr. Klein & Co. AG is an independent online distributor of financial products. This firm's specialists provide private clients with a full range of advisory services around mortgage finance, insurance and retirement planning. Dr. Klein & Co. AG has been a major financial service partner to housing companies and commercial property investors since 1954. Hypoport AG is headquartered in Berlin, employs about 750 people and is listed in the Prime Standard of the Frankfurt Stock Exchange. At the end of 2015 Hypoport was admitted to the SDAX.

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DEUTSCHE BÖRSE PRIME STANDARD

Key data on Hypoport's shares

ISIN	DE 0005493365
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