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Bausparkasse Wuestenrot AG

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Ratings Score Snapshot

Issuer Credit Rating

BBB+/Stable/A-2

SACP: bbb → Support: +1 → Additional factors: 0

SACP: bbb			Support: +1		Issuer credit rating BBB+/Stable/A-2
Anchor	a-		ALAC support	0	
Business position	Constrained	-3	GRE support	0	
Capital and earnings	Strong	+1	Group support	+1	
Risk position	Adequate	0	Sovereign support	0	
Funding	Adequate	0			
Liquidity	Adequate				
CRA adjustment		0			

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

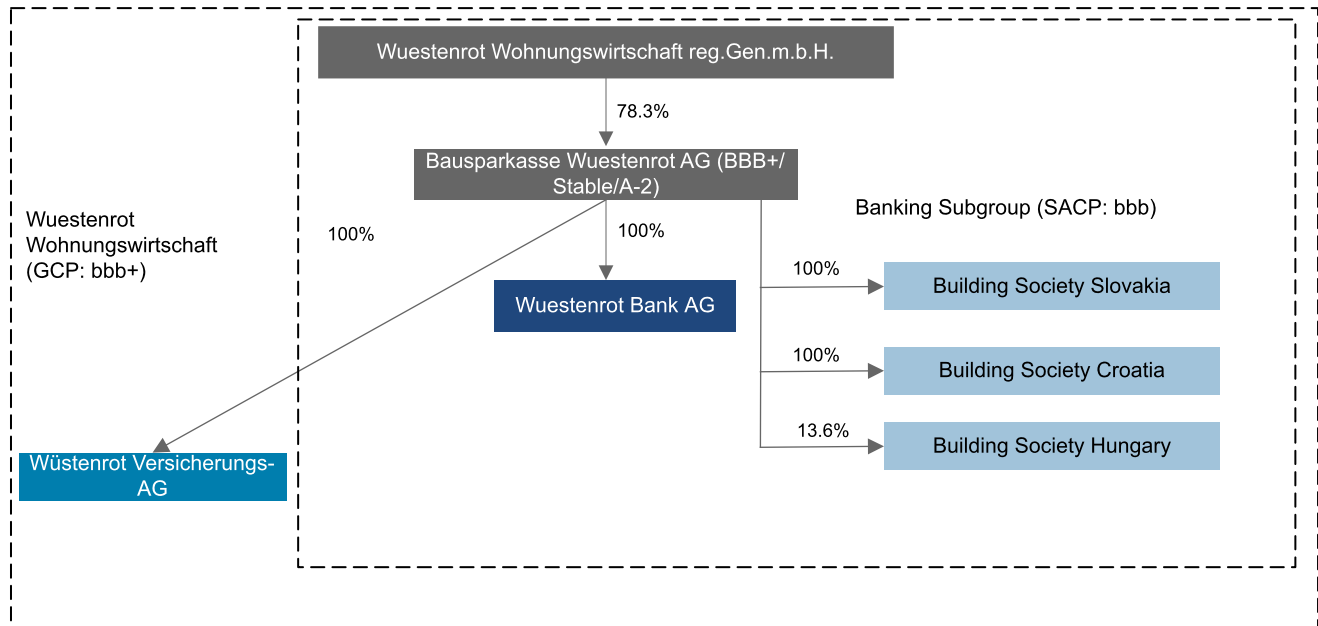
Overview

Key strengths	Key risks
Strong capitalization.	Low profitability and structural risks to business model amid high competition and limited product differentiation.
High market share in the niche Bauspar business.	Concentrated residential real estate lending in Austria.
Granular and stable retail deposit base.	

We expect Bausparkasse Wuestenrot AG (Bausparkasse) to remain a core part of Austrian bancassurance Wuestenrot Wohnungswirtschaft's strategy. We base our ratings on Bausparkasse Wuestenrot on Wuestenrot Wohnungswirtschaft's (the holding company) aggregate creditworthiness of its banking and insurance operations, given the significant size of both segments (see chart 1). We expect Bausparkasse to remain an integral part of the group.

Chart 1

Wuestenrot Wohnungswirtschaft -- Simplified Organizational Structure



Bausparkasse Wuestenrot AG is the rated entity.GCP--Group credit profile.SACP--Stand-alone credit profile.
 Source: S&P Global Ratings.
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We view Bausparkasse as a small and concentrated, but well-established specialist in its niche Bauspar business. The bank is almost exclusively focused on residential real estate lending, which we view as a low-risk segment in Austria. While the group's new universal bank, Wuestenrot Bank AG, is not restricted by Austria's Bauspar act and will broaden the scope of the subgroup's services, we consider it unlikely that this will materially change the group's overall business profile over the medium term.

We expect Bausparkasse's risk-adjusted capitalization to remain a key rating strength. Thanks to full earnings retention, the improved capital position of its insurance subsidiary, availability to absorb losses within the banking subgroup if needed, and freed up capital from the divestments of its equity stakes in Austrian Oberbank and Bank für Tirol und Vorarlberg (BTV), we expect Bausparkasse's S&P Global Ratings risk-adjusted capitalization (RAC) ratio to remain above 15% through year-end 2024.

At the same time, we note that our calculation for Bausparkasse's capital ratios remains very sensitive to the insurance subsidiary's capitalization, which we capture in our capital and earnings assessment.

Outlook

The stable outlook reflects our expectation of the wider bancassurance group and Wuestenrot Wohnungswirtschaft's stable performance in the next two years. We expect the banking subgroup's RAC will remain solidly above 10% and note that, at the current rating level, some headroom exists for a deterioration in financial performance and capitalization. We further expect the changing interest rate environment in the Austrian banking sector to benefit the group over time and think the bank will maintain its prudent risk appetite and contain cost of risk.

Downside scenario

We could lower our ratings over the next 12-24 months if we expect Bausparkasse's RAC ratio to fall substantially, leading us to lower the GCP. This could be the case if the bank's profitability does not improve as we expect or if the deteriorated economic environment in Austria is less supportive for Bausparkasse's business generation and weakens its asset quality.

Upside scenario

We consider a positive rating action on Bausparkasse remote at this stage. An upgrade would depend on an above average performance of the wider bancassurance group.

That said, we could raise the banking subgroup's stand-alone assessment if a successful launch of its new universal bank leads to a significantly more diversified business model and if the banking subgroup's profitability and operating efficiency are sustainably improved.

Key Metrics

Wuestenrot Wohnungswirtschaft (Banking subgroup)--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	2021a	2022a	2023f	2024f	2025f
Growth in operating revenue	-17.9	7.1	3.0-4.0	3.5-4.5	(1.0)-1.0
Growth in customer loans	1.0	6.9	2.0-3.0	2.5-3.5	1.5-2.5
Net interest income/average earning assets (NIM, bps)	133.0	117.0	130-140	135-145	130-140
Cost to income ratio	67.8	60.9	58.0-62.0	56.0-60.0	57.0-61.0
Return on average common equity	6.6	22.2	8.0-10.0	6.0-7.5	5.5-6.5
New loan loss provisions/average customer loans (bps)	11	15	15-20	10-15	10-15
Gross nonperforming assets/customer loans	1.2	0.8	1.3-1.4	1.2-1.3	1.1-1.2
Risk-adjusted capital ratio	11.4	18.8	15.0-20.0	15.0-20.0	15.0-20.0

All figures are S&P Global Ratings-adjusted. a--Actual. f--Forecast. NIM--Net interest margin.

Anchor: 'a-', Reflecting Bausparkasse's Operations Predominantly In Austria

Our economic risk assessment is based on Austria's highly competitive and diverse economy, with strong economic fundamentals, high integration in Western European economies, and strong ties to Eastern and Southeastern Europe. We expect Austria's economic growth to stagnate in real terms this year, after an estimated strong rebound of 4.7% in 2022, as the adverse effects of the Russia-Ukraine war continue to weigh on the open and export-oriented economy. We remain mindful that nonperforming loans are likely to rise throughout 2023 because of tail risks from the current war in Ukraine, but we believe that the second-round effects on the banking system will be manageable.

We consider that Austria's prudential regulatory standards are in line with the EU's and that banks' funding conditions remain comfortable, reflecting a large share of customer deposits. Austrian banks are among the largest beneficiaries of rising interest rates, also reflecting a still-material share of variable interest rate lending, which allows quick repricing on the asset side. However, trending at about 65%, the consolidated sector's cost-to-income ratio remains mediocre in a broader international context. We highlight that it remains crucial that banks continue to tackle inefficiencies to remain competitive throughout the cycle (see "Various Rating Actions Taken On Austrian Banks On Stabilization Of Operating Performance," published on Feb. 24, 2023).

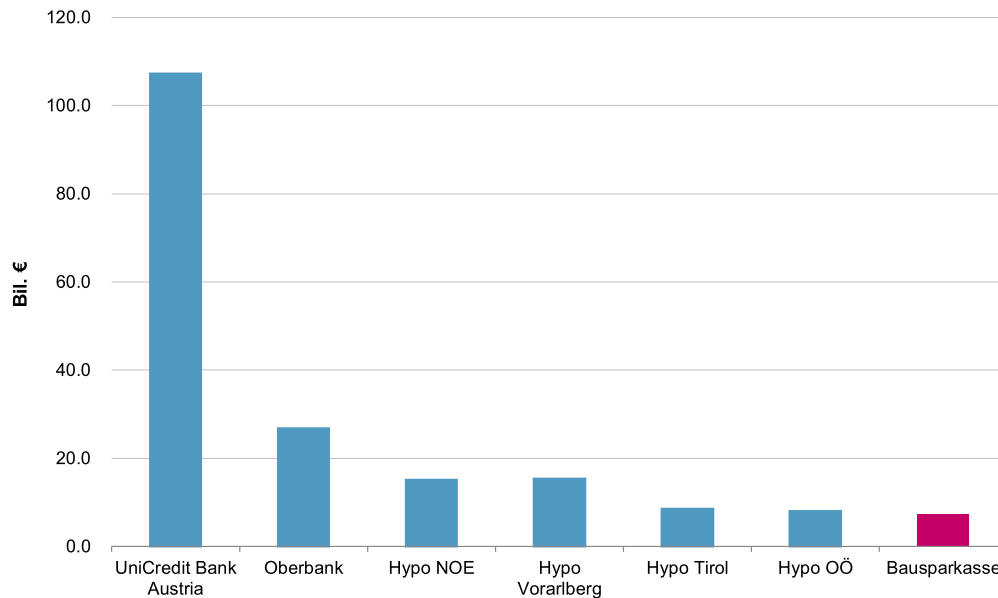
Business Position: Niche Operations With Relatively Low Profitability And Moderate Efficiency

We consider Bausparkasse's business position a rating weakness given its small scale and niche competitive position.

With assets expected to be stable at around €7 billion as of December 2022, Bausparkasse is a relatively small player in the Austrian market (see chart 2). However, we acknowledge it has an established track record and high market share in its niche Bauspar business.

Chart 2**Bausparkasse is a smaller Austrian mortgage lender**

Total assets at end-2022



Note: The peer group comprises selected Austrian peers that operate predominantly in Austria. Total assets of Bausparkasse refer to Wuestenrot Wohnungswirtschaft (banking subgroup). Source: S&P Global Ratings.

Bausparkasse continues to benefit from its strong market position in its niche segment and the well-established position of the Bauspar product in the Austrian residential real estate financing market. During recent years' low interest rate environment, Bausparkasse also leveraged the 1.5% state subsidy for new Bauspar savings (see "The Bauspar Product in Austria compared to Germany").

Our assessment of the banking subgroup's business position also reflects other supporting factors such as strengthening fee income, its large customer base, and the timely termination of unprofitable customer relations, highlighting an agile and forward-looking management.

Bausparkasse's product offering is concentrated on mortgages and other lending products, resulting in reliance on interest income and associated fees. While the bank will likely benefit more than others from rising interest rates, its real estate financing focus also exposes it more than more diversified peers to the potential turbulences in real estate markets.

In addition to legacy small scale international operations in Croatia and Slovakia, Wuestenrot launched a new universal bank, Wuestenrot Bank AG, in 2022, whose operations are not restricted by the Bauspar Act. This allows the group to expand its product offering with checking accounts, online savings, and more flexible mortgage and other

banking products. While we recognize the strategic rationale for the new bank to leverage its solid brand and sales force in promoting its new offering to clients, we do not expect material changes to the bank's overall business profile over the medium term as a result. We expect the new universal bank will post losses for more than two years, weakening the banking operations' overall profitability, while technological risks from the introduction of new online products could damage the bank's franchise if not properly managed. In our view, fierce competition, and little product differentiation versus larger universal banks--which could have more capacity for investments in digitalization and overall improvement of customer services--will also constrain the potential upside of this strategy.

The Bauspar Product In Austria Compared To Germany

Bausparen is a contractual savings system that involves a retail client agreeing to save an agreed amount over a certain period for a commitment of the Bauspar bank to provide a mortgage later if the client passes credit requirements. Whilst this is similar to the German Bauspar product, in contrast to its neighbor country where the mortgage interest rate is agreed upon at the beginning of the savings period, in Austria interest rates for Bauspar loans are set only when the loan is drawn down. Therefore, the Austrian variant of Bausparen does not incorporate similar option-like features, and therefore does not benefit as much from the expectation of increasing interest rates as in Germany. Absent this, the competitive position of the Bauspar product in Austria crucially hinges upon the established positioning of product providers both within the market and against standard mortgage providers. While the government supports savings under Bauspar contracts with a current subsidy of 1.5% on new deposits, the objective economic benefit of this subsidy is limited in our view, considering its current cap at €18 per person per year.

Capital And Earnings: Supported By Strong Earnings Retention, But Some Inherent Volatility

We assess Bausparkasse's capital and earnings as a rating strength. According to our projection, Bausparkasse's RAC ratio will remain between 15% and 20% in the next two years, but we note that our forecast is very sensitive to developments at the level of the insurance subsidiary. What is critical for the base case is the expectation that RAC remains over 10% in the next two years. The RAC ratio stood at 18.8% as per year-end 2022, after 11.4% as per year-end 2021. The increase is mainly driven by Bausparkasse's divestment of its equity stakes in Austrian Oberbank and BTV in 2022. We understand Bausparkasse intends to keep the sales proceeds, thus bolstering its capital base by an estimated €110 million and reducing market risk.

Even though new Bauspar savings contracts (and associated net interest margins) benefit proportionately more than last year's shift in monetary policy, these strengths are somewhat mitigated by the significant reduction in demand for owner-occupied residential real estate, the main target group of Bausparkasse's business model. In light of this, we expect competition within Bausparkasse's segment to remain stiff. Considering further anticipated start-off losses in relation to the new universal bank Wuestenrot Bank AG, we do not expect significant improvements in operating financial performance over our forecasting horizon. However, the relative stability of the core Bauspar business and a

policy of paying no dividends still supports slow but gradual internal capital accumulation.

Volatility in the insurance subsidiary's overcapitalization constrains our capital and earnings assessment. The capital calculation for Bausparkasse is sensitive to fluctuations in the insurance activities' capitalization. We capture the risk related to Bausparkasse's equity stake in the insurance subsidiary by deducting the investment from our total adjusted capital. We reflect the effect of the over-capitalization of its insurance subsidiary with respect to its ability to withstand an 'A' stress level in our calculation of our risk-weighted assets. Capitalization is a key strength for the insurance subsidiary, which we expect to remain at least above the 'AA' confidence level over 2023-2025. This is based on sound earnings offsetting some potential declines in unrealized gains on fixed income securities and real estates given rising interest rates. The strong increase of the solvency II ratio to 381.5% (including transitionals) at year-end 2022 from 299.4% (including transitionals) at year-end 2021 further supports our view of sound capitalization levels.

We do not regard the €51 million of non-credit-risk-related general reserves, which the group built to anticipate adverse circumstances in recent years, as part of our RAC measure. However, the bank could convert these reserves into common equity, providing a buffer to our RAC projection.

Risk Position: High Collateralization Balances Risks From Concentration On Mortgages In Austria

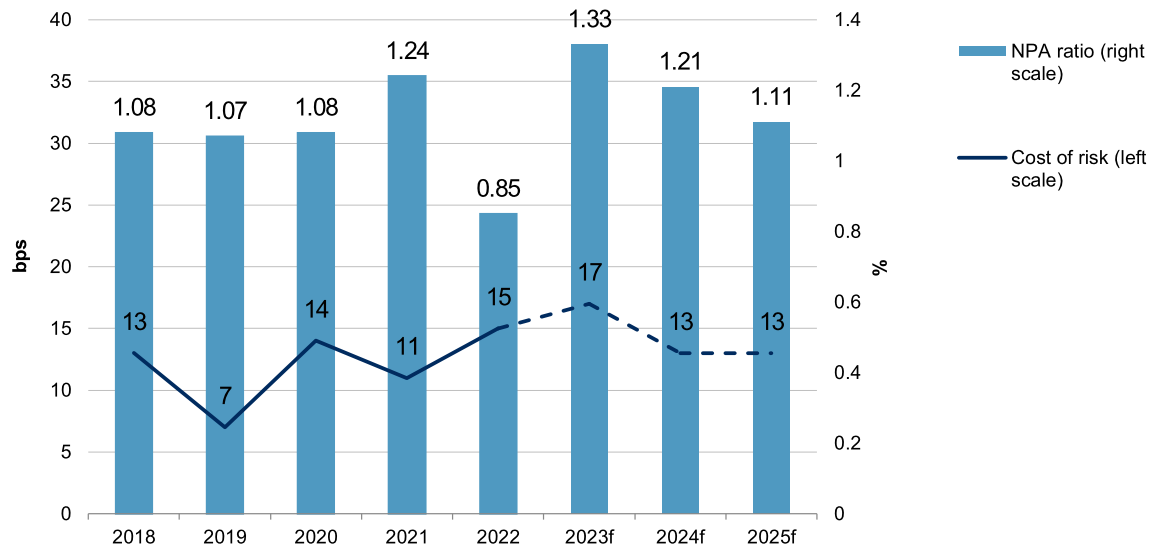
We believe our capital and earnings analysis adequately captures the risks that the banking subgroup faces, and we assess its risk position as in line with that of domestic and foreign peers operating in countries with a similar economic risk environment.

Bausparkasse's credit risk is low, in our view, which is specific to the highly granular and collateralized Bauspar business and balances risks from the bank's sector concentration on mortgage lending in Austria. As of Dec. 31, 2022, almost 94% of the bank's loan book was collateralized by real estate. On top of this, we expect the restrictions set forth by the Bauspar act will constrain the bank's risk appetite, for example, with the loan-to-value ratio for secured lending capped at 80%. We do not expect a material change to Bausparkasse's risk profile and appetite following the launch of Wuestenrot Bank AG, because we understand it will predominantly underwrite mortgages.

We expect Bausparkasse will continue to show favorable risk metrics over our forecast horizon, despite the worsening of the economic environment. We expect the decline in asset quality will remain solidly manageable for Bausparkasse and less than the universal peer average. For 2023 and 2024, we project cost of risk at about 12-15 basis points per year and a moderate increase in nonperforming loans to about 1.4% of customer loans, from 0.85% at end-2022 (see chart 3).

Chart 3

We expect Bausparkasse's risk metrics will remain favorable
 NPA ratio and cost of risk between 2018 and 2025f



NPA--Non-performing asset. f--Forecast. Source: S&P Global Ratings. Cost of risk defined as new loan loss provisions as % of average customer loans. NPA ratio defined as gross nonperforming assets as % of customer loans + other real estate owned. bps--Basis points.
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We anticipate that the real estate boom of the past few years has to come to a halt in Austria, but we do not expect a sharp correction in prices that could derail collateral values of Bausparkasse's credit exposures. We particularly consider households' high wealth and low leverage, and mortgages being granted for main residence purchases, and not for speculative ones, as supportive to our assessment of Bausparkasse.

The interest rate is also fixed at the time of the underwriting of the loan, which reduces interest rate risk compared with German building societies.

Funding And Liquidity: Stable And Granular Customer Deposits

We regard the banking subgroup's funding profile to be in line with the peer average in Austria. We expect the bank's retail operations to continue providing it with a stable and granular retail deposit base, with very low single-name concentrations. We believe the government subsidy on Bauspar deposits, a higher share of term deposits, and penalties on early withdrawals further support the stability of the bank's Bauspar deposits, which has been proven through past economic downturns.

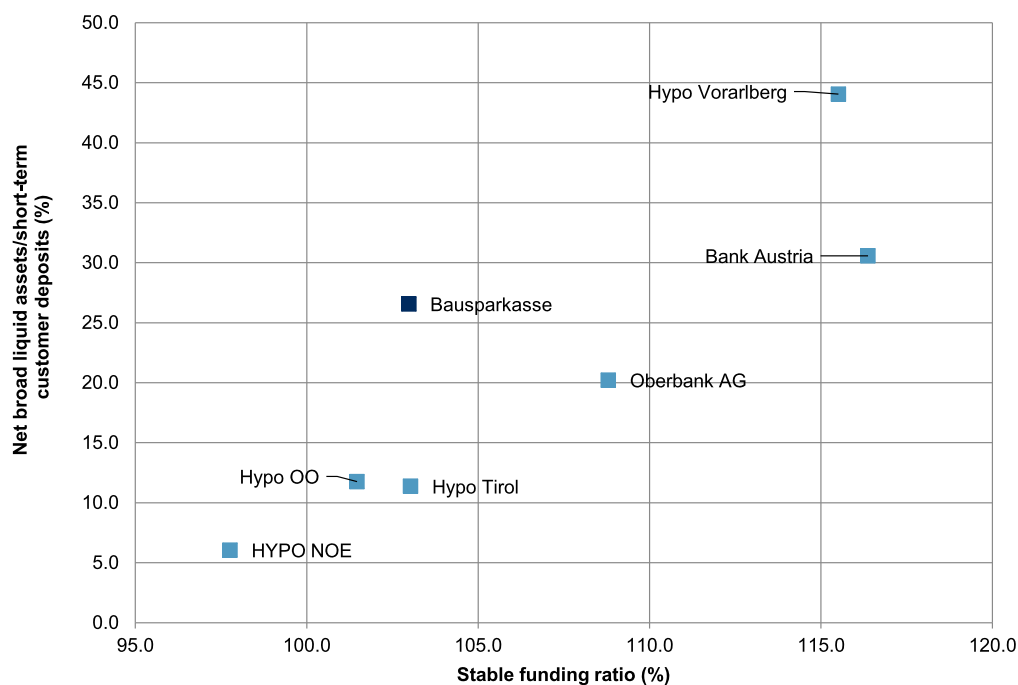
At the same time, Bauspar deposits had become an increasingly expensive funding source for Bausparkasse because it

needs to cooperate with partner banks to distribute its deposit products and it increased its share of wholesale funding. However, Bauspar deposits were largely being replaced with Pfandbrief funding, a form of wholesale funding we consider particularly stable. Furthermore, last year's change in the monetary policy regime should help to increase the attractiveness of the Bauspar product and thus costs of such deposits. Our stable funding ratio sat at 103% on Dec. 31, 2022, which remains average among the peer group (see chart 4). We think this relativity is also reflective for the medium-term projection. Overall, we consider the banking subgroup's funding profile as less diversified than larger domestic peers.

Chart 4

Bausparkasse's funding and liquidity profile is in line with domestic peers

Funding and liquidity metrics as of Dec. 31, 2022



Source: S&P Global Ratings.
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We see liquidity as a neutral factor for the bank's credit quality, despite its currently favorable liquidity metrics. In our assessment of liquidity, we place most weight on the net broad liquid assets to short-term customer deposits ratio. It was 26.9% at end-2022, which is higher than most European peers' due to the long-term nature of the bank's deposit base. The relativity we expect to persist. We regard high liquidity buffers as a necessity for the group's resilience in adverse scenarios, and high liquidity ratios partially as a reflection of the business model and organizational setup as a standalone entity.

Support: One Notch Of Uplift For Group Support

We base our ratings on Bausparkasse on our assessment of the group's creditworthiness, given the significant size of both its banking and insurance segments. We consider Bausparkasse a core entity to the larger group.

We derive the overall group assessment by combining our assessments of the banking operations' ('bbb') and insurance operations' creditworthiness. When combining these to derive the overall group credit profile (GCP), we weigh the two subgroups roughly equally, considering the relative risks from the respective profitability and the financial risk profiles. The 'bbb+' GCP also incorporates benefits of the bancassurance model that are not reflected in the stand-alone credit assessments of the subgroups. These benefits are mainly synergies thanks to the cross-selling of products, diversification of revenue, and cost-savings due to the joint use of operational infrastructure and sales force.

Our assessment of the banking operations is based on the consolidated banking subgroup analogously to its regulatory recognition. The Wuestenrot Wohnungswirtschaft banking subgroup consolidates all of the group's banking operations, including the new universal bank, and books the earnings from the insurance operations as an equity investment.

Additional Rating Factors

We understand supervisory authorities' preferred resolution strategy for Bausparkasse would be a sale of business. We also consider Austria's bank resolution framework to be effective, generally allowing us to include uplift for additional loss-absorbing capacity (ALAC) in our ratings on individual systemically important banks. Recognizing the resolution strategy as effective implies that certain senior liabilities, namely those legally excluded from bail-in, may be protected from default during a resolution process. It also reflects that bail-inable senior unsecured liabilities could face a lower default risk if banks have a large enough cushion of subordinated instruments that could absorb losses when the bank reaches the point of nonviability.

However, we currently do not expect to consider ALAC uplift to become effective to the issuer credit rating on Bausparkasse over the medium term. We would raise the long-term issuer credit rating above the SACP, taking the higher of available notching under group support or ALAC support, but not both. This limits the relevance of the subject under the current construction of the rating.

Environmental, Social, And Governance

ESG Credit Indicators

E-1	E-2	E-3	E-4	E-5	S-1	S-2	S-3	S-4	S-5	G-1	G-2	G-3	G-4	G-5
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ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumeric 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

ESG factors have no material influence on our credit rating analysis of Bausparkasse. In our view, the risk roles and responsibilities are adequately defined. Given the bank's small size and predominantly domestic operations, we consider the bank to be less exposed to tail governance risks than some of its larger peers with business activities in higher risk countries. Social and environmental factors are also in line with peers in Europe and not a rating differentiator. Bausparkasse's focus on mortgages also reduces physical and transition risk, in our view.

Key Statistics

Table 1

Wuestenrot Wohnungswirtschaft (Banking subgroup)--Key figures					
--Fiscal year ended Dec. 31--					
(Mil. €)	2022	2021	2020	2019	2018
Adjusted assets	7,268.8	6,998.0	7,134.0	7,249.0	7,186.0
Customer loans (gross)	5,852.9	5,477.0	5,425.0	5,352.0	5,298.0
Adjusted common equity	441.5	297.0	285.0	319.0	371.0
Operating revenues	166.7	156.0	190.0	191.0	158.0
Noninterest expenses	101.5	105.0	147.0	147.0	139.0
Core earnings	42.9	40.0	37.0	45.0	15.0

Table 2

Wuestenrot Wohnungswirtschaft (Banking subgroup)--Business position					
--Fiscal year ended Dec. 31--					
(Mil. €)	2022	2021	2020	2019	2018
Return on average common equity	22.2	6.6	6.0	7.4	1.0

N/A--Not applicable.

Table 3

Wuestenrot Wohnungswirtschaft (Banking subgroup)--Capital and earnings					
--Fiscal year ended Dec. 31--					
(Mil. €)	2022	2021	2020	2019	2018
Tier 1 capital ratio	18.1	14.7	13.9	13.4	12.6
S&P Global Ratings' RAC ratio before diversification	18.8	11.4	10.5	8.2	9.4
S&P Global Ratings' RAC ratio after diversification	14.0	8.8	8.0	6.2	7.2
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	45.4	54.8	49.4	52.8	62.9
Fee income/operating revenues	15.9	4.7	4.2	4.6	5.7
Market-sensitive income/operating revenues	3.0	2.8	2.5	4.3	4.5
Cost to income ratio	60.9	67.8	77.4	76.9	88.1
Provision operating income/average assets	0.9	0.7	0.6	0.6	0.3
Core earnings/average managed assets	0.6	0.6	0.5	0.6	0.2

RAC--Risk-adjusted capital. N/A--Not applicable.

Table 4

Wuestenrot Wohnungswirtschaft (Banking subgroup)--Risk-adjusted capital framework data					
	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government and central banks	410,314,088.6	2,286,859.3	0.6	28,602,200.8	7.0
Of which regional governments and local authorities	23,841,134.0	0.0	0.0	2,217,470.9	9.3
Institutions and CCPs	335,476,839.6	68,915,539.1	20.5	67,291,746.5	20.1
Corporate	135,202,869.7	92,160,691.3	68.2	131,341,381.8	97.1
Retail	6,250,070,317.1	2,446,169,160.0	39.1	2,140,805,383.4	34.3
Of which mortgage	5,185,403,733.5	1,757,380,219.4	33.9	1,273,870,248.3	24.6
Securitization§	0.0	0.0	0.0	0.0	0.0
Other assets†	257,262,211.1	216,355,107.0	84.1	-1,108,325,278.3	-430.8
Total credit risk	7,388,326,326.2	2,825,887,356.6	38.2	1,259,715,434.2	17.1
Credit valuation adjustment					
Total credit valuation adjustment	--	10,929,840.9	--	0.0	--
Market risk					
Equity in the banking book	198,755,964.6	589,897,423.2	296.8	821,162,567.2	413.2
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	589,897,423.2	--	821,162,567.2	--
Operational risk					
Total operational risk	--	266,016,467.1	--	270,371,682.2	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	3,719,577,480.9	--	2,351,249,683.5	100.0
Total diversification/ Concentration adjustments	--	--	--	798,072,800.0	33.9
RWA after diversification	--	3,719,577,480.9	--	3,149,322,483.5	133.9
	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)	
Capital ratio					
Capital ratio before adjustments	674,676,396.1	18.1	441,510,579.3	18.8	
Capital ratio after adjustments‡	674,676,396.1	18.1	441,510,579.3	14.0	

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions.

‡Adjustments to tier 1 ratio are additional regulatory requirements (e.g. transitional floor or pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2022, S&P Global Ratings.

Table 5

Wuestenrot Wohnungswirtschaft (Banking subgroup)--Risk position					
	--Fiscal year ended Dec. 31--				
(Mil. €)	2022	2021	2020	2019	2018
Growth in customer loans	6.9	1.0	1.4	1.0	4.7
Total diversification adjustment/S&P Global Ratings' RWA before diversification	33.9	30.0	30.8	31.0	30.3
Total managed assets/adjusted common equity (x)	16.5	23.6	25.1	22.7	19.4
New loan loss provisions/average customer loans	0.2	0.1	0.1	0.1	0.1
Gross nonperforming assets/customer loans + other real estate owned	0.8	1.2	1.1	1.1	1.1
Loan loss reserves/gross nonperforming assets	64.5	57.5	61.2	53.8	52.4

N/A--Not applicable. N.M.--Not meaningful. RWA--Risk-weighted assets.

Table 6

Wuestenrot Wohnungswirtschaft (Banking subgroup)--Funding and liquidity					
	--Fiscal year ended Dec. 31--				
(Mil. €)	2022	2021	2020	2019	2018
Core deposits/funding base	71.0	78.4	91.8	93.2	95.8
Customer loans (net)/customer deposits	131.4	113.0	93.5	88.7	87.0
Long-term funding ratio	97.6	97.2	99.0	99.2	98.9
Stable funding ratio	103.0	105.1	107.4	111.1	103.0
Short-term wholesale funding/funding base	2.8	3.1	1.2	0.8	1.2
Broad liquid assets/short-term wholesale funding (x)	3.3	3.5	10.2	17.5	6.0
Broad liquid assets/total assets	7.8	9.7	10.5	12.9	6.3
Broad liquid assets/customer deposits	12.9	14.2	13.0	15.6	7.5
Net broad liquid assets/short-term customer deposits	26.9	32.5	29.8	38.2	384.1
Short-term wholesale funding/total wholesale funding	9.6	14.6	14.2	12.2	28.5
Narrow liquid assets/3-month wholesale funding (x)	3.2	2.8	10.6	18.1	N/A

N/A--Not applicable.

Bausparkasse Wuestenrot AG--Rating component scores

Issuer credit rating	BBB+/Stable/A-2
SACP	bbb
Anchor	a-
Economic risk	
Industry risk	
Business position	Constrained
Capital and earnings	Strong
Risk position	Adequate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+1
ALAC support	0

Bausparkasse Wuestenrot AG--Rating component scores (cont.)

Issuer credit rating	BBB+/Stable/A-2
GRE support	0
Group support	+1
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Austria-Based Bausparkasse Wuestenrot AG Upgraded To 'BBB+' On Improved Capitalization; Outlook Stable, Feb. 24, 2023
- Announced Plans To Simplify The Wuestenrot Group Structure Likely To Support Bausparkasse Wuestenrot's Efficiency, Sep. 20, 2022
- Banking Industry Country Risk Assessment: Austria, Jul. 13, 2022
- Bausparkasse Wuestenrot AG, Apr. 13, 2022

Ratings Detail (As Of May 26, 2023)***Bausparkasse Wuestenrot AG**

Issuer Credit Rating	BBB+/Stable/A-2
Senior Secured	AAA/Stable
Senior Unsecured	BBB+

Issuer Credit Ratings History

24-Feb-2023	BBB+/Stable/A-2
26-Nov-2021	BBB/Stable/A-2
08-Dec-2020	BBB+/Negative/A-2

Sovereign Rating

Austria	AA+/Stable/A-1+
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Ratings Detail (As Of May 26, 2023)*(cont.)

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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