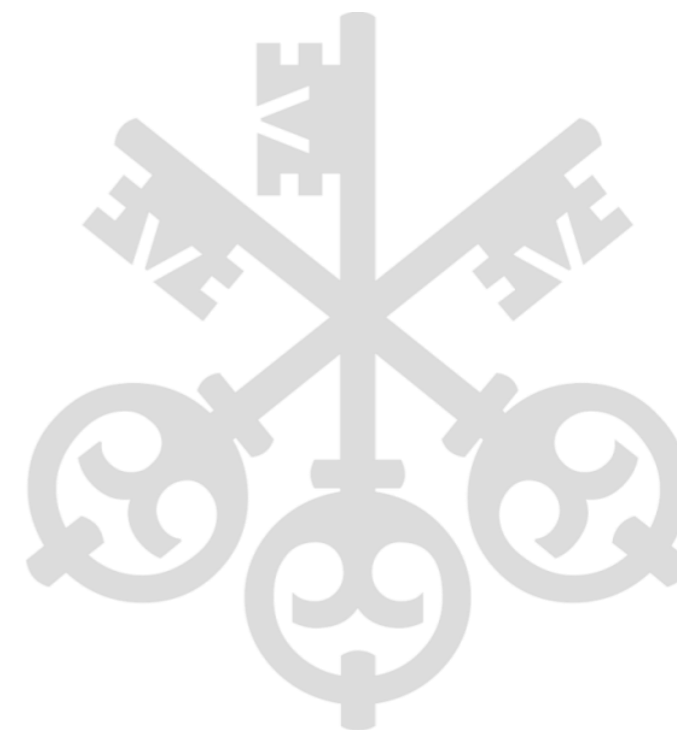


# The Changing Mortgage Market in Switzerland

From Platforms to Ecosystems

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Head Digital Platforms & Marketplaces



# Table of contents

Section 1	<b>The mortgage market in Switzerland: developments and trends</b>	2
Section 2	<b>Structure of an ecosystem</b>	4
Section 3	<b>What is a lending platform</b>	9
Section 4	<b>Factors to consider in the build-up of an ecosystem</b>	12
Section 5	<b>Annexes</b>	15



Section 1

# The mortgage market in Switzerland: developments and trends



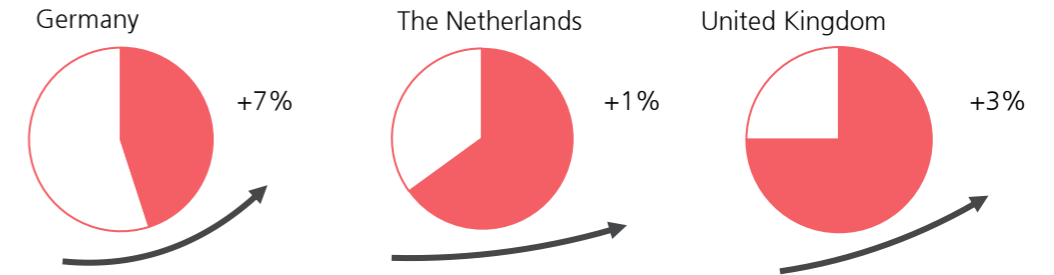
# The mortgage market in Switzerland: developments and trends

## Lending platforms



- Lending platforms already play an important role in many European markets, with market shares ranging from 45% (Germany) to 75% (UK).
- A similar development is expected in the Swiss market (currently only 5% market share).

Market share of platform mortgages and annual growth rate (2010–19)

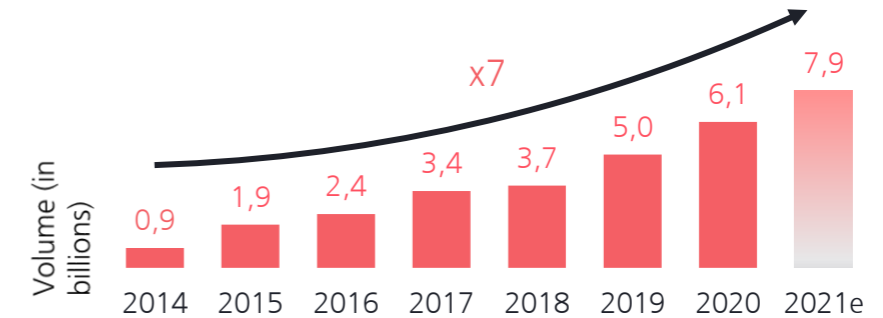


## Online channels



- Online mortgages are becoming increasingly important in Switzerland (44% CAGR for 2014–20).
- Collaboration with online real estate marketplaces generates additional leads for new mortgages.

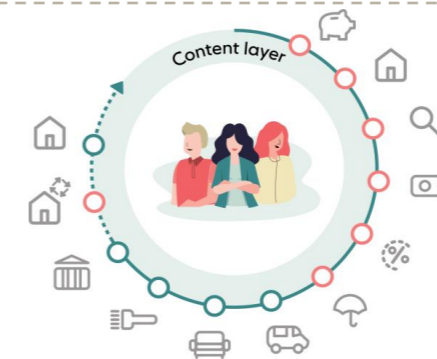
Average growth of 44% in the last five years



## Ecosystem



- The first ecosystems for “Home & Living” (SORE) and “PropSolutions” (IPRE) are being created in Switzerland.
- These ecosystems deal with client interfaces and create new opportunities to, e.g., collaborate with insurance companies and real estate agencies.



Section 2

## Structure of an ecosystem

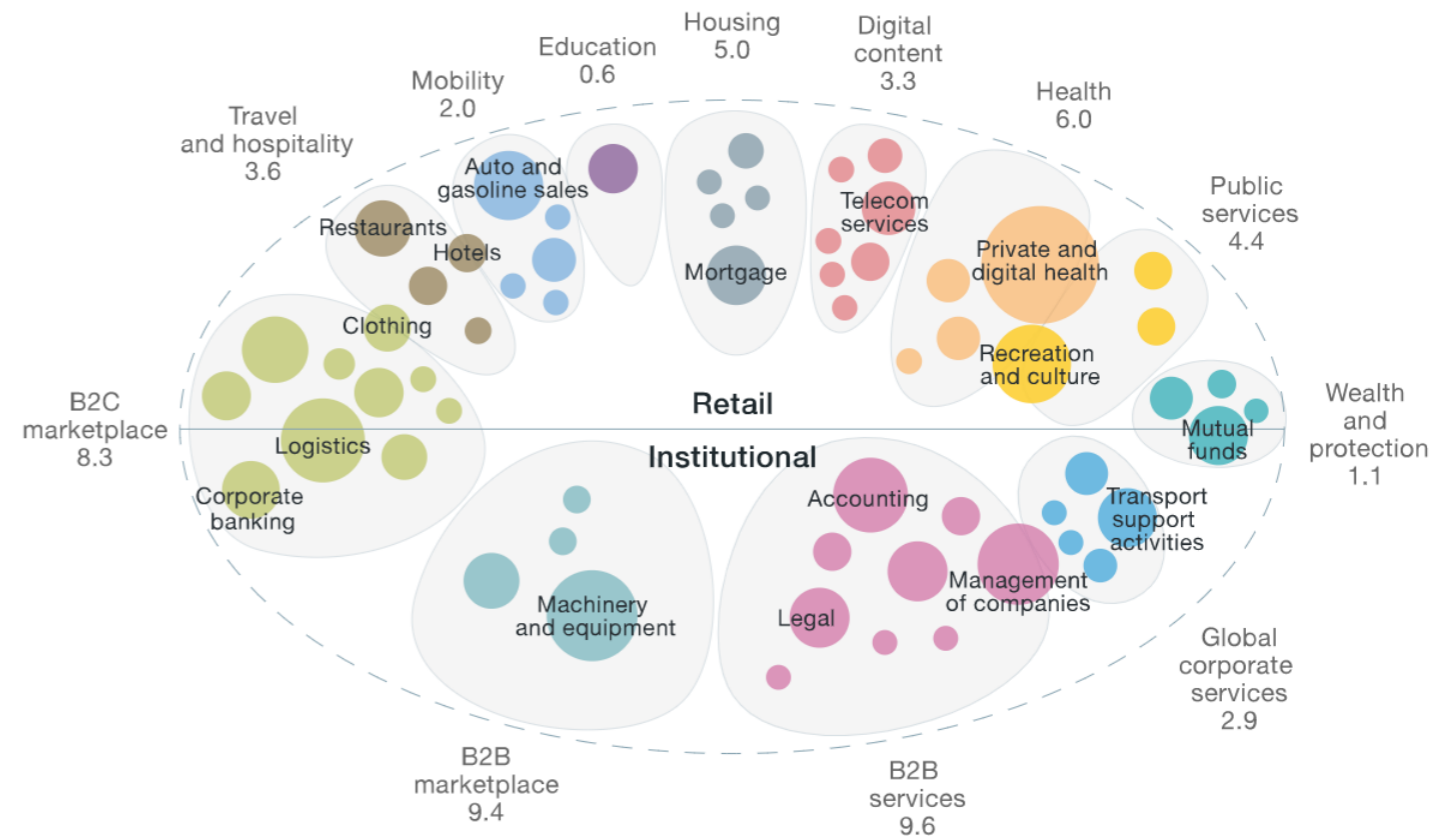


# The global economy is progressively converging towards **ecosystems**

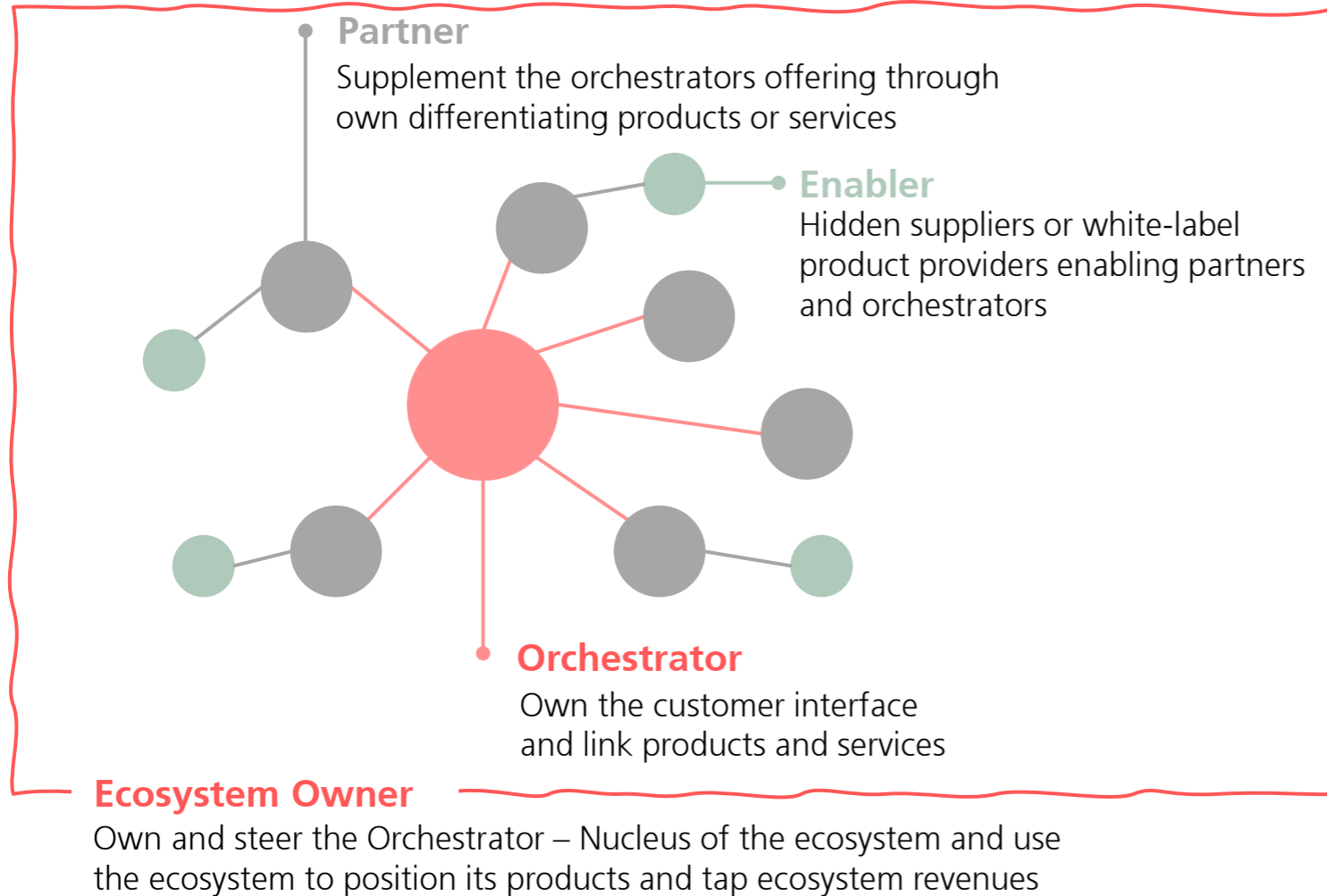
**New ecosystems could replace many traditional industries organized in hierarchical value chains, favouring new competitive models such as platform business**

1. Ecosystems are dynamic and co-evolving groups of economic actors, constituting together a **coherent solution for core needs** (e.g., housing vs. mortgage product)
2. Ecosystems are supporting the **emergence of new ways to compete and to cooperate**
3. According to estimates, **ecosystems could account for \$60 trn in revenues by 2025** (ca. 30% of global GDP)

*Ecosystem illustration – Estimated total sales in 2025 (\$ trillion)<sup>1</sup>*



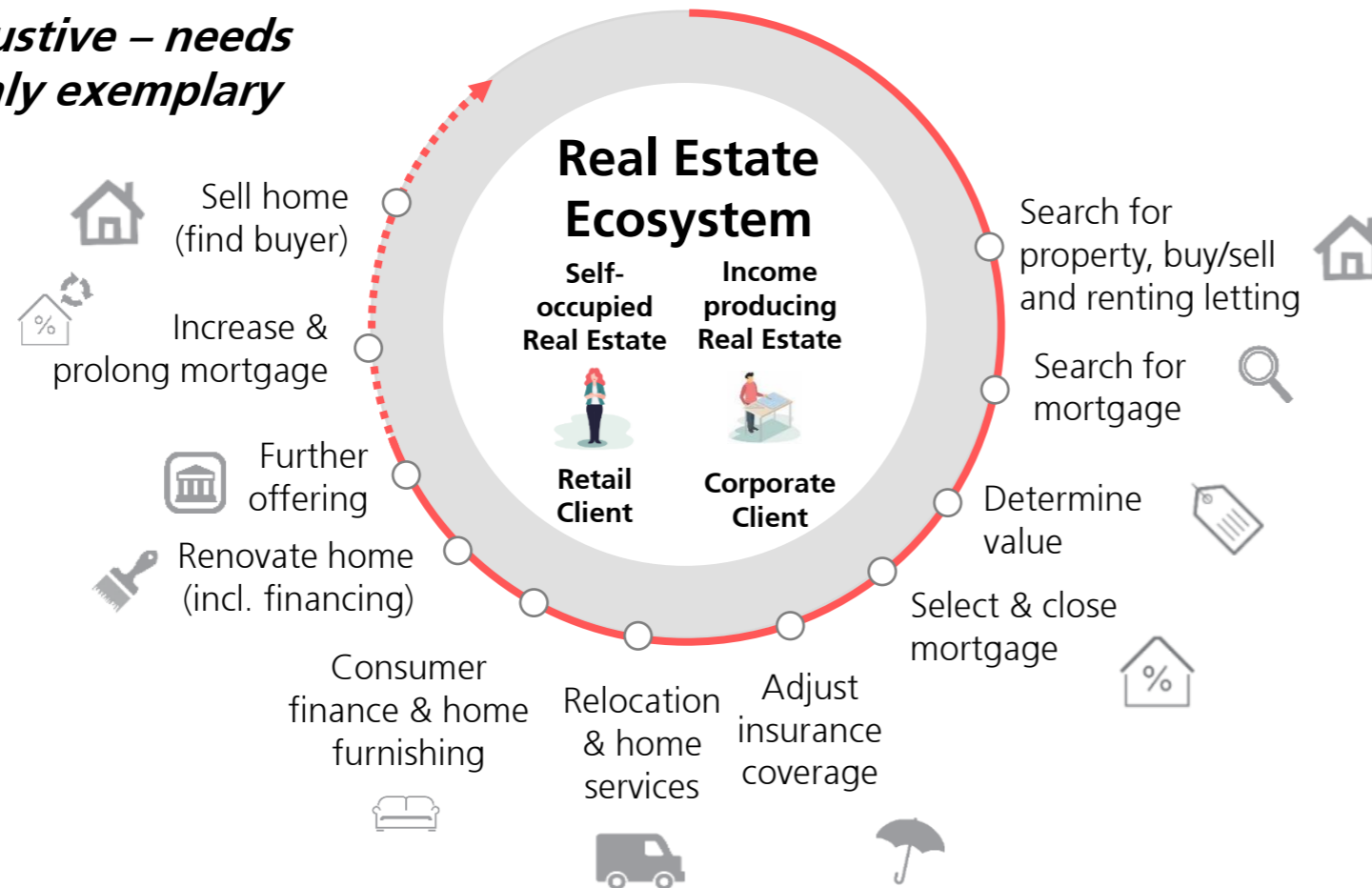
# Ecosystems are networks that will be key to capture client interfaces in the era of digitalization



- Ecosystems are distributed, adaptive networks with different partners that organize themselves
- The establishment of ecosystems is one of the most important trend arising from the era of the digitalization
- In the future ecosystems are expected to generate most of the **client value** as well as **capture client interfaces**

# In the real estate ecosystem both private and corporate users have broad needs which can be covered

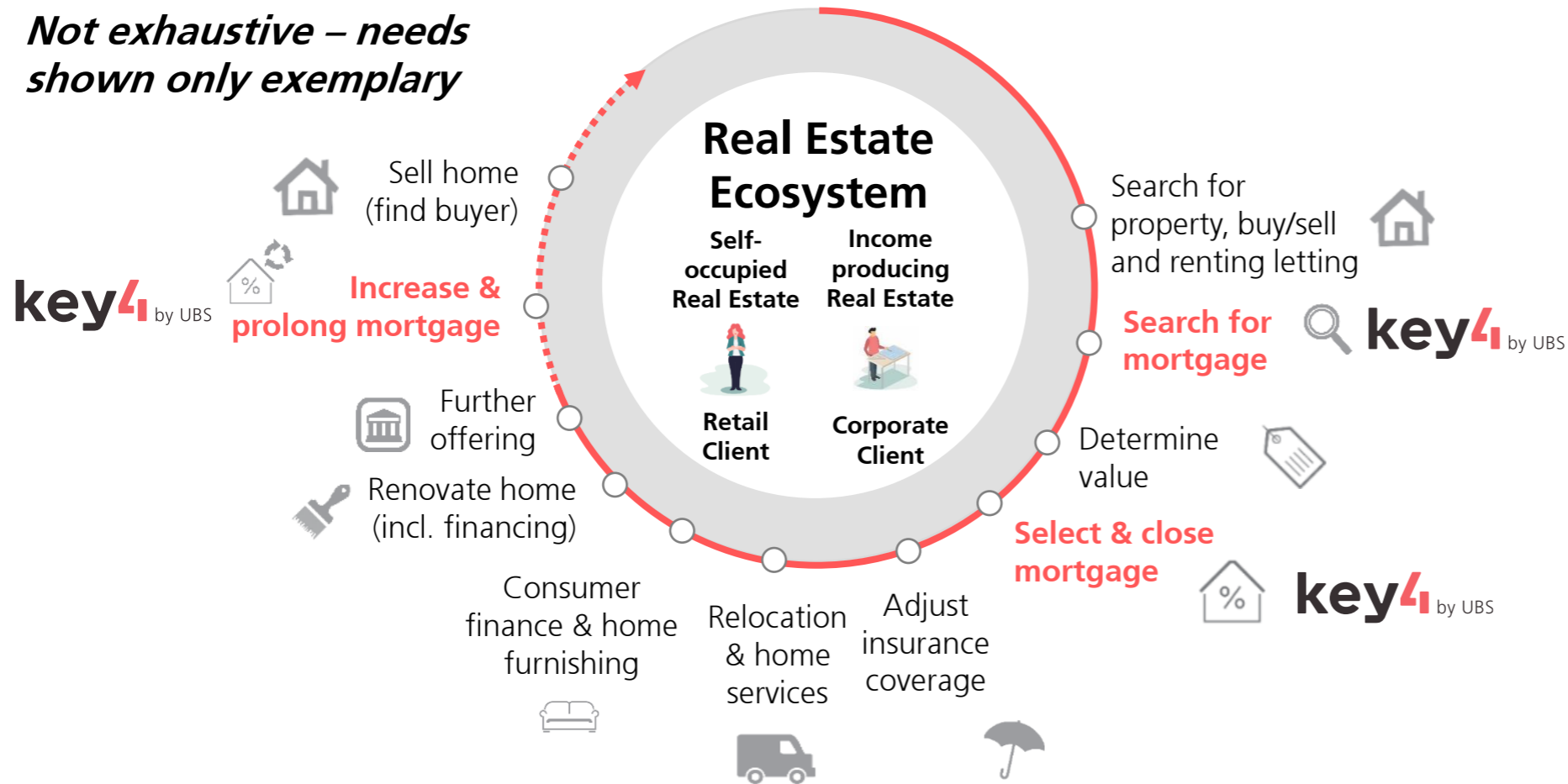
*Not exhaustive – needs shown only exemplary*





# Core mortgage needs can be covered by UBS key4 lending platforms...

*Not exhaustive – needs shown only exemplary*



Section 3

## What is a lending platform

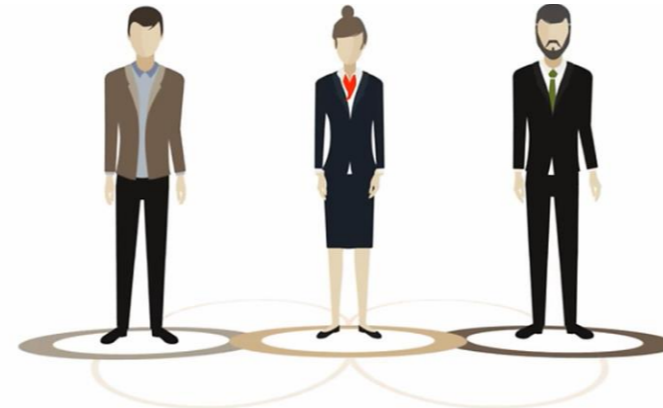


# What is a lending platform?

See more online  
[www.key4.ch](http://www.key4.ch)

**Peter House**  
*Real Estate Owner*

**Hans Investor**  
*Institutional Investor*



## Borrower

- ✓ Try free of charge!
- ✓ Personal data is safe and treated confidentially!
- ✓ Multiple comparable offers!
- ✓ I can choose the lender myself!
- ✓ UBS client advisor as single point of contact!
- ✓ Financing for up to 15 years (20 for IPRE)

## Investor

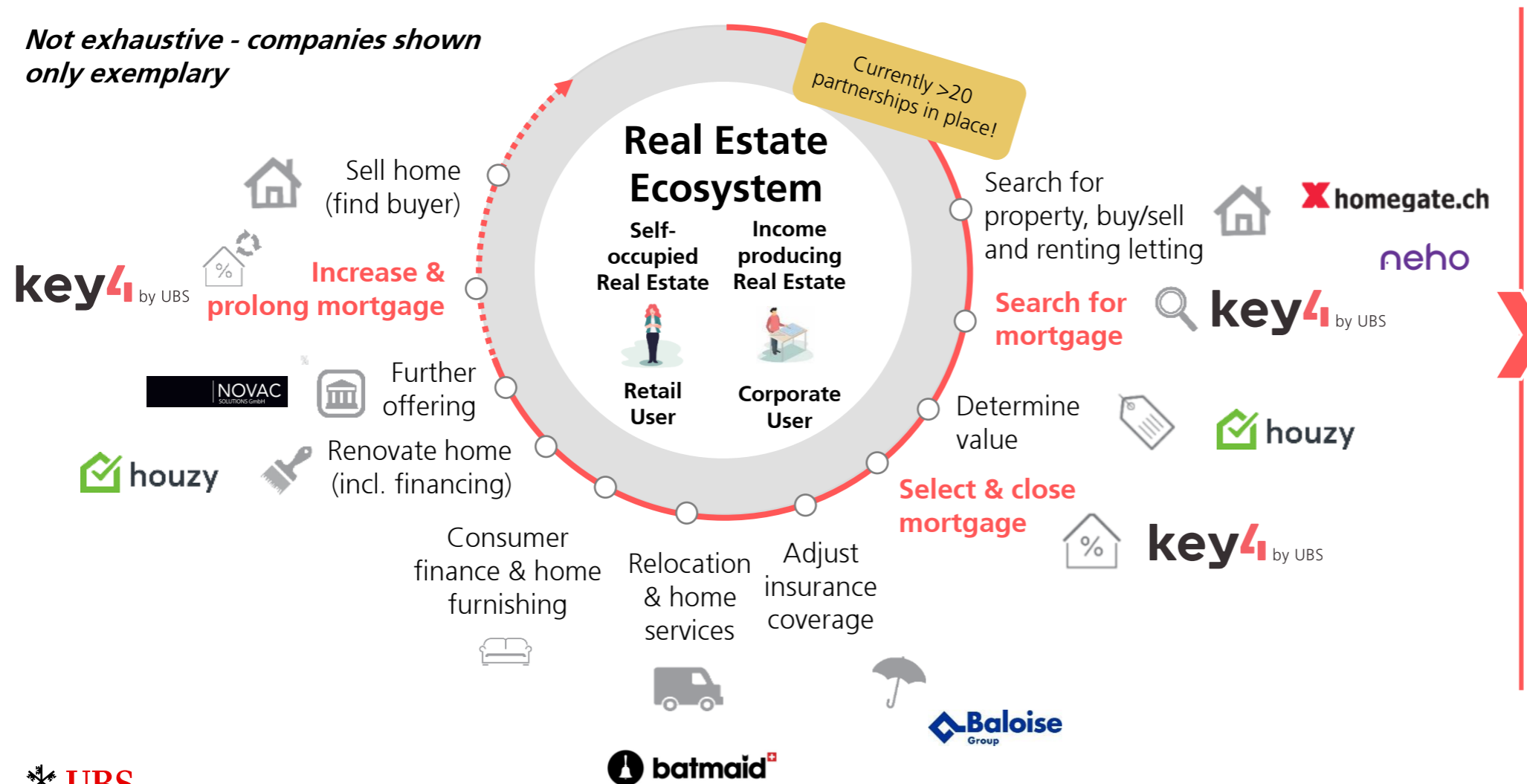
- ✓ Try free of charge!
- ✓ Transparent, sustainable Pricing that is valid for all investors!
- ✓ Access the market for Mortgages through UBS distribution!
- ✓ Only requests fulfilling UBS credit and risk policies!
- ✓ Mortgage administration is done by UBS!
- ✓ UBS remains as single point of contact!

**key4**  
by UBS

“ key4 is a brokerage and servicing platform connecting borrowers and potential mortgage lenders, while UBS acts both as a platform provider, servicer, and potential lender. ”

The endeavor towards the build-up of an ecosystem only started.  
Do you want to be part of the journey?

*Not exhaustive - companies shown only exemplary*



**Strategic partnership** with Baloise Group announced to **jointly build-up Real Estate ecosystem** with further innovative services

## Section 4

# Factors to consider in the build-up of an ecosystem



# Factors to consider in the build-up of an ecosystem

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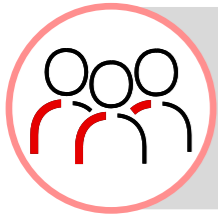
**No need to go alone**

Find a strategic partner with the same vision/ambition to ensure diversity in the ecosystem



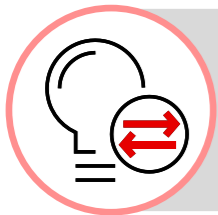
**Users first**

Strictly focus on the user needs throughout the journey



**Coopetition is key**

Ensure effective governance to attract partners and to foster collaboration



**Reinvent perpetually**

Constantly innovate to ensure attractiveness of the ecosystem

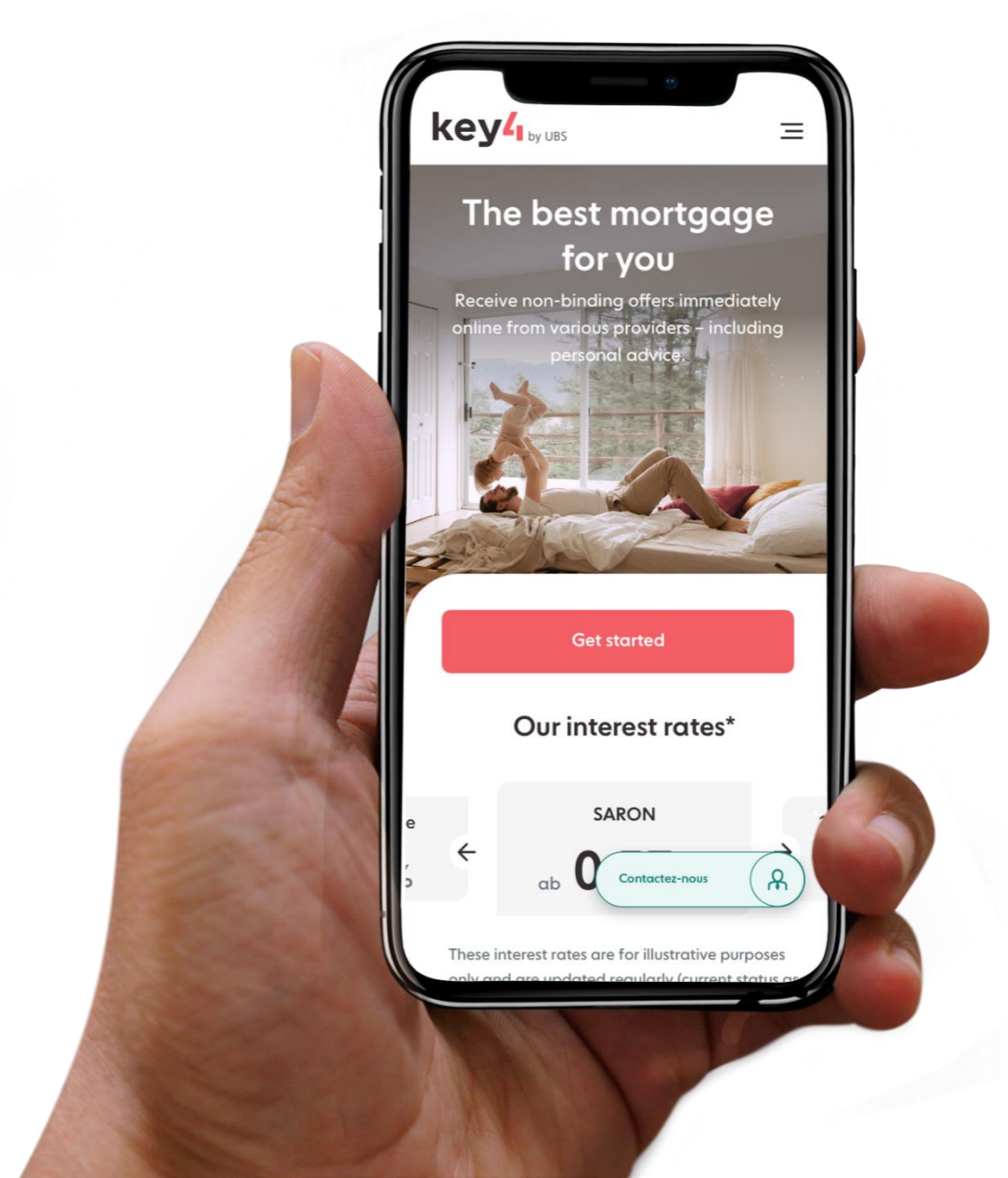
Interested in updates on key4? Check us out!

**key4** by UBS

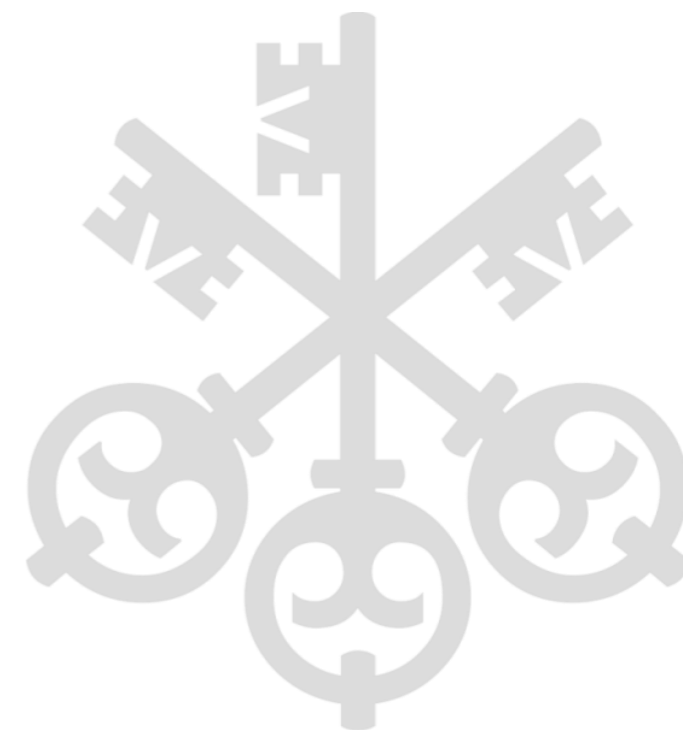


facebook

[www.key4.ch](http://www.key4.ch)




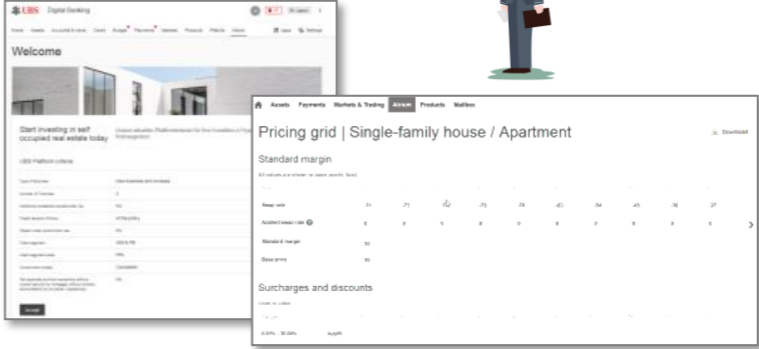
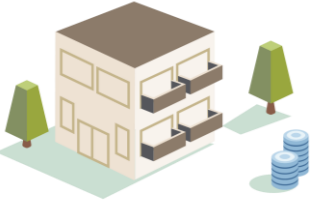


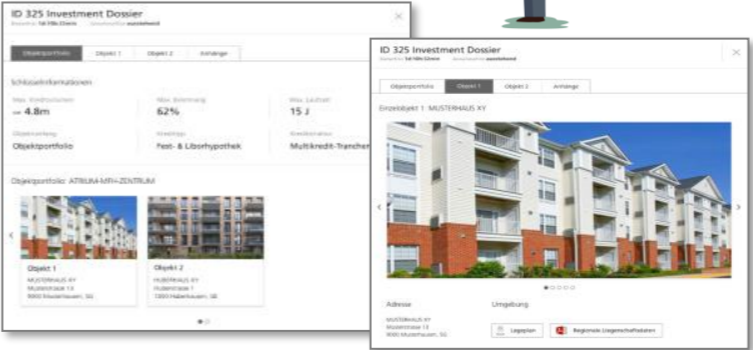


Section 5  
Annexes





# key4 services

Property Type	Borrower / Advisor	Investor platform	Description
 <p><b>Self-occupied real estate (SORE)</b></p>	 <p><b>Private clients</b> (Fully private individuals)</p>  <p><b>Personal Banking client advisor</b> (CCS advisor)</p>	<p><b>Automatic matching platform (in UBS E-Banking)</b></p>  <p><b>Institutional investors</b></p>	<ul style="list-style-type: none"> <li>• Mandate-like platform for financing self-occupied real estate</li> <li>• Launched under the name “key4 by UBS” at the end of June 2020</li> </ul>
 <p><b>Income-generating real estate (IPRE)</b></p>	 <p><b>Corporate and institutional clients</b> (~65% companies, ~35% private individuals)</p>  <p><b>Corporate and institutional client advisor</b> (CIC advisor)</p>	<p><b>Deal-by-deal platform (in UBS E-Banking)</b></p>  <p><b>Institutional investors</b></p>	<ul style="list-style-type: none"> <li>• “Deal-by-deal” platform for investment property financing</li> <li>• Since September 2021: key4 IPRE</li> </ul>

All figures in CHF unless otherwise stated.

# Green Mortgage on key 4 IPRE and SORE

## We support borrowers and investors in their sustainability efforts

- Promoting sustainability in line with Switzerland's Energy Strategy 2050.
- It can be assumed that sustainable properties will yield long-term returns.



# Green Mortgage on key4 IPRE and SORE

1. Borrower submits the certificate to key4 with the property documents
2. key4 checks whether the certificate meets current criteria
3. If it does, key4 marks the property as a Green Mortgage during the bidding process



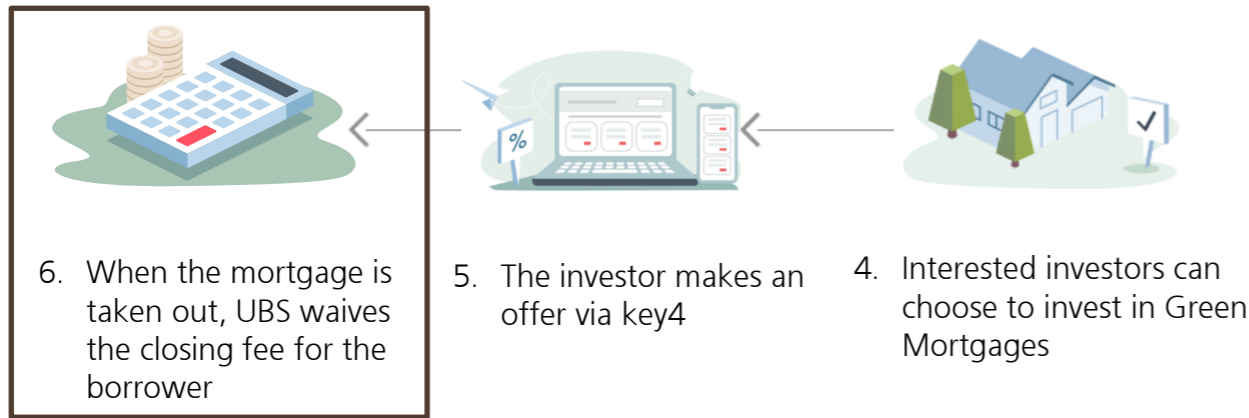
**Borrower**

Currently only for IPRE

**key4**  
by UBS Green Mortgage



**Investor**



6. When the mortgage is taken out, UBS waives the closing fee for the borrower

5. The investor makes an offer via key4

4. Interested investors can choose to invest in Green Mortgages

## Accepted certificates for IPRE

**MINERGIE** All certificates

**GEAK** Certificate A and B

**SNBS HOCHBAU** SNBS certification

**2000 Watt Areal** 2000-Watt sites

**LEED** All certificates

**BREEAM** delivered by **bre** All certificates

**DGNB** All certificates

## Accepted certificates for SORE

**MINERGIE** All certificates

**GEAK** Certificate A and B

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