

Press release

Volume of EUROPACE transactions in the third quarter of 2019

Hypoport AG: EUROPACE platform expands at much faster rate in the third quarter of 2019

- Volume of transactions for the first three quarters of this year increases by around 18 per cent compared with the same period of 2018
- Rapid growth reflected in year-on-year rise of more than 24 per cent in the third quarter of 2019
- Cooperative banks' transaction volume in the third quarter of 2019 climbs by over 200 per cent year on year
- Savings banks continue to generate strong growth in transaction volume, with an increase of 55 per cent for the first nine months and 52 per cent for the third quarter of 2019
- Transaction volume per sales day on EUROPACE advances to more than €280 million in the third quarter of 2019

Berlin, 7 October 2019: EUROPACE, the largest B2B lending marketplace in Germany for mortgage finance, building finance products and personal loans, saw its transaction volume* increase by 18 per cent to €50.4 billion in the first nine months of 2019 (Q1–Q3 2018: €42.8 billion). The transaction volume per sales day went up by 17 per cent to reach €267 million in the same period (Q1–Q3 2018: €228 million). The rate of transaction volume growth accelerated in the third quarter of 2019, building on the already strong first half of the year. At €18.5 billion, the transaction volume was up by a total of 24 per cent compared with the prior-year quarter (Q3 2018: €14.9 billion).**

Mortgage finance, which is by far the largest product group, and the building finance product group, which is the second biggest, are continuing to increase their market share and grew at a faster rate in the third quarter. The volume of transactions in the mortgage finance product group expanded by 20 per cent to reach €39.5 billion in the first nine months of this year (Q1-Q3 2018: €33.0 billion). In the third quarter of 2019, the pace of growth increased, with the transaction volume swelling by 26 per cent to €14.6 billion (Q3 2018: €11.5 billion). The transaction volume for building finance advanced by 18 per cent to €8.2 billion in the first three quarters of 2019 (Q1–Q3 2018: €7.0 billion) and by 25 per cent to €3.0 billion in the third quarter of 2019 (Q3 2018: €2.4 billion). The volume in the smallest product group, personal loans, contracted slightly compared with the very high volume achieved in the prior-year period, falling by 5 per cent to €2.6 billion in the first nine months of 2019 (Q1–Q3 2018: €2.8 billion). The figure for the third quarter of this year held steady at €0.9 billion (Q3 2018: €0.9 billion).

The two large product groups, mortgage finance and building finance, which together account for 95 per cent of the volume of transactions on EUROPACE, thus considerably exceeded the growth rates of their respective markets once again. 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 August*** 2019. In the same period, the volume of new business for building finance agreements expanded by almost 5 per cent. The volume of new business for consumer loans was also up by around 5 per cent compared with the period January to August 2018.

By using FINMAS, the sub-marketplace for institutions in the Savings Banks Finance Group, the affiliated banks generated a transaction volume of €4.6 billion in the first nine months of the year (Q1–Q3 2018: €2.9 billion), an increase of 55 per cent. In the third quarter, the volume rose by 52 per cent to €1.8 billion (Q3 2018: €1.2 billion). In the cooperative banking sector, institutions used the GENOPACE sub-marketplace to achieve a volume of €3.0 billion in the first three quarters of the year and €1.4 billion in the third quarter of 2019. The volume in the first nine months was thus up by around 157 per cent (Q1–Q3 2018: €1.2 billion). The rate of increase in the third quarter of 2019 was 224 per cent (Q3 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 EUROPACE lending marketplace are divided into three groups: private commercial banks and insurance companies, savings banks and cooperative banks. Private commercial banks and insurance companies are traditionally the largest group and, in the first nine months of 2019, generated a volume of €35.8 billion as product suppliers (Q1–Q3 2018: €33.0 billion). Acting as product suppliers, the savings banks generated a volume of €8.0 billion in the same period (Q1–Q3 2018: €6.1 billion) and the cooperative banks €6.6 billion (Q1–Q3 2018: €3.7 billion). The savings banks and cooperative banks, which 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 Ronald Slabke, Chief Executive Officer of Hypoport AG, the healthy volume growth confirms EUROPACE's strong market position: "Last year, we achieved a monthly transaction volume in excess of €5 billion for the first time. Now, in the third quarter of this year, we brokered an average volume per month of more than €6 billion. This is a sustained uptrend because the expansion of the lending marketplace is being driven by all four user groups and we are growing at a much faster rate than the German market as a whole."

Volume of transactions* on EUROPACE						
(€ billion)	Q1-Q3 2019	Q1-Q3 2018	Q1-Q3 change	Q3 2019	Q3 2018	Q3 change
Total transaction volume	50.38	42.77	+17.8%	18.52	14.90	+24.3%
of which mortgage finance	39.51	33.04	+19.6%	14.56	11.55	+26.1%
of which building finance	8.23	6.97	+18.1%	3.03	2.43	+25.0%
of which personal loans	2.64	2.77	-4.7%	0.93	0.93	-0.2%
Transaction volume per sales day (€ million)**	267.3	227.5	+17.5%	280.6	229.3	+22.4%

* 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 August 2019; figures for September 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. 1,700 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 more than 650 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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Key data on Hypoport's shares

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