

Press release

Operational key figures for Q1–Q3 2022

Hypoport SE: Following an exceptionally strong first half of the year, the market for mortgage finance has contracted sharply

- Volume of Europace transactions grows by 5 per cent in the first nine months; drop of 18 per cent in Q3
- Cooperative banks remain the biggest group of users with a rise of 16 per cent in Q1–Q3 and a fall of 9 per cent in Q3; transactions by savings banks saw an increase of 8 per cent in Q1–Q3 and a decrease of 23 per cent in Q3
- VALUE AG's valuation volume jumps by 18 per cent in Q1–Q3 and by 18 per cent in Q3
- Volume of new loans brokered on the property financing platform for the housing industry climbs by 9 per cent in Q1–Q3 and slides by 27 per cent in Q3
- 14 per cent increase in the volume of premiums related to insurance portfolios migrated to the SMART INSUR platform

Berlin, 17 October 2022: Following a strong first six months of the year, the operational key figures of the Hypoport Group's loan brokerage business models declined sharply in the third quarter of 2022. This was due to very subdued demand for private and institutional mortgage finance.

Credit Platform segment: Europace increased its transaction volume* by 5 per cent in the first nine months of 2022. This meant that the total volume across all product groups was just over €80 billion. In the third quarter, the transaction volume fell by 18 per cent to €20 billion. The transaction volume for mortgage finance, which is by far the largest product group, edged up by 3 per cent year on year to €65 billion in the first three quarters of the year, whereas the volume in the third quarter of 2022 dropped by 22 per cent compared with the same period of 2021 to €16 billion. The transaction volume in the second-largest product group, building finance, rose by 10 per cent to €11 billion in the nine-month period and declined by 8 per cent to €3 billion in the third quarter of 2022. The performance of the smallest product group, personal loans, was much more encouraging, with the volume jumping by 37 per cent to €4 billion in the first nine months of the year and by 21 per cent to €1 billion in the third quarter of 2022. The transaction volume per working day** amounted to €418 million in the period January to September 2022 and €300 million in the period July to September 2022.

FINMAS, the sub-marketplace for institutions in the savings banks sector, increased its volume of transactions* by 8 per cent to €8.4 billion in the first nine months of 2022. The volume fell by 23 per cent to €2.0 billion in the third quarter. In the cooperative banking sector, institutions used the dedicated GENOPACE sub-marketplace to generate a volume* of €10.9 billion in the first three quarters of the year (up by 16 per cent) and €2.8 billion in the third quarter (down by 9 per cent). Alongside these groups of banks, the volume generated by non-captive financial product distributors rose slightly in the first nine months of the year, whereas the volume attributable to private commercial banks declined after a very successful prior-year period. In the third quarter, both volumes were down sharply year on year.

Private Clients segment: The volume of new loans brokered by Dr. Klein* advanced by 5 per cent to €7.8 billion in the first three quarters of 2022 but contracted by 23 per cent in the third quarter.

Real Estate Platform segment: The value of residential properties inspected and appraised by VALUE AG went up by 18 per cent to €27 billion in the first nine months of this year. This key figure also improved by 18 per cent in the third quarter, taking it to €9 billion. The value of the properties sold through the FIO platform fell by 26 per cent to €9 billion in the first three quarters of 2022 owing to the smaller number of properties available for sale. In the third quarter, this figure went down by 19 per cent to €3 billion. The volume of loans brokered on the Dr. Klein WoWi property financing platform increased by 11 per cent to €1.7 billion in the first nine months of the year but, in the third quarter, was down by 27 per cent compared with what had been a very robust prior-year period.

Insurance Platform segment: There was further progress with migrating the insurance portfolios from the individual solutions of acquirees to the centralised SMART INSUR platform. The portfolio volume on SMART INSUR grew by 14 per cent to a total of €3.8 billion.

“During the summer months, when many people were on holiday, we saw the usual slowdown in the private property market,” said Ronald Slabke, Chief Executive Officer of Hypoport SE, explaining the link between the key figures and recent developments in the mortgage finance market. “Moreover, there has been a mismatch between sellers’ and buyers’ price expectations for residential properties for some weeks. As well as property sales taking longer, as we had anticipated at the start of the summer, this has also led to transactions being called off altogether. Despite slight price falls and the jump of 40 per cent in the supply of apartments and of 62 per cent in the supply of detached houses, potential buyers have generally been reticent to complete transactions since the end of the summer due to the combination of rapidly rising interest rates, extremely high inflation, concerns about a recession and hopes that property prices will fall further. This overall situation, which we reported on in mid-September, is now reflected in our operational key figures. This is the first time in the past 25 years that the German housing market has seen such a rate of deceleration. Consequently, there is a lack of empirical data about the speed of the required realignment of price expectations. We do not doubt that the price expectations of sellers and buyers will begin to converge again in an efficient market and with demand for housing in our country remaining high. What’s more, we are confident that the market for residential property owners in Germany will remain a growth market in the long term.”

(€ billion)	Q1-Q3 2022	Q1-Q3 2021	Q1-Q3 change	Q3 2022	Q3 2021	Q3 change
Segment Credit platform						
Total transaction volume Europace*	80.04	76.29	+4.9%	19.81	24.12	-17.9%
thereof mortgage finance	65.02	63.36	+2.6%	15.67	19.98	-21.6%
thereof building finance	10.82	9.87	+9.7%	2.83	3.06	-7.6%
thereof personal loans	4.20	3.06	+37.2%	1.31	1.08	+21.2%
Transaction volume per sales day (€ million)**	418.0	402.6	+3.8%	300.2	365.5	-17.9%
Segment Private Clients						
Volume of new loans brokered* Dr. Klein Private Clients	7.82	7.44	+5.2%	1.78	2.31	-23.0%
Segment Real Estate Platform						
Value of the properties valued by VALUE AG	26.68	22.68	+17.6%	8.72	7.36	+18.4%
Value of all properties sold via FIO	9.41	12.73	-26.1%	2.72	3.38	-19.5%
Transaction volume Property financing platform Dr. Klein Wowi	1.67	1.51	10.6%	0.35	0.48	-26.9%
Segment Insurance Platform	30 Sept 2022	30 Sept 2021	change	30 Sept 2022	30 Sept 2021	change
Volume of policies (net premiums) migrated to SMART INSUR	3.78	3.30	14.3%	3.78	3.30	14.3%

* 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).

About Hypoport SE

Hypoport SE 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. 2,500 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. 800 partners – banks, insurers and financial product distributors. Several thousand loan brokerage advisors execute more than 35,000 transactions per month on Europace, generating a volume of approx. €9 billion. Besides Europace, the FINMAS and GENOPACE sub-marketplaces and the B2B distribution companies Qualitypool and Starpool support the growth of the credit platform. REM CAPITAL AG provides specialist advice on the arrangement of complex public-sector development loans for companies and financing for SMEs in Germany. At fundingport GmbH a corporate finance marketplace is being established.

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 property-related activities of the Hypoport Group, with the exception of loan brokerage for private clients, are grouped together in the Real Estate Platform segment with the aim of digitalising the sale, valuation, financing and management of properties and, in the long term, creating a digital platform for housing.

There are three business units in the Insurance Platform segment: private insurance (SMART INSUR), industrial insurance and occupational pension provision (ePension). The insurance business of the B2B distributor Qualitypool is also assigned to this segment.

The shares of Hypoport SE are listed in the Prime Standard segment of the Frankfurt Stock Exchange (Deutsche Börse) and have been included in the SDAX or MDAX since 2015.

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Financial calendar:

14 November 2022: Quarterly Statement Q3 2022
13 March 2023: Preliminary financial results for 2022
27 March 2023: Annual report 2022

Management Board:
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Stephan Gawarecki

Supervisory Board:
Dieter Pfeiffenberger (chairman),
Roland Adams (vice-chairman),
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Key data on Hypoport's shares

ISIN DE 0005493365

WKN 549336

Stock exchanges symbol HYQ