

Press release

Operational key figures for Q3 2023

Hypoport SE: further slight rise in the volume of mortgage finance transactions

- Europace transaction volume rises by 7 per cent compared with Q2 2023; transaction volume per sales day falls by 2 per cent
- Savings bank and Cooperative bank volumes per sales day increase by 3 per cent and 9 per cent respectively compared with Q2 2023
- FIO's sales volume grows by 6 per cent compared with Q2 2023
- Challenging market conditions continue to affect both VALUE AG's valuation volume and the volume of new loans brokered on the property financing platform for the housing industry in Q3
- Modest increase in the volume of premiums related to insurance portfolios migrated to the SMART INSUR platform

Berlin, 20 October 2023: The volume of mortgage finance transactions on Europace rose slightly in the third quarter compared with the preceding quarter. Consumers are buying existing properties as lending rates remain stable while the supply of rental properties continues to dwindle. However, this trend is being held back by the prolonged political discussions about revising the German Buildings Energy Act (GEG) with regard to the heating of residential buildings.

Credit Platform segment: The volume of transactions* processed on Europace for all product types amounted to €17 billion in the third quarter of 2023, an increase of 7 per cent on the second quarter of this year. The volume per sales day, which takes into account the higher number of sales days** compared with the second quarter, was down by a modest 2 per cent, also reflecting the seasonal effect of the summer holiday period.

The volume of mortgage finance transactions rose by 9 per cent to €14 billion (volume per sales day: down by 1 per cent). Compared with the second quarter of 2023, the transaction volume in the building finance product group edged down by 3 per cent to €1.8 billion in the third quarter (volume per sales day: down by 11 per cent), whereas the transaction volume in the personal loans product group held steady at €1.4 billion (volume per sales day: down by 8 per cent).

On FINMAS, the sub-marketplace for institutions in the savings banks sector, the volume of transactions rose by 13 per cent compared with the second quarter to reach €1.9 billion (volume per sales day: up by 3 per cent). In the cooperative banking sector, institutions used the dedicated GENOPACE sub-marketplace to generate a volume of €3.2 billion, a jump of 19 per cent compared with the second quarter (volume per sales day: up by 9 per cent). Independent financial product distributors in the private credit industry also increased their volumes, whereas the volumes generated by private commercial banks declined.

Private Clients segment: The volume of new loans brokered by Dr. Klein in the third quarter of 2023 amounted to €1.5 billion, which was up by 7 per cent compared with the second quarter of this year (volume per sales day: down by 2 per cent).

Real Estate Platform segment: The value of the properties sold through the FIO platform increased by 6 per cent to €2.6 billion in the third quarter of 2023. The value of residential properties inspected or appraised by VALUE AG amounted to €7 billion in the same period, representing a small rise of 5 per cent following the sharp fall in the second quarter.

Dr. Klein WoWi Finanz, the property financing platform for the social housing industry, generated a volume of €0.2 billion in the third quarter of 2023. Although this constituted an increase of 15 per cent compared with the second quarter, which had been affected by challenging market conditions for rental accommodation finance, it was down significantly on the level of previous years.

Insurance Platform segment: There was further progress with migrating the insurance portfolios from individual solutions to the centralised SMART INSUR platform. The portfolio volume on SMART INSUR grew by 3 per cent compared with the second quarter of 2023 to reach a total of €4.1 billion.

“Back in the third quarter of last year, we saw an unprecedented slump in the volume of mortgage finance transactions,” said Ronald Slabke, Chief Executive Officer of Hypoport SE, explaining the reasons for the small increase in the mortgage finance volume. “That trend was reversed at the start of this year. However, there is still a lack of momentum to allow a rapid recovery. We anticipate that our current growth figures will translate into small gains in market share as the overall market is expanding only slowly. Nonetheless, the conditions are conducive to a market bounce-back as interest rates are stable, property prices have fallen and are now holding steady, and soaring rents caused by the huge drop in new properties being built are prompting many families to consider buying their own home. Governments at both national and state level are sending confusing signals, however. Vastly pared-down support programmes, high real-estate transfer taxes and unclear energy-efficiency requirements are combining to ensure the market for existing properties remains sluggish. At the housing summit held in late September, the further expansion of regulations was put on hold, but what is urgently needed is for them to be rolled back. Steadily increasing pressure from people looking for residential properties will produce a market rebound, even if political support fails to materialise. For existing properties at least, we are noticing that the gap between buyers’ and sellers’ price expectations is shrinking. Once equilibrium has been restored, demand for mortgage finance should normalise. Until then, we will continue as usual to generate growth by capturing additional market share.”

(€ billion)	Q3 2023	Q3 2022	Q3 change	Q3 2023	Q2 2023	Q3/Q2 change
Segment Credit platform						
Total transaction volume Europace*	16.78	19.81	-15.3%	16.78	15.74	+6.6%
thereof mortgage finance	13.64	15.67	-12.9%	13.64	12.55	+8.7%
thereof building finance	1.77	2.83	-37.5%	1.77	1.82	-2.7%
thereof personal loans	1.37	1.31	+4.1%	1.37	1.37	+0.2%
Transaction volume per sales day (€ million)**	258.2	300.2	-14.0%	258.2	264.5	-2.4%
Segment Private Clients						
Volume of new loans brokered* Dr. Klein Private Clients	1.49	1.78	-16.2%	1.49	1.40	+7.0%
Segment Real Estate Platform						
Value of the properties valued by VALUE AG	7.29	8.72	-16.4%	7.29	6.96	+4.8%
Value of all properties sold via FIO	2.60	2.72	-4.3%	2.60	2.46	+6.0%
Transaction volume Property financing platform Dr. Klein Wowi	0.25	0.35	-29.7%	0.25	0.21	+14.8%
Segment Insurance Platform	30 Sept. 2023	30 Sept. 2022	Q3 change	30 Sept. 2023	30 Jun 2023	Q3/Q2 change
Volume of policies (net premiums) migrated to SMART INSUR	4.11	3.78	+9.00%	4.12	4.00	+2.8%

* 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 more than 2,000 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 nearly €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. 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 (corify) 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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