

Press release

Operational key figures for Q2 2023

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

- Europace transaction volume down by 5 per cent on the first quarter of 2023 due to public holidays but up by 3 per cent per working day
- Cooperative bank and savings bank volumes increase by 5 per cent and 3 per cent respectively
- FIO's sales volume rises by 5 per cent compared with the first quarter of 2023
- VALUE AG's valuation volume falls due to the delayed impact of the decline in the market
- Significant decrease in the volume of new loans brokered on the property financing platform for the housing industry in the second quarter of 2023
- Increase in the volume of premiums related to insurance portfolios migrated to the SMART INSUR platform

Berlin, 19 July 2023: The mortgage finance market recovered only slightly in the second quarter of 2023 compared with the first quarter of the year. In an otherwise stable environment, consumers were unsettled by the intense debate surrounding Germany's new Buildings Energy Act (GEG) and the resulting requirements for heating residential buildings that will come into force from January 2024.

Credit Platform segment: Although the volume of transactions* processed on Europace across all product lines amounted to a sizeable €16 billion in the second quarter of 2023, this represented a small decrease of 5 per cent on the first quarter of 2023. However, the volume per working day, which takes into account the higher number of public holidays in the second quarter, was up by a modest 3 per cent. The volume of mortgage finance transactions edged down by 3 per cent to €13 billion but rose by 5 per cent per working day.

Compared with the first quarter of 2023, the transaction volume in the building finance product group fell by 15 per cent to €1.8 billion in the second quarter of 2023 (down by 7 per cent per working day). In the personal loans product group, business was down by 3 per cent on the traditionally strong first quarter to €1.4 billion in the second quarter of 2023 (but up by 5 per cent per working day). This sideways trend was due to banking partners tightening their lending requirements and to seasonal factors.

On FINMAS, the sub-marketplace for institutions in the savings banks sector, the volume of transactions rose by 3 per cent, or 11 per cent per working day, compared with the first quarter of 2023 to reach €1.7 billion. In the cooperative banking sector, institutions used the dedicated GENOPACE sub-marketplace to generate a volume of €2.7 billion, representing a rise of 5 per cent (13 per cent per working day).

Private Clients segment: The volume of new loans brokered by Dr. Klein amounted to €1.4 billion in the second quarter of 2023, which was down by 9 per cent on the relatively strong first quarter of 2023 (down by 1 per cent per working day).

Real Estate Platform segment: The value of the properties sold through the FIO platform increased by 5 per cent to €2.5 billion in the second quarter of 2023. The value of residential properties inspected or appraised by VALUE AG amounted to €7 billion in the same period, a decline of 15 per cent relative to the first quarter of 2023 attributable to the trailing effect of the slump in the mortgage finance market. Dr. Klein WoWi Finanz, the property financing platform for the social housing industry, generated a volume of €0.2 billion in the second quarter of 2023, a substantial drop of 26 per cent on the first quarter of 2023 that resulted from the difficult conditions in the market for rental accommodation finance. Here, too, the volume was substantially affected by the additional uncertainty in the housing sector caused by political debate surrounding the features of Germany's new Buildings Energy Act (GEG).

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 4 per cent on the first quarter of 2023 to reach a total of €4.0 billion.

Ronald Slabke, CEO of Hypoport SE, continues to offer a rational and optimistic assessment of the trends in 2023: "After the unprecedented flight of buyers from the residential real estate market that began in late summer 2022, and which saw the volume of transactions on EUROPACE bottom out in the fourth quarter of 2022, more realistic assessments are increasingly gaining the upper hand in the market. Even if the rise of 5 per cent in the volume of transactions per working day means we cannot yet describe the recovery in the mortgage finance market as rapid, it does show that the market is beginning to stabilise at a low level and that we are gaining further market share.

The market has stabilised on the back of the sideways trend in property prices and mortgage rates since the beginning of the year coupled with fast-rising rents and income. Only government policy is now a source of uncertainty for potential first-time buyers. The intensive debate in the media surrounding the Buildings Energy Act and the multiple changes that it had to undergo did not exactly inspire confidence. A reliable set of background conditions is extremely important for investment in residential property. And we will only be able to satisfy the sharp rise in demand for housing, driven by mass migration, if a reliable regulatory framework is in place for the construction of residential properties. Meanwhile, the pressure that has been building up over a number of years for hundreds of thousands of families looking for a suitable home continues to ratchet up and will increasingly be reflected in a renewed rise in property purchase figures."

(€ billion)	Q2 2023	Q2 2022	Q2 Change	Q2 2023	Q1 2023	Q2/Q1 Change
Segment Credit platform						
Total transaction volume Europace*	15.74	26.41	-40.4%	15.74	16.48	-4.5%
thereof mortgage finance	12.55	21.25	-40.9%	12.55	12.95	-3.1%
thereof building finance	1.82	3.65	-50.1%	1.82	2.13	-14.5%
thereof personal loans	1.37	1.51	-9.8%	1.37	1.41	-2.9%
Transaction volume per sales day (€ million)**	260.1	429.5	-39.4%	260.1	253.6	+2.6%
Segment Private Clients						
Volume of new loans brokered* Dr. Klein Private Clients	1.40	2.51	-44.4%	1.40	1.52	-8.5%
Segment Real Estate Platform						
Value of the properties valued by VALUE AG	6.96	9.01	-23.0%	6.96	8.16	-14.8%
Value of all properties sold via FIO	2.46	3.33	-26.2%	2.46	2.35	+4.5%
Transaction volume Property financing platform Dr. Klein Wowi	0.21	0.74	-70.9%	0.21	0.29	-25.8%
Segment Insurance Platform	30.06. 2023	30.06. 2022	Q2 Change	30.06. 2023	31.03. 2023	Q2/Q1 Change
Volume of policies (net premiums) migrated to SMART INSUR	4.00	3.66	+9.4%	4.00	3.83	+4.4%

* 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).

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 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 August 2023: Report for the first half of 2023

13 November 2023: Quarterly Statement Q3 2023

Key data on Hypoport's shares

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