

# Bausparkasse Wüstenrot

Issuer View • 10 June 2022

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Bausparkasse Wüstenrot AG was founded in 1925 as Austria's first building society and, together with its subsidiary Wüstenrot Versicherungs-AG, forms the main units of the Wüstenrot Group. The Group also includes building societies in Slovakia, Croatia and Hungary. With total assets of EUR 11.5bn (2020), the Group employs nearly 2,500 people and serves more than 2.1m customers in Austria, Croatia and Slovakia. Strategically, the Group focuses on bancassurance retail business in its home market of Austria. For Wüstenrot Versicherungs-AG, the focus is equally on retail business in Austria. The Wüstenrot Group thus offers its customers complete solutions from a single source in the areas of savings, financing, pensions, and insurance. The core business of Bausparkasse Wüstenrot comprises the deposit business and residential mortgage business, with first-ranking collateral being the predominant form of collateral in Austria. At the end of March 2022, Bausparkasse Wüstenrot's home savings deposits totaled EUR 4.3bn with EUR 17.2bn in home savings contracts. Since 2017, funding has been supplemented by the issuance of Pfandbriefe, but the focus continues to be on liabilities to customers at around 80% (September 30, 2021). The NPL ratio was 0.9% (Q3/2021; FY/2020: 1.0%) and thus below the banking average in Austria (FY/2020: 1.5%). The regulatory requirements for the LCR (Q3/2021: 667.4%), the leverage ratio (8.0%) and the NSFR (136.9%) were clearly exceeded.

## Ratings

	Rating	Outlook
Fitch	-	-
Moody's	-	-
S&P	BBB	Stable

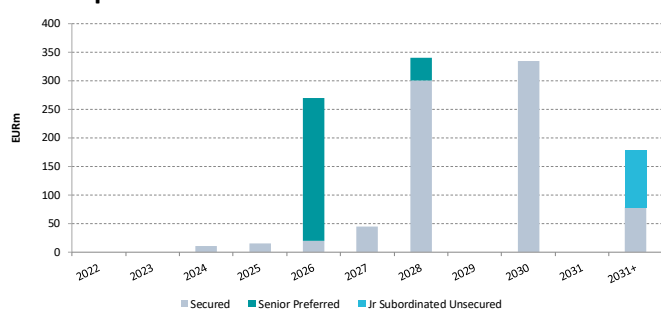
## Homepage

[www.wuestenrot.at](http://www.wuestenrot.at)

## Balance Sheet

(EURm)	2019Y	2020Y	2021Y
Net Loans to Customers	4,846	4,911	4,983
Total Securities	892	723	617
Total Deposits	5,434	5,212	4,330
Tier 1 Common Capital	557	576	529
Total Assets	6,566	6,464	6,341
Total Risk-weighted Assets	3,330	3,377	3,268

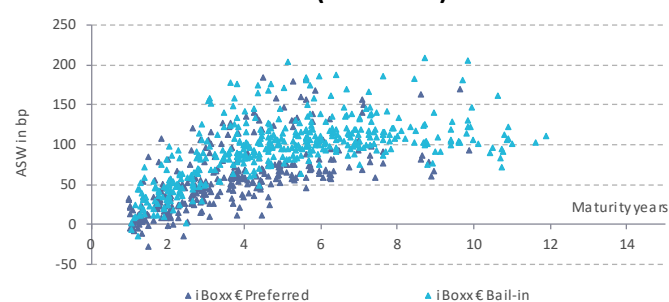
## Redemption Profile



## Income Statement

(EURm)	2019Y	2020Y	2021Y
Net Interest Income	91	95	83
Net Fee & Commission Inc,	8	7	10
Net Trading Income	-	-	-
Operating Expense	108	65	69
Credit Commit, Impairment	-	-	-
Pre-tax Profit	22	25	28

## Senior Unsecured Bonds (EUR BMK)



## Company Ratios

	2019Y	2020Y	2021Y		2019Y	2020Y	2021Y
Net Interest Margin	1.51	1.58	1.42	Liquidity Coverage Ratio	396.50	318.30	-
ROAE	3.37	4.02	4.08	IFRS Tier 1 Leverage Ratio	8.56	9.04	8.42
Cost-to-Income	79.86	63.33	64.80	NPL/ Loans at Amortised Cost	1.18	1.20	-
Core Tier 1 Ratio	16.73	17.05	16.20	Reserves/Loans at Amort. Cost	0.61	0.69	-

Per 10.06.2022; Quelle: Bloomberg, S&P Global Market Intelligence, NORD/LB Markets Strategy & Floor Research

## Strengths / Opportunities

- Market position in domestic mortgage business
- Deposit base

## Risks / Weaknesses

- Profitability
- Geographical credit concentration risks

## Covered Bonds

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### EUR 1.0bn in outstanding covered bonds

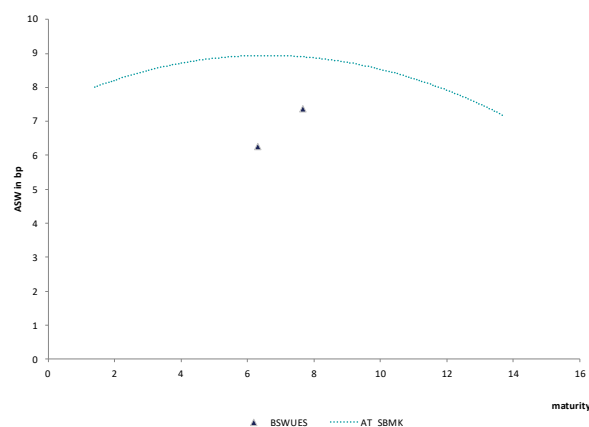
As of 31 March 2022, Bausparkasse Wüstenrot had outstanding covered bonds with a volume of EUR 1,019m. The Pfandbriefe issued in accordance with Austrian legislation (Pfandbrief Act) were matched by cover assets with a volume of EUR 1,327m as of the same reporting date, resulting in an excess cover ratio of 30.2%. The statutory minimum requirement is 2.0%. In the EUR subbenchmark format, the issuer has two outstanding covered bonds with a total volume of EUR 600m.

### Programme data

31 March 2022	Mortgage
Covered bonds outstanding	EUR 1,019m
Cover pool volume	EUR 1,327m
Current OC (nominal / legal)	30.2% / 2.0%
Type	100% Residential
Main country	100% Austria
Main region	22% Lower Austria
Number of mortgage loans	11,469
Average loan size	EUR 113,470
10 largest exposures	0.47%
NPL	0.00%
Fixed interest (Cover Pool / CBs)	71.5% / 95.6%
WAL (Cover Pool / CBs)	26.5y / 9.4y
CB Rating (Fitch / Moody's / S&P)	- / - / AAA

Source: Issuer, Rating Agencies, Bloomberg, NORD/LB Markets Strategy & Floor Research

### Spread overview (SBMK) – Austria



### Cover pool with exclusively residential primary coverage

98.1% (EUR 1.301m) of the cover pool volume consists of primary cover. The substitute cover assets (EUR 25.15m or 1.9%) are fully attributable to the category "Exposures to/guaranteed by Supranational, Sovereign, Agency (SSA)", whereby the substitute cover is geographically located exclusively in Austria. The mortgage assets are fully attributable to the residential segment and are 100% Austrian in geographical origin. Moreover, the largest share of the cover assets is attributable to the province of Lower Austria (22.1%). Upper Austria (17.9%), Styria (12.7%), Carinthia (12.4%) and Vienna (12.2%) also account for double-digit shares, indicating a pronounced regional diversification of cover assets. The granularity of the cover pool is expressed both by the average loan size (EUR 113,470) and the number of loans as well as by the small pool share of the 10 largest exposures (0.47%). In addition, the loan size EUR >300,000 accounts for a share of 4.9%. The cover pool contains neither non-performing loans nor derivatives. The primary cover consists exclusively of the categories "1st lien / No prior ranks" and "Guaranteed".

### Rating and regulatory

The covered bond issues of Bausparkasse Wüstenrot are rated AAA by Standard & Poor's, the highest rating agency. The risk weight according to CRR is 10%. In the context of LCR management, we also believe that benchmark deals can be classified as Level 1 assets, while covered bonds in subbenchmark format can be allocated to the Level 2A category in our opinion. Covered bonds are also eligible for purchase under the APP (CBPP3). In addition, they are eligible as collateral in connection with the collateral framework of the European Central Bank.

# Appendix

## Contacts at NORD/LB

### Markets Strategy & Floor Research



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