

## Wuestenrot Bausparkasse AG

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### Table Of Contents

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Ratings Score Snapshot

Credit Highlights

Outlook

Key Metrics

Anchor: 'bbb+' Reflecting WBSK's Operations In Germany's Diverse And Resilient Economy

Business Position: Narrow Business Model With Relatively Low Profitability And Efficiency

Capital And Earnings: Strong Capitalization On A Stand-Alone Basis

Risk Position: Sensitivity To Interest Rate Movements Only Partially Balanced By Prudent Underwriting Policy

Funding And Liquidity: Stable Retail Deposits And Historically Solid Liquidity Metrics

Support: Two Notches Of Uplift For Group Support

## Table Of Contents (cont.)

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Environmental, Social, And Governance (ESG)

Key Statistics

Related Criteria

Related Research

# Wuestenrot Bausparkasse AG

## Ratings Score Snapshot

### Issuer Credit Rating

A-/Stable/A-1

SACP: bbb → Support: +2 → Additional factors: 0

SACP: bbb			Support: +2		<table border="1"> <thead> <tr> <th colspan="2">Issuer credit rating</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center; vertical-align: middle;">A-/Stable/A-1</td> </tr> </tbody> </table>	Issuer credit rating		A-/Stable/A-1	
Issuer credit rating									
A-/Stable/A-1									
Anchor	bbb+		ALAC support	0					
Business position	Moderate	-1	GRE support	0					
Capital and earnings	Strong	+1	Group support	+2					
Risk position	Moderate	-1	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
Membership of the Wuestenrot & Wuerttembergische (W&W) bancassurance group provides stability.	High dependence on Germany's residential real estate sector.
Elevated demand for the core bauspar product resulting from the monetary policy shift.	The behavior of bauspar customers is very sensitive to interest rate expectations.
Strong capitalization and a granular, stable retail funding base.	Comparatively low profitability and cost efficiency.

**We expect Wuestenrot Bausparkasse AG to remain a core part of Wuestenrot & Wuerttembergische AG's bancassurance strategy.** We base our ratings on Wuestenrot Bausparkasse AG (WBSK) on the aggregate creditworthiness of the insurance and banking operations of Wuestenrot & Wuerttembergische AG (W&W; A-/Stable/A-1). We expect WBSK to remain an integral part of the group's overall strategy.

**Beyond potential extraordinary support, group membership provides additional ongoing benefits to WBSK.** W&W's time-tested bancassurance strategy includes significant cross-selling opportunities for both business lines. Furthermore, during unfavorable conditions--for example, during the low-interest rate environment--group membership allows for reduced earnings targets and shareholder payout expectations.

**Higher interest rates have boosted demand for the core bauspar product.** Bauspar loans were difficult to market during the ultra-low interest rate environment. As interest rates rose and as uncertainty about the further monetary tightening path remains, bauspar loans have once again become increasingly attractive for customers. This helped WBSK to write the strongest new bauspar business in 2022 since its incorporation. While we expect WBSK to maintain some of the momentum for the next months, as the rate hike cycle likely comes to an end, customer preference will likely again focus on standard mortgages, in which competition remains stiffer.

**Strong capital levels support WBSK's stand-alone creditworthiness in an uncertain economic environment, while earnings are set to improve.** Based on our expectation that its risk-adjusted capital (RAC) ratio before diversification will remain between 12% and 14% over the next 24 months, capitalization remains a strength to WBSK's stand-alone creditworthiness. Furthermore, with the help of abovementioned macroeconomic factors, we expect WBSK's core earnings should improve toward 40-50 basis points (bps) of S&P Global Ratings-adjusted risk-weighted assets (RWAs) by 2024/2025, primarily helped by improving net interest income.

## Outlook

The stable outlook reflects our view on W&W's group ability to sustain strong performance in the insurance sector and effectively manage potential earnings pressure arising from investment income volatility.

### Downside scenario

We might lower the ratings in the next two years if, over a prolonged period and contrary to our expectations, W&W is unable to maintain capital adequacy at a level close to our 'A' standard on a consolidated basis.

This decline could occur due to an unexpectedly greater earnings reduction, possibly resulting from investment income volatility, or increased capital requirements because of aggressive growth, higher investment risk, or lower retained earnings than we expect.

It could also happen if WBSK does not maintain the current positive momentum from supportive interest rates to further improve cost structures and efficiency of its banking operations.

### Upside scenario

We consider a positive rating action to be a remote possibility in the next 12-24 months. It would hinge on a material and sustained improvement in earnings diversification, mainly in the banking and life insurance operations, through which the group could enhance the resilience of its business.

## Key Metrics

## Wuestenrot Bausparkasse AG--Key ratios and forecasts

(%)	--Fiscal year ended Dec. 31 --				
	2021a	2022a	2023f	2024f	2025f
Growth in operating revenue	8.5	-13.8	23.6-28.9	6.6-8.0	6.0-7.3
Growth in customer loans	4.7	7.2	8.1-9.9	9.0-11.0	5.4-6.6
Growth in total assets	1.7	3.4	3.8-4.6	8.1-9.9	4.5-5.5
Net interest income/average earning assets (NIM, bps)	121.0	131.0	130-135	132-138	135-140
Cost to income ratio	88.3	107.3	87.5-92.5	82.5-87.5	80.0-85.0
Return on average common equity	2.5	2.6	1.5-2.5	1.5-2.5	2.0-3.0
New loan loss provisions/average customer loans (bps)	-9	2	2-7	5-10	2-7
Gross nonperforming assets/customer loans	1.0	1.0	0.9-1.0	0.8-0.9	0.8-0.9
Risk-adjusted capital ratio	13.8	15.9	13.0-14.0	12.0-13.0	11.0-12.0

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

## Anchor: 'bbb+' Reflecting WBSK's Operations In Germany's Diverse And Resilient Economy

Under our Banking Industry Country Risk Assessment, the anchor for banks operating primarily in Germany is 'bbb+' reflecting our economic risk assessment of '2' and our industry risk assessment of '4' (on a scale of 1-10, with '10' signifying the highest risk). We view the trends for economic risk and the industry risk as stable.

Our economic risk assessment considers that the German economy has a demonstrated ability to absorb large economic and financial shocks based on its wealth and the government's ample flexibility for countercyclical measures, including substantial fiscal stimulus and additional wide-ranging support. Accordingly, our base-case scenario considers that economic risks for German banks are still comparatively low by global standards, as German households, corporates, and public finances should be largely cushioned from the fallout related to geopolitical stresses, while some sensitivity to energy prices prevails. The stable economic risk trend signals our expectation that in addition to economic resilience, improved balance sheets and higher capital buffers provide German banks with meaningful buffers against further economic deterioration.

Our industry risk assessment of Germany considers that while the recent inflation-induced jump in interest rates has temporarily helped to boost banks' net interest margins, we expect high competition to continue to weigh on the sector's longer-term profitability. We believe German banks operate in a highly competitive and structurally overbanked market. While pressure on net interest margins has abated for now, we believe German banks still lag peers in terms of revenue diversification, cost efficiency, and digitalization.

## Business Position: Narrow Business Model With Relatively Low Profitability And Efficiency

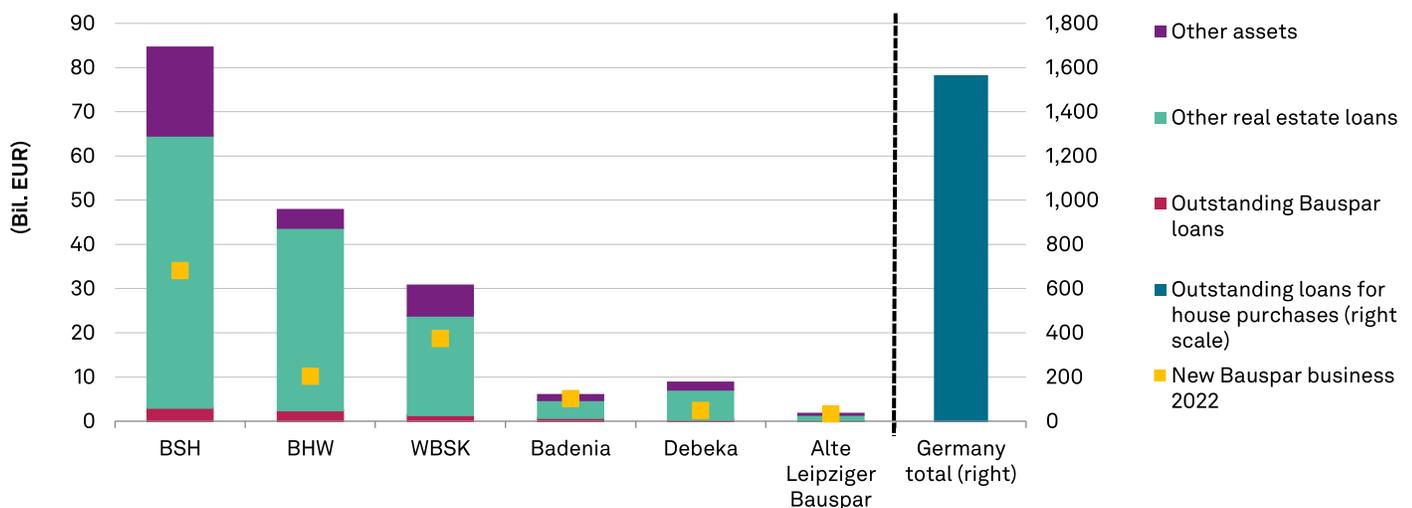
*We consider WBSK's business position a constraining factor to its stand-alone creditworthiness, considering its narrow stand-alone business model while embedded in a broader bancassurance group.* With assets around €31 billion,

WBSK is among the smaller players in the German residential real estate financing market, however, it has an established market position as one of the largest private bauspar providers in Germany. Nevertheless, bauspar providers also compete directly with universal banks, offering much broader services (see chart 1).

**Chart 1**

**WBSK is among the largest bauspar banks, but its bauspar segment competes with many other retail real estate banks**

Balance sheet structure and new business of selected bauspar peers and overall market size of German residential real estate financing market



BSH--Bausparkasse Schwäisch Hall. All data as per FY 2022. Source: Company reporting. Deutsche Bundesbank. S&P Global Ratings.  
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We do incorporate the ongoing benefits to WBSK of being part of the wider W&W bancassurance group positively in our assessment. In our view, this provides stability and significant cross-selling opportunities.

**Rising interest rates support WBSK's business model but will only gradually translate into stronger earnings.** We furthermore recognize that the monetary policy shifts over 2022 and 2023 provided tailwinds for WBSK's bauspar product, which essentially thrives on customers' expectations of rising or volatile interest rates (see Box below), for the first time in many years. Historically, WBSK has shown little diversification of revenue sources and an above-average reliance on net interest income, due to its business model focus on bauspar and plain-vanilla residential mortgage products. We expect a material positive effect on net income from rising interest rates to materialize only gradually.

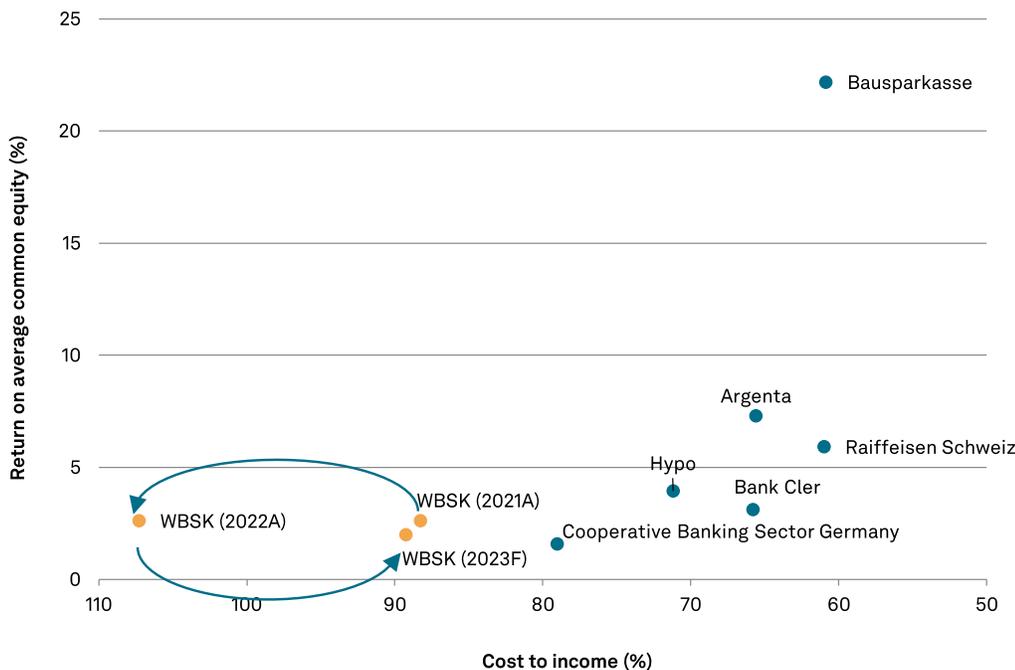
In the past, costly legacy bauspar contracts depressed earnings, as these paid comparatively high deposit rates. Positively, the share of these contracts continues to fall and at the same time the higher interest rates mean they depress net interest margins by less. Nevertheless, we consider continued cost discipline as necessary to compensate for inflationary pressure on costs.

As per year-end 2022, WBSK's return on average common equity stood at a comparatively low but stable 2.6%. However, we note this metric excludes contributions to general banking risk reserves (€59 million), which, under German generally accepted accounting principles, also count as capital. Earnings for 2022 were strongly influenced by WBSK starting to collect non-called bauspar deposits (€117 million), which we recognize as nonrecurring income this year. These funds belonged to depositors, who after they became eligible for bauspar mortgages did not take out their bauspar mortgage and did not withdraw their deposits after being prompted to do so by WBSK. We understand that by collecting these deposits, WBSK is following an industry trend and does not expose itself to any material legal risks. Going forward, we expect this to reduce to around €10 million-€20 million annually. Consequentially, our adjusted cost-to-income ratio on WBSK stood at a comparatively weak 107% in 2022. We expect this metric to improve again to below 90% by 2023 (see chart 2), despite inflationary pressure on costs.

**Chart 2**

**Relatively low profitability and efficiency**

WBSK and selected peers



Hypo--Mortgage Society of Finland. Argenta--Argenta Bank - en Verzekeringsgroep N.V.  
 Bausparkasse--Bausparkasse Wuestenrot AG. Data as per FY 2022. Source: S&P Global Ratings.  
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**Box: The Bauspar Product** Bausparen is a common retail real estate financing system in Germany under which retail clients commit to fixed monthly contributions into a common pool of bauspar savings, while the bauspar bank commits to providing a real estate loan in the future at pre-agreed terms (including the interest rate). Typically, after several years, when the accumulated contributions reach 40%-50% of the pre-agreed bauspar sum, clients become eligible for a bauspar loan covering the remainder of the bauspar sum. The bauspar contract is often combined with an advance bullet loan, which is subsequently replaced with the bauspar loan after allocation. Typically, bauspar loans are

only one--junior ranking--component in a financing mix also involving other first-rank mortgages and equity. With last year's monetary policy shift, the bauspar product, which essentially serves as protection against rising interest rates, experienced macroeconomic tailwinds for the first time in many years.

## Capital And Earnings: Strong Capitalization On A Stand-Alone Basis

*WBSK's capitalization remains a strength for its stand-alone creditworthiness.* We expect our RAC ratio will fall again below 15% over the next two years, after it stood at 15.9% at year-end 2022 based on the following forecasting assumptions:

- Continued growth in interest-earnings assets--averaging around 6% annually until 2025--supported by increased demand for bauspar products as a result of monetary policy shifts.
- The increase in earning assets is outstripped by a somewhat higher increase in S&P Global Ratings-adjusted RWAs reflecting, among others, a deteriorating economic environment and particularly, higher economic risks in Germany (see "Robust German Banking Industry Weathers Increased Geopolitical Economic Risk," published on Feb. 16, 2023 on RatingsDirect).
- Improving net interest margin to 135 bps-140 bps by 2025 while we expect credit losses to remain contained at around 5 bps relative to average customer loans.

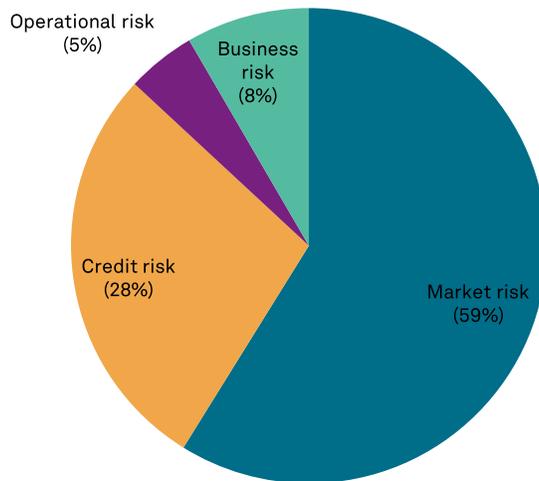
WBSK's existing €30 million Additional Tier 1 (AT1) bond was called in 2023 and we do not expect it to be replaced. We anticipate that WBSK's total adjusted capital will entirely consist of common equity. We also positively acknowledge W&W's past conservative dividend expectations, particularly during the tough operating environment in the low-interest rate era, with effectively no dividend payout before 2021.

## Risk Position: Sensitivity To Interest Rate Movements Only Partially Balanced By Prudent Underwriting Policy

*We consider that WBSK's risk position limits its stand-alone creditworthiness, reflecting its exposure to significant risks not captured by our RAC analysis.* Market risks, particularly interest rate and credit spread risks, are inherent to WBSK's bauspar business model (see chart 3). Among others, bauspar operations are highly sensitive to interest rate expectations and fluctuations, as these products essentially serve as a call option to customers exposing WBSK to risks. Moreover, building-savings products often feature customer options linked to interest-rate movements. These aspects have led to substantially increased provisions and depressed earnings in the past.

**Chart 3****Market risk dominates WBSK's risk profile**

Risk drivers in % of total risk based on WBSK's internal modeling



Source: Company reporting, S&amp;P Global Ratings.

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In the current environment, characterized by higher and more volatile interest rates, baupar loans with relatively low pre-agreed interest rates are becoming increasingly attractive compared with traditional mortgages. This could, in turn, lead to rising acceptance ratios of baupar contracts and put pressure on net margins. However, we note WBSK had already drawn all remaining funds from its building-savings reserve fund--Fonds zur baupartechnischen Absicherung (FbtA)--that was used to bolster its revenue and capital base amid the challenging market environment for its baupar product.

***We believe that WBSK's focus on collateralized residential mortgage lending will limit its credit risk compared with peers that have a stronger focus on corporate banking or commercial real estate.*** Overall, we expect that the quality of WBSK's residential mortgage portfolio will remain sound, despite the currently falling German residential real estate prices amid increased interest rates. Mortgages rates are usually fixed for 10 or more years, supporting debt-servicing capacity. WBSK is mainly exposed to more rural areas in Germany where house-price imbalances have been less pronounced than in larger German cities. Therefore, we expect the cost of risk to remain contained compared with the levels that our normalized credit losses imply. The ratio of nonperforming exposures to customer loans stood at around 1% as per year-end 2022, which compares well with peers.

## Funding And Liquidity: Stable Retail Deposits And Historically Solid Liquidity Metrics

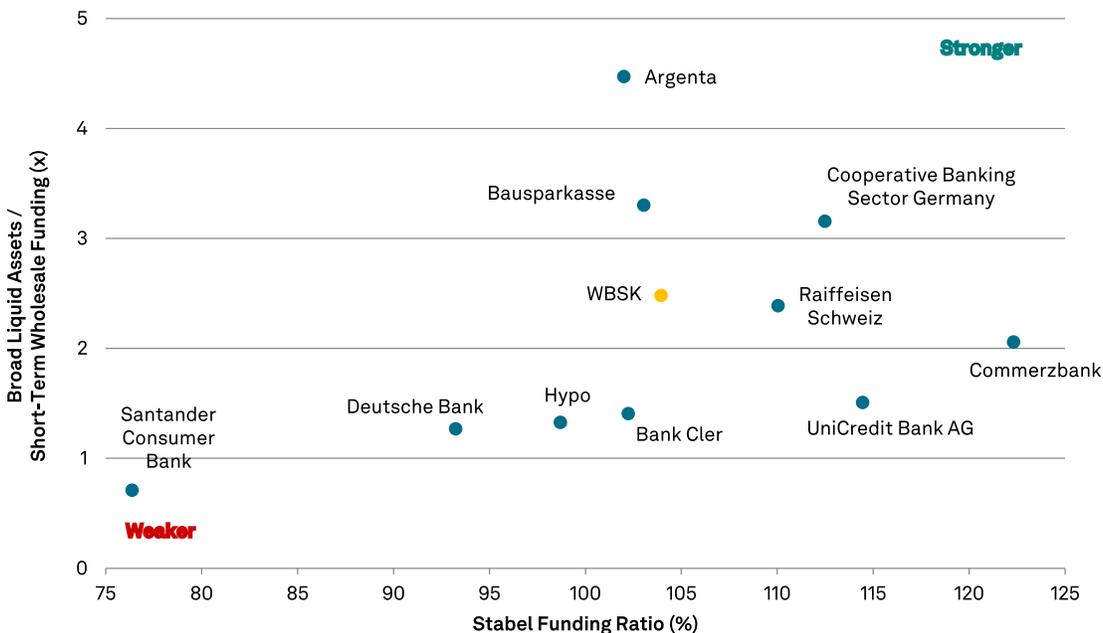
We assess WBSK's funding and liquidity as neutral for its stand-alone creditworthiness. The bank's funding is based on a healthy mix of core deposits and capital market issuance, mainly covered bonds and historically high amounts of excess liquidity. Most of the funding base comprises relatively stable and granular core customer deposits sourced from the building-savings business. We expect that our stable funding ratio will remain in line with previous years' levels of above 100% (104% as of year-end 2022).

WBSK's liquidity ratios are in line with those of its domestic peers and commensurate with its business model (see chart 4). In previous cycles, building-savings business models and customer deposits from such operations had been more sensitive to interest rates than retail banks' customer deposits. We believe that in the short term, higher interest rates have made building-savings loans more attractive again, which could weaken the bank's ample liquidity buffers. Short-term wholesale funding represented only 5.9% of WBSK's funding base as of year-end 2022 and broad liquid assets covered short-term wholesale funding by 2.5x. Past high liquidity ratios were also a consequence of low interest rates. We expect liquidity buffers to reduce moderately, as concluding building savings loans become more attractive again vis-à-vis standard mortgages.

### Chart 4

#### Funding and liquidity metrics compare well with peers

WBSK and selected peers



Hypo--Mortgage Society of Finland. Argenta--Argenta Bank - en Verzekeringsgroep N.V.  
 Bausparkasse--Bausparkasse Wuestenrot AG. Data as per FY 2022. Source: S&P Global Ratings.  
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## Support: Two Notches Of Uplift For Group Support

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

We derive the overall group assessment by combining our view of the creditworthiness of the banking operations, which we assess at 'bbb' and the insurance operations, which we assess at 'a'. When combining these to derive the overall group credit profile (GCP), we consider the subgroups' relative weights by assets, risk capital, and profit contribution. Furthermore, we continue to recognize that the diversification benefits of W&W's bancassurance business model will continue to support the group's aggregate creditworthiness at the current level.

## Environmental, Social, And Governance (ESG)

ESG factors have no material influence on our credit rating analysis of the W&W group.

## Key Statistics

**Table 1**

Wuestenrot Bausparkasse AG--Key Figures					
	--Year ended Dec. 31--				
	2022	2021	2020	2019	2018
Adjusted assets	30,710.5	29,703.7	29,194.9	28,143.8	27,397.5
Customer loans (gross)	24,910.5	23,235.3	22,190.5	20,588.8	19,653.3
Adjusted common equity	1,275.5	1,154.7	1,117.8	1,079.8	1,035.1
Operating revenues	366.7	425.3	391.9	406.8	447.3
Noninterest expenses	393.4	375.4	362.0	368.8	361.8
Core earnings	(25.2)	51.1	17.8	30.2	68.0

**Table 2**

Wuestenrot Bausparkasse AG--Business position					
	--Year-ended Dec. 31--				
(%)	2022	2021	2020	2019	2018
Total revenues from business line (currency in millions)	491.3	427.1	489.6	406.8	447.3
Other revenues/total revenues from business line	100.0	100.0	100.0	100.0	100.0
Return on average common equity	2.6	2.5	2.6	2.7	3.3

**Table 3**

Wuestenrot Bausparkasse AG--Capital and earnings					
	--Year-ended Dec. 31--				
(%)	2022	2021	2020	2019	2018
Tier 1 capital ratio	19.0	17.8	16.2	16.8	16.4
S&P Global Ratings' RAC ratio before diversification	15.9	13.8	13.8	13.9	14.4

Table 3

Wuestenrot Bausparkasse AG--Capital and earnings (cont.)					
	--Year-ended Dec. 31--				
(%)	2022	2021	2020	2019	2018
S&P Global Ratings' RAC ratio after diversification	13.0	11.6	11.8	11.9	12.0
Adjusted common equity/total adjusted capital	97.7	97.5	97.4	97.3	97.2
Net interest income/operating revenues	107.2	83.2	87.5	78.5	71.3
Fee income/operating revenues	(16.9)	(11.2)	(16.4)	(22.0)	(11.9)
Market-sensitive income/operating revenues	(8.2)	14.3	18.5	24.0	20.8
Cost to income ratio	107.3	88.3	92.4	90.7	80.9
Preprovision operating income/average assets	(0.1)	0.2	0.1	0.1	0.3

Table 4

Wuestenrot Bausparkasse AG--Risk-adjusted capital framework data						
(€ 000s)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)	
<b>Credit risk</b>						
Government & central banks	2,583,729.7	292,559.3	11.3	160,799.1	6.2	
Of which regional governments and local authorities	279,242.6	0.0	0.0	10,052.7	3.6	
Institutions and CCPs	2,344,053.1	450,905.3	19.2	327,315.0	14.0	
Corporate	980,461.5	807,598.7	82.4	596,864.5	60.9	
Retail	25,522,105.8	4,502,762.7	17.6	6,222,878.4	24.4	
Of which mortgage	21,559,609.7	3,426,335.9	15.9	4,089,976.2	19.0	
Securitization§	0.0	0.0	0.0	0.0	0.0	
Other assets†	31,388.4	37,861.4	120.6	28,330.1	90.3	
Total credit risk	31,461,738.6	6,091,687.4	19.4	7,336,187.1	23.3	
<b>Credit valuation adjustment</b>						
Total credit valuation adjustment	--	4,131.6	--	0.0	--	
<b>Market Risk</b>						
Equity in the banking book	114.2	114.2	100.0	999.2	875.0	
Trading book market risk	--	0.0	--	0.0	--	
Total market risk	--	114.2	--	999.2	--	
<b>Operational risk</b>						
Total operational risk	--	658,597.5	--	858,237.4	--	
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA	
<b>Diversification adjustments</b>						
RWA before diversification	--	6,754,530.8	--	8,195,423.8	100.0	
Total Diversification/Concentration Adjustments	--	--	--	1,885,752.1	23.0	
RWA after diversification	--	6,754,530.8	--	10,081,175.9	123.0	

Table 4

Wuestenrot Bausparkasse AG--Risk-adjusted capital framework data (cont.)				
	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio before adjustments	1,275,358.0	18.9	1,305,511.0	15.9
Capital ratio after adjustments†	1,275,358.0	18.9	1,305,511.0	12.9

\*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 Bausparkasse AG--Risk position					
	--Year-ended Dec. 31--				
(%)	2022	2021	2020	2019	2018
Growth in customer loans	7.2	4.7	7.8	4.8	(1.5)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	23.0	19.0	17.1	16.5	20.0
Total managed assets/adjusted common equity (x)	24.1	25.7	26.1	26.1	26.5
New loan loss provisions/average customer loans	0.0	(0.1)	0.1	0.0	(0.0)
Gross nonperforming assets/customer loans + other real estate owned	1.0	1.0	1.0	0.8	1.0

Table 6

Wuestenrot Bausparkasse AG--Funding and liquidity					
	--Year-ended Dec. 31--				
(%)	2022	2021	2020	2019	2018
Core deposits/funding base	81.9	83.0	84.5	84.3	85.9
Customer loans (net)/customer deposits	108.3	103.9	100.0	96.7	92.5
Long-term funding ratio	94.4	95.1	95.2	93.2	96.0
Stable funding ratio	104.0	102.3	102.2	101.9	106.5
Short-term wholesale funding/funding base	5.9	5.1	5.0	7.1	4.2
Broad liquid assets/short-term wholesale funding (x)	2.5	2.6	2.8	2.3	4.0
Broad liquid assets/total assets	13.4	12.1	12.5	14.3	15.1
Broad liquid assets/customer deposits	17.9	16.0	16.5	18.9	19.5
Net broad liquid assets/short-term customer deposits	82.9	75.1	89.6	85.9	103.2
Short-term wholesale funding/total wholesale funding	32.5	29.8	32.1	44.8	29.4
Narrow liquid assets/3-month wholesale funding (x)	2.8	2.3	2.3	1.8	24.0

### Wuestenrot Bausparkasse AG--Rating component scores

Issuer Credit Rating	A-/Stable/A-1
SACP	bbb
Anchor	bbb+
Economic risk	2
Industry risk	4
Business position	Moderate
Capital and earnings	Strong

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

<b>Issuer Credit Rating</b>	<b>A-/Stable/A-1</b>
Risk position	Moderate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	+2
ALAC support	0
GRE support	0
Group support	+2
Sovereign support	0
Additional factors	0

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

**Related Criteria**

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, 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**

- Wuestenrot & Wuerttembergische AG, Sept. 25, 2023
- Banking Industry Country Risk Assessment: Germany, June 6, 2023

**Ratings Detail (As Of September 25, 2023)\*****Wuestenrot Bausparkasse AG**

Issuer Credit Rating	A-/Stable/A-1
Senior Secured	AAA/Stable
Subordinated	BBB

**Issuer Credit Ratings History**

26-Jul-2017	A-/Stable/A-1
28-Dec-2012	A-/Stable/A-2

## Ratings Detail (As Of September 25, 2023)\*(cont.)

20-Dec-2006	BBB+/Stable/A-2
<b>Sovereign Rating</b>	
Germany	AAA/Stable/A-1+
<b>Related Entities</b>	
<b>Wuerttembergische Lebensversicherung AG</b>	
Financial Strength Rating	
<i>Local Currency</i>	A-/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	A-/Stable/--
Junior Subordinated	BBB
<b>Wuerttembergische Versicherung AG</b>	
Financial Strength Rating	
<i>Local Currency</i>	A-/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	A-/Stable/--
<b>Wuestenrot &amp; Wuerttembergische AG</b>	
Financial Strength Rating	
<i>Local Currency</i>	BBB+/Stable/--
Issuer Credit Rating	
<i>Local Currency</i>	BBB+/Stable/A-2
Junior Subordinated	BBB-

\*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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