



wüstenrot

SO SCHNELL KANN'S GEHEN

BAUSPARKASSE WÜSTENROT AG

Investor Presentation | February 2025

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From building society pioneer to one-stop-shop for financial services

History

Start of a lasting success story **with the establishment of Bausparkasse Wüstenrot in 1925** as the first building society in Austria

Expansion of business with the establishment of **an insurance company in 1973** and a **bank in 2023**

Key data on the Wüstenrot Group*

Financial conglomerate with three key firms:

- **Bausparkasse Wüstenrot AG**
- **Wüstenrot Versicherungs-AG**
- **Wüstenrot Bank AG**

Total assets of the Group: EUR 11.3 billion

Total assets of Bausparkasse: EUR 6.9 billion

Employees of the Group (AT):** 1,290 FTEs

Employees of Bausparkasse (AT): 400 FTEs

Sales

Strong focus on **own sales channels** throughout the Group **with 399 sales employees**, independent contract staff, agents and partner banks



Headquarters

The headquarters of Bausparkasse Wüstenrot is located in **Salzburg**, Austria.

Strategy

Group functions **enable strong organisational integration** within Group

Focus on the **retail segment** with broad range of products relating to savings, loans, retirement provisions and insurance

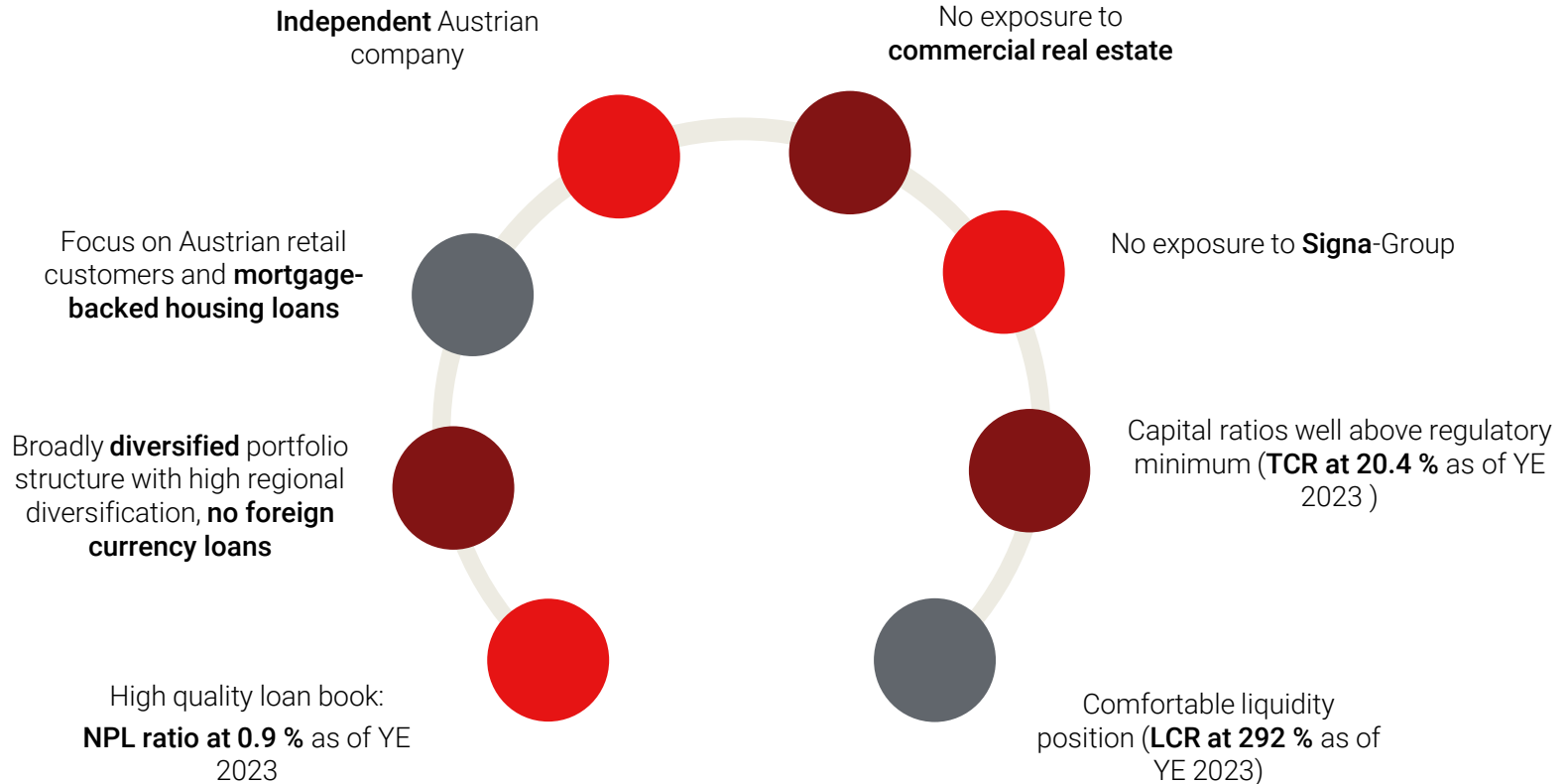
A **strategic exit from the Eastern European market** is currently taking place. A successful step in this direction was the sale of the Croatian insurance in 2022. In 2023, the stake in the Hungarian building society was sold, followed by the sale of the Croatian building society in 2024.

* as at year-end 2023

** BSPK AT, INSUR AT, BANK AT

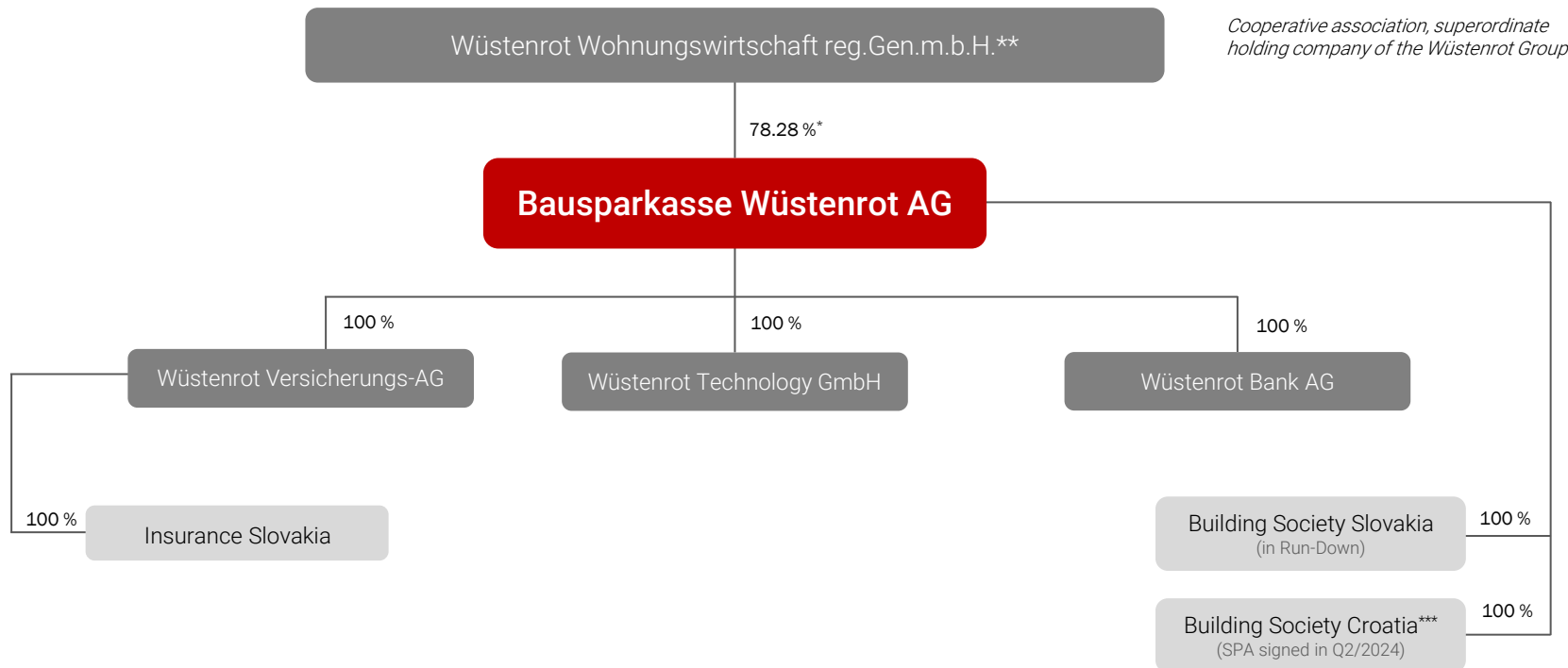
Bausparkasse Wüstenrot AG (Building Society)

Highlights



Current Group/Ownership Structure

Only independent building society in Austria (as at 31.12.2024)



*Minority shareholders: 12.04% UniCredit Bank Austria, 4.16% 3-Banken-Gruppe, 3.70% P.S.K. Beteiligungsverwaltung GmbH, 0.29% W&W, 1.53% other

**Total of 2,236,958 members with 2,398,271 shares, of which 2,236,850 members with each 1 share, 104 members with 4 shares, 1 member with 5 shares, 1 member with 145,200 shares (private foundation), 1 member with 12,000 shares and 1 member with 4,000 shares.

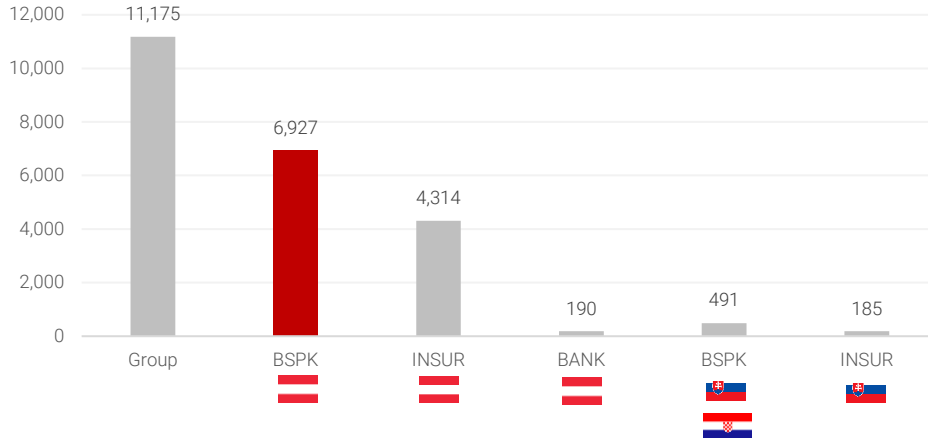
*** Sale is subject to the approval by HNB and ECB. Closing expected by Q1/2025.

Wüstenrot Group

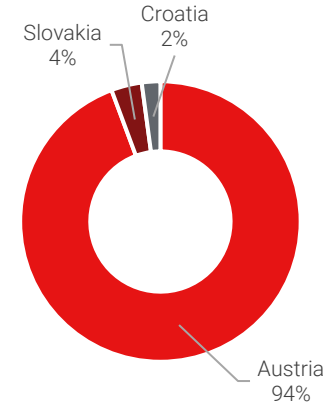
Strategy

- Strategic orientation on offering services as a **one-stop-shop for financial services for retail customers in Austria**
- The strategy of the building society is to focus on Austria and to **withdraw from CEE**.

Balance sheet totals 2023 (in EUR million)



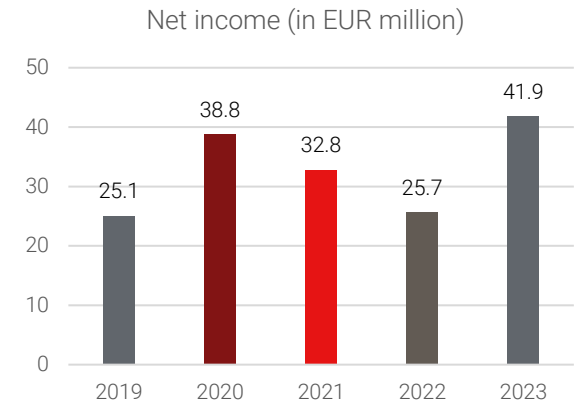
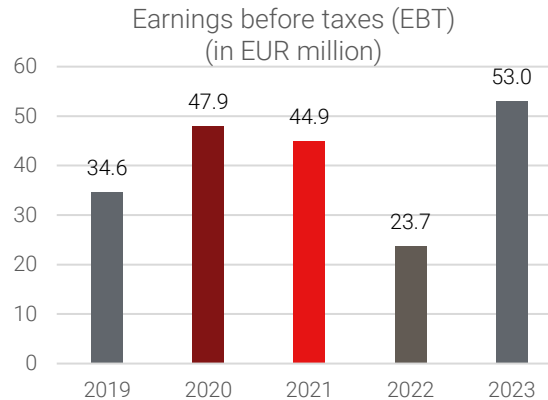
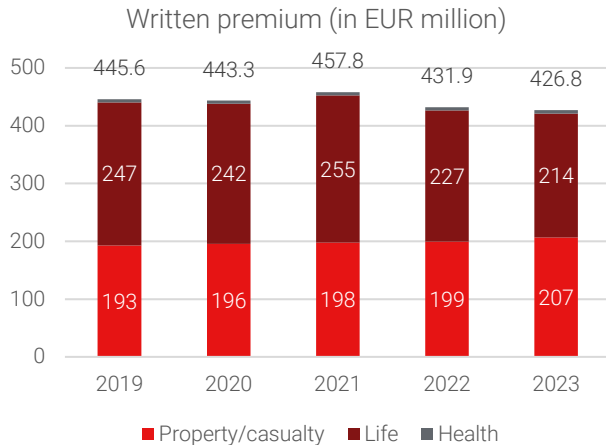
Breakdown of the Group's total assets



Wüstenrot Versicherungs-AG (Insurance)

Exclusive focus on retail business

- **Solvency ratio** (SCR ex transitional measures) at **261.3%** as at 31.12.2023
- **Earnings before taxes at EUR 53.0 million** in 2023 (significant increase vs. 2022 esp. due to release of additional interest rate reserve and increase in financial results)
- **Combined Ratio: 91.9%** in 2023 (property/casualty, after reinsurance)



Added-value for customers

An attractive offer for customers of Wüstenrot as well as potential new customers:

- **One-Stop-Shop:** Clients receive bank products, building society products, and insurance products from one single source → all products in one App.
- **Improved digital services combined with personal advice**
- **Broader financing opportunities:** easier and more flexible opportunities for housing loans (no restrictions under the Building Societies Act); possibility of consumer loans brokerage via digital channels
- **Focus: retail customers only**

Added-value for the Wüstenrot Group

The establishment of the bank led to numerous advantages for Wüstenrot:

- Further **digitalization of the business model**
- **Better utilization of existing customers** and the opening of **new customer segments**
- **Expansion of lending business areas by reducing statutory lending restrictions**
- **Diversification of revenue streams** and **increased profitability**
- **Broader refinancing base** through online saving products
- **More efficient and targeted use of sales force**
- **Increasing independency of external sales partners**

Successful market positioning

Compared to other established Austrian banks, the bank stands out due to the following points:

- **Trustworthy brand & existing customer relationships**
- **Best personal advice – in particular through mobile sales representatives**
- **Attractive cost-benefit ratio (e.g. by not having cost-intensive branches)**
- Digital offerings combined with **a nationwide sales network with personal advice**
- As result, **better access to “digital followers”**

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Bausparkasse Wüstenrot AG: Ratings

in investment-grade range

Mortgage-backed covered bonds (Pfandbriefe)
Moody's, Scope

Aaa | stable outlook

Long-term issuer credit rating (ICR)
Moody's

Baa1 | stable outlook

- Bausparkasse Wüstenrot AG is rated by the international rating agency **Moody's**. On 15 May 2024 the ICR Baa1 (stable) was published. The Pfandbrief rating was published by Moody's on 17 June 2024 (Aaa).
- Bausparkasse Wüstenrot AG is among only three institutions in Austria with a Moody's Financial Profile Rating of **a3**.
- The mortgage-backed cover pool is additionally assessed by **Scope Ratings**. The rating (AAA) was last confirmed on 25 March 2024.

Building society system in Austria

Differences to Germany

Austria



- Loan purpose: **Housing, education or care**
- Predominantly first-rank secured
- Usually sole or main loan
- Fixing of interest rate **at the time the loan is taken out**
- **Government subsidy ("Bausparprämie")** of 1.5 % of annual payments up to a max. of 1,200 EUR, exempted from capital gains tax
- **Max. 80% LTV** purs. to BausparkassenG (Building Societies Act)
- Fixed or variable interest, partially with interest rate caps and floors

- Government subsidy ("Bausparprämie") on building society savings **independent of income**
- Fixed term required to obtain government subsidy: **six years**

Germany



Lending

- Primarily **junior ranking**
- Mostly as supplement to home loans offered by a customer's principal bank
- The interest rate on the loan is usually **fixed when the building society savings contract is signed**

Savings

- Government subsidy ("Wohnungsbauprämie") **depends on income** (up to EUR 35,000 taxable income)
- Minimum term for subsidy eligibility: **seven years**

Bausparkasse Wüstenrot AG

Results 2023

wüstenrot

Net interest income



EUR 68.1 million

2022: EUR 58.6 million

- Increase in interest income in 2022 due to improved interest rate margin
- The **annual interest rate fixing** in November made the positive effects of the interest rate increase clearly **visible in 2023**

Earnings before taxes



EUR 62.0 million

2022: EUR 42.6 million

- Renewed significant increase
- Increase in operating income to **EUR 124.2 million** driven by a rise in interest rates and higher income from associates
- Additional realisation of hidden reserves through the repurchase of own issues (Pfandbriefe)



Income from securities & associates



EUR 34.6 million

2022: EUR 14.2 million

- Renewed **increase** of income from associates
- Thereof: EUR 25.5 million from affiliated companies (in particular through dividend payouts from the **insurance subsidiary**)

Net income



EUR 53.8 million

2022: EUR 30.9 million

- **Significant increase** vs. previous year

Bausparkasse Wüstenrot AG

Result 2023

wüstenrot

Risk provisions / NPL



0.92 % NPL ratio
as at 31 December 2023

- Slight increase in NPL volume from EUR 40.7 million (2022) to EUR 50.6 million (2023)
- The share of problematic loans remained at a **very low level**

Investment portfolio



EUR 800.3 million*
as at 31 December 2023

- Portfolio with **short duration** and **high credit quality**

*incl. money market



Capital ratios



20.4 %

CET1 ratio
2022: 18.7%

20.4 %

Total capital ratio
2022: 21.5%

- Significant increase esp. due to retained earnings
- Both ratios are identical since 2023 due to the redemption of a Tier 2 bond (EUR 100 mn)

Loan portfolio



EUR 5.5 billion
2022: EUR 5.5 billion

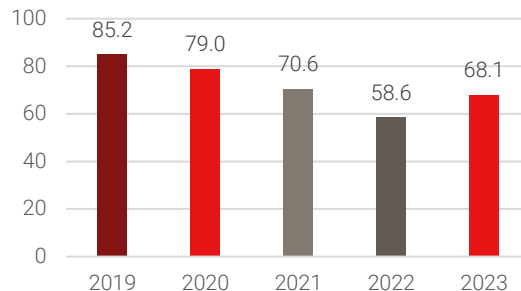
- Mortgage loan balance held constant in 2023 despite difficult market environment
- Loans almost **exclusively mortgage-backed**

Bausparkasse Wüstenrot AG

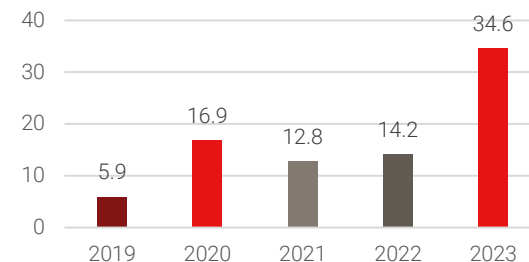
Development of income statement

- **Increase in interest rates** leads to increase in net interest income
- **C/I ratio*** 2023: 44.5% (vs. 54.2% in 2022)
- **Higher dividend payouts** by Wüstenrot Versicherungs-AG (EUR 25.0 million)

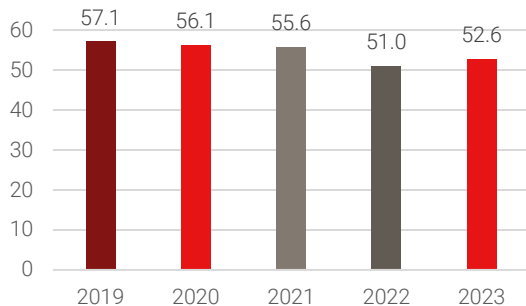
Net interest income**



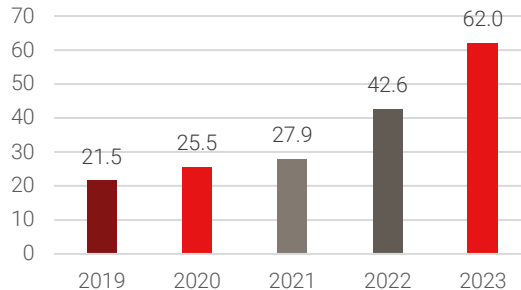
Income from securities and equity investments



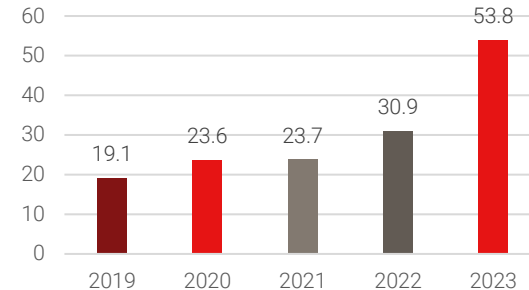
General administrative expenses



Earnings before taxes (EBT)



Net income



*C/I ratio defined as operating expenses/operating income

**Due to the change in the distribution of fees/commissions, the value for 2022 is not comparable with the previous years' values (cf. explanations in the annual report)

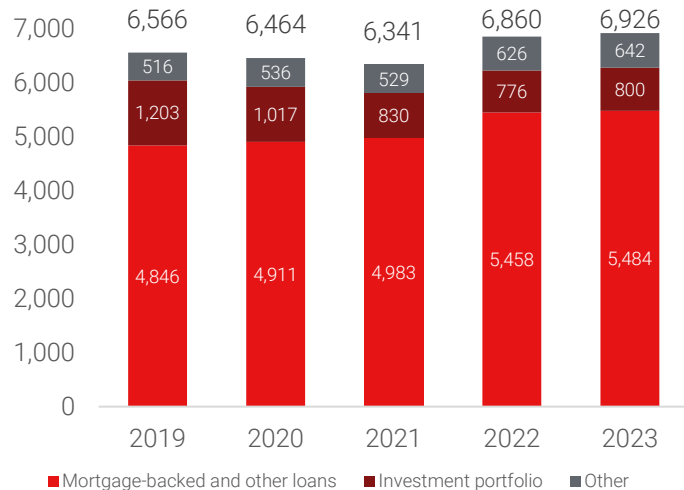
in EUR million

Bausparkasse Wüstenrot AG

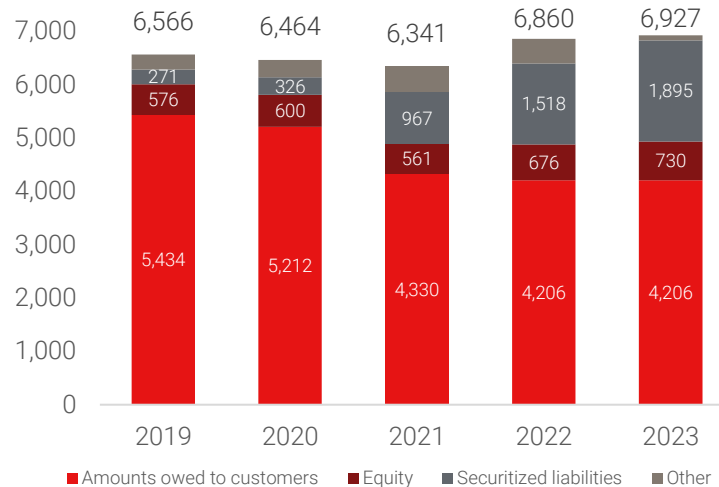
Balance sheet structure

- Continuous **increase in lending** by focusing on the core business of retail mortgage loans
- **Conservative investment portfolio** to meet regulatory requirements (LCR + Pillar II)
- Intentional **diversification** of funding structure through capital markets issuances

Assets



Shareholder equity and liabilities

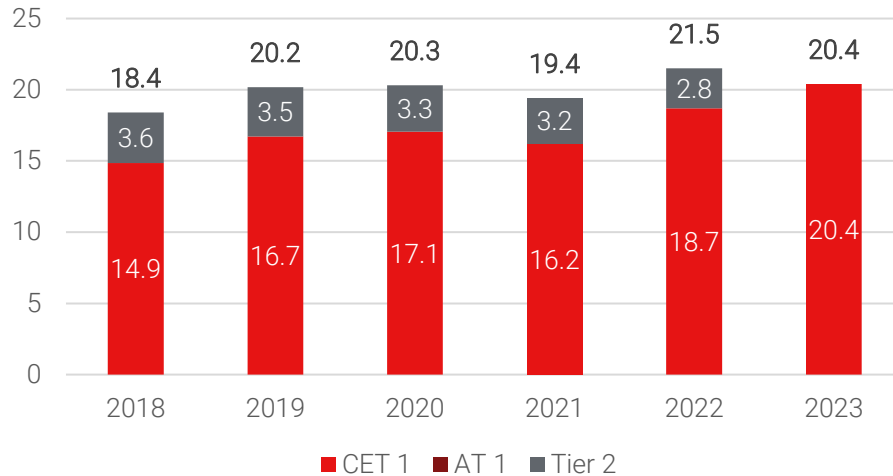


in EUR million

Regulatory capital ratios

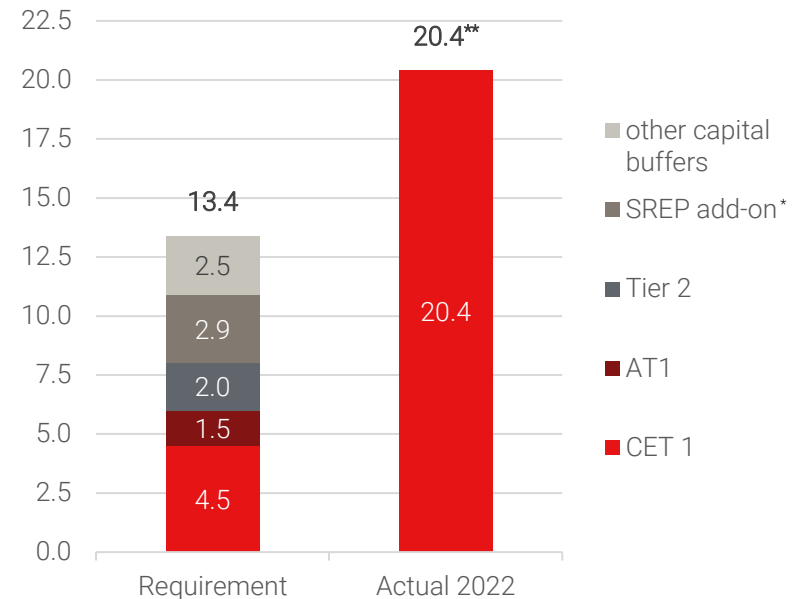
High capitalisation

Capital ratio (in % RWA)



- Capital ratios **significantly above the regulatory requirement**
- Decrease of TCR in 2023 due to redemption of EUR 100mn Tier 2 Bond

Capitalisation requirements (in % of RWA)



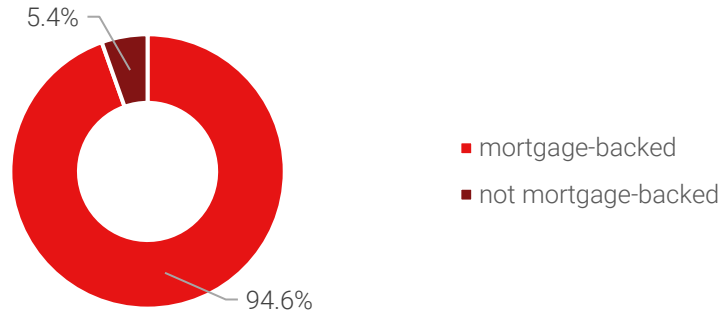
*Note: SREP Add-On was reduced to 2.9% in early 2023

Total capital ratio incl. profit 2022: **22.0%

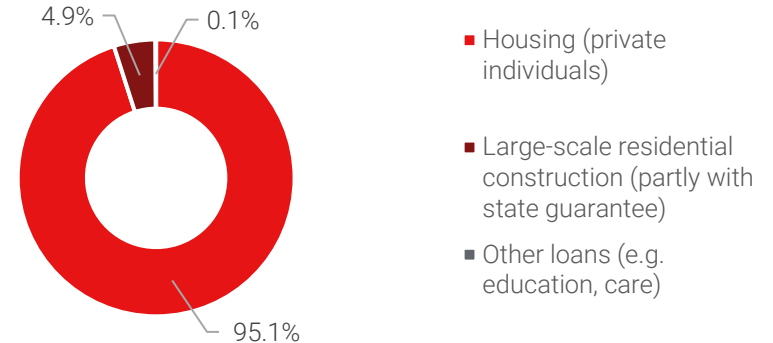
Credit portfolio structure

As at 31 December 2023

Breakdown of loans by collateral



Breakdown of loans by sector

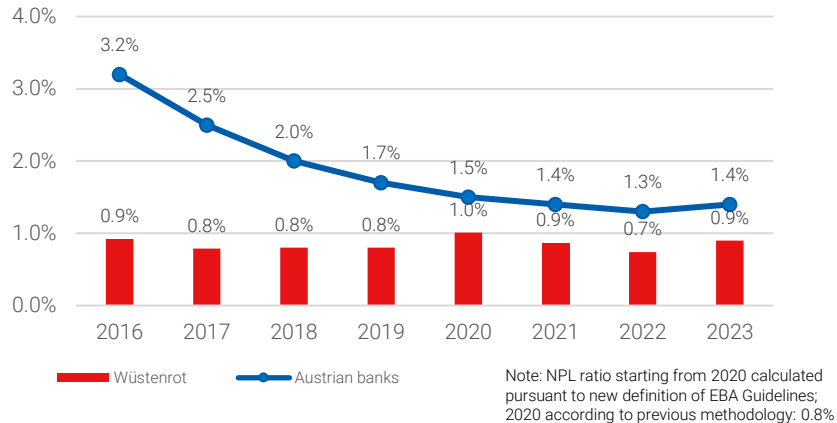


- Building Societies Act: loan purpose **housing, education or care**, max. 80% LTV and max. EUR 260 thousand p. p.
- Bausparkasse Wüstenrot AG: **Focus on home loans to individuals**
- **High regional diversification** throughout Austria, no foreign currency loans
- **94.6%** of loan portfolio **mortgage-backed**, remainder mostly with substitute collateral or local government guarantees (large-scale residential construction)

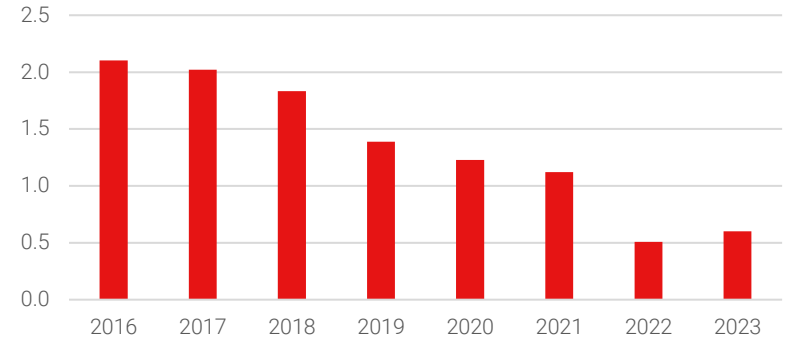
Loan portfolio

Low NPL ratio and credit risk expenses

NPL ratio



Loss on loans (EUR mn)

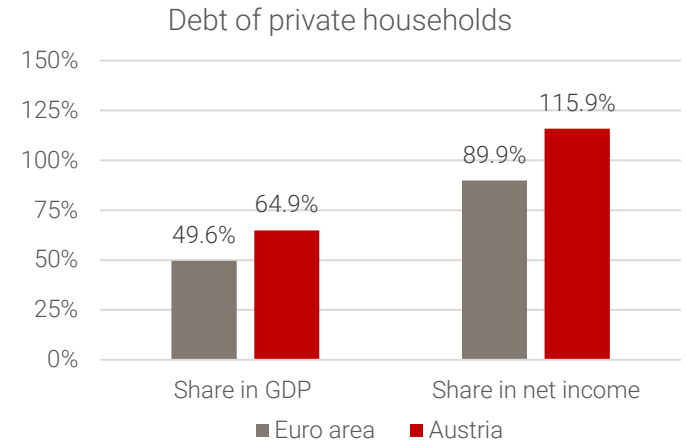
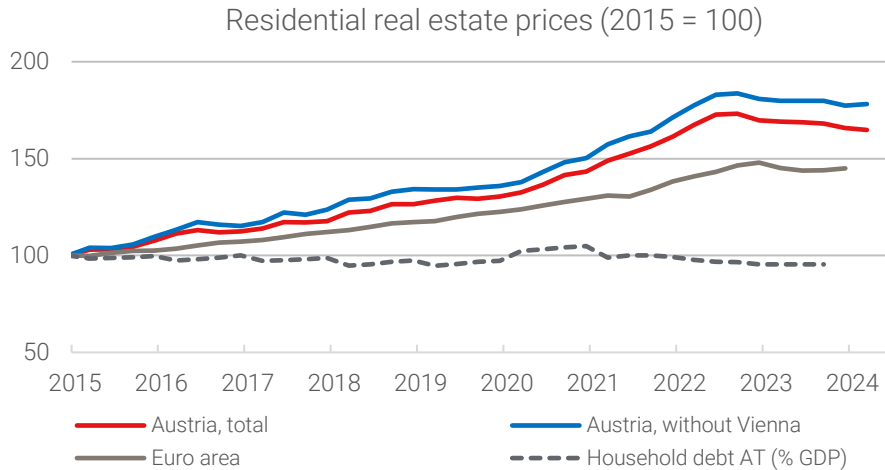


Source for Austrian banks: OeNB Financial Stability Report; data AT 2023: H1 2023

Real estate prices

Development in Austria

- **No decline** during the crises of 2008/2009 and 2012/2013; **slight decline** since Q4 2022 due to regulatory restrictions for lending as well as increasing interest rates, YoY-price decrease Q3 2023 at 2.3%
- **Low level** of household debt in international comparison



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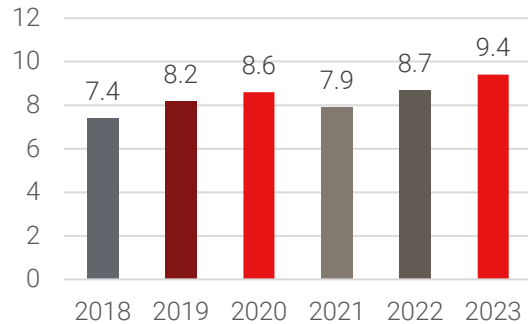
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Funding & Liquidity

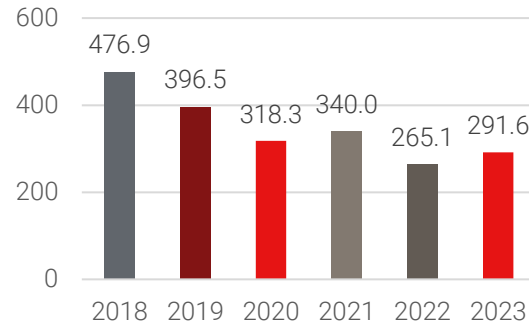
LR, LCR und NSFR

- Liquidity position **significantly higher than regulatory requirements**
- LCR **at very high level** and declining in the long run, in particular, due to intentional decrease of securities portfolio

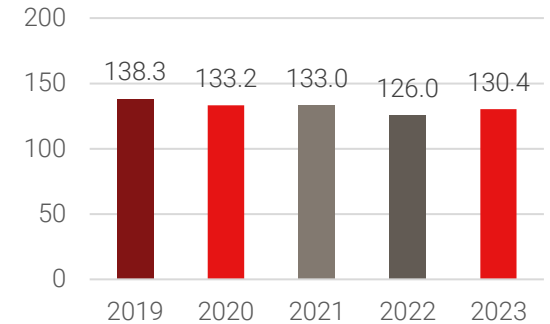
Leverage Ratio (in %)



Liquidity Coverage Ratio (in %)



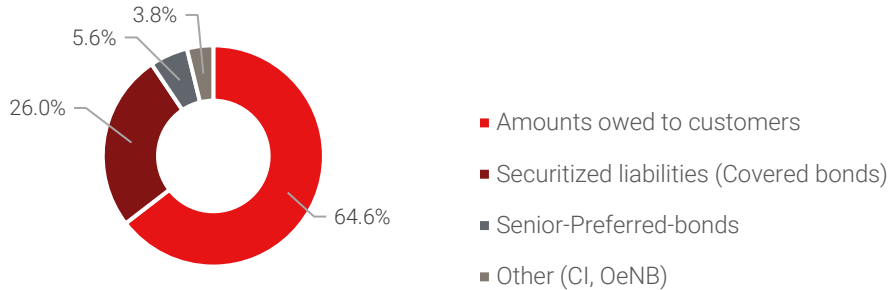
Net Stable Funding Ratio (%)



Funding strategy

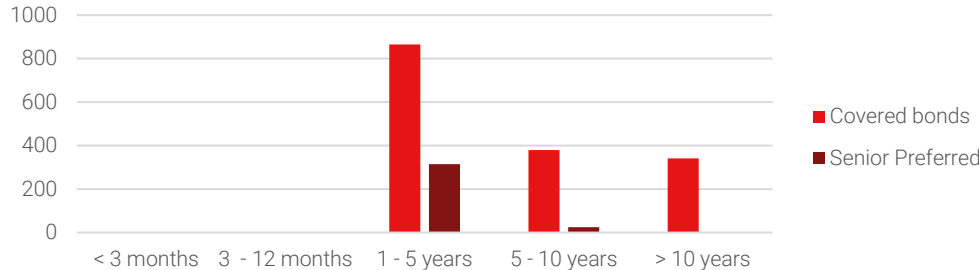
Building society deposits as primary source of funding

Funding structure as at 31 December 2023



- **Clear focus on building society savings deposits:**
At a share of 64.6%, amounts owed to (retail) customers outweigh.
- **To achieve a broader diversification in the funding structure,** bond issuance is continuously expanded.
- Specifically, since 2021, **the refinancing structure** has been further diversified by issuing sub-benchmark issues (senior unsecured and covered bonds), institutional term deposits and ECB liquidity.
- The **MREL** final target (20.26% of TREA) is already **clearly met** with 25.5%.
- **The aim is a regular presence on capital markets (syndicated and private placements).**

Maturities of capital market issues (in EUR mn)



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Mortgage cover pool

Highlights

- Only mortgage loans to **private individuals** in the cover pool
- **No commercial real-estate financing (CRE)** in the cover pool
- Exclusively **Austrian** properties
- **Broad diversification** across Austria
- High **granularity**
- Voluntary maximum loan-to-value limit of **60%** in the cover pool
- **No non-performing loans** (NPLs), **no deferred** loans and **no derivatives** in the cover pool
- Voluntary commitment to **ensure the over-collateralisation required for the AAA-rating**
- Requirements for the **Covered Bond „Premium-Label“** pursuant to §24 PfandBG fulfilled

Mortgage cover pool

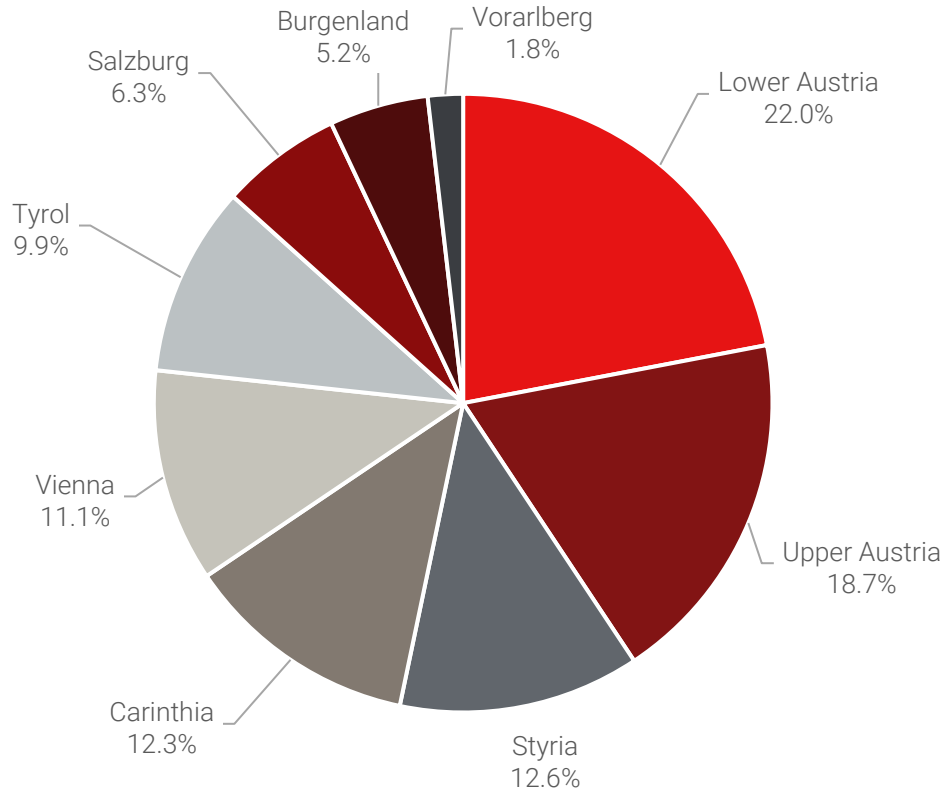
Key data as at 10 February 2025

Rating (Moody's, Scope)	Aaa (stable outlook)
Total Cover Assets (incl. RAGB substitute assets)	EUR 2,131 m
Issued Covered Bonds	EUR 1,595 m
Over-collateralisation	33.6 %
Number of mortgage loans	12,225
10 largest exposures	0.31 %
Average loan size	EUR 121,906
Currency	100 % Euro
Distribution residential / commercial	100 % / 0 %
Geographical distribution	100 % Austria
Average contractual remaining life	25.9 years
NPLs in cover pool	0 %
Derivatives in cover pool	none

- The entire cover pool report (ATT) is [online](#) available.

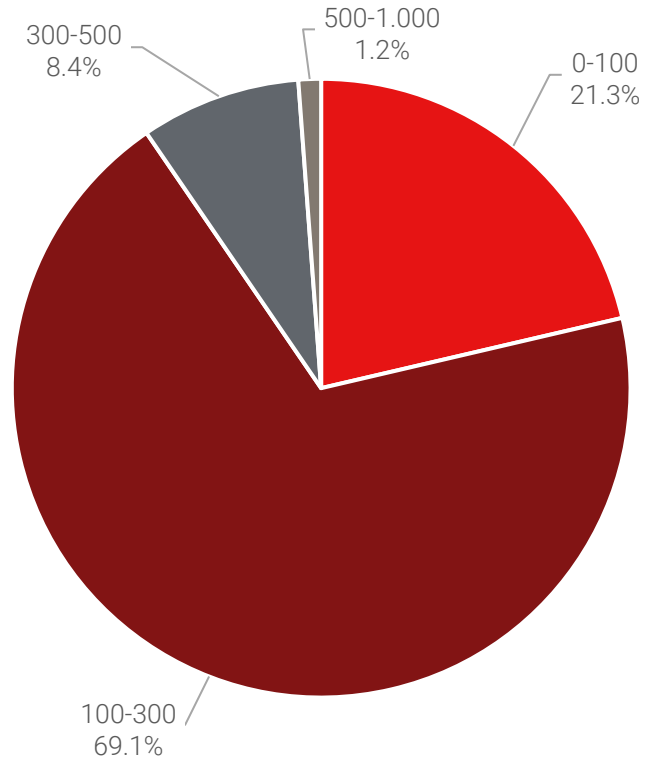
Cover pool: geographically well-balanced

Breakdown by regions as at 10 February 2025



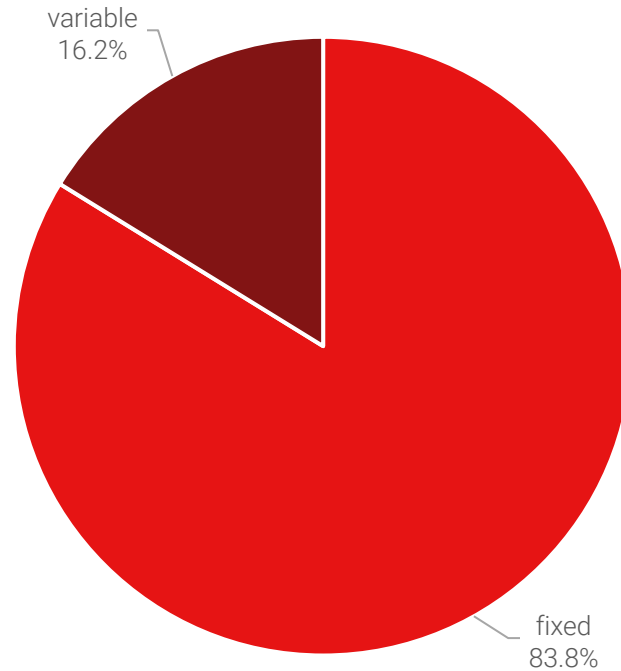
Cover pool: small-sized loans

Breakdown by loan size in EUR thousand as at 10 February 2025



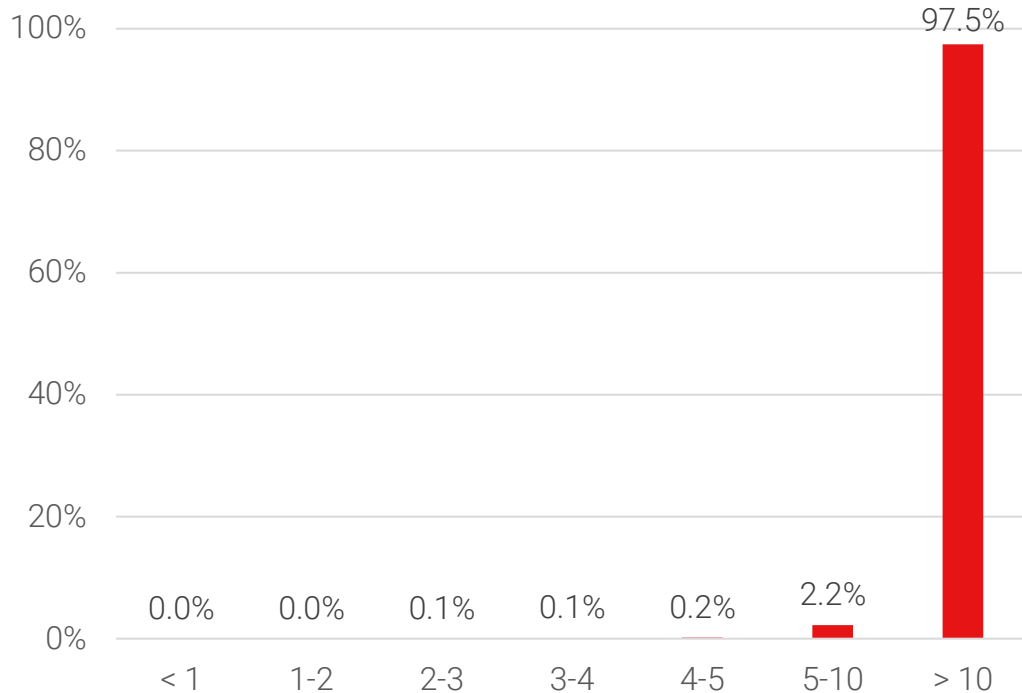
Cover pool: predominantly fixed-rate

Breakdown by interest rate type as at 10 February 2025



Cover pool: long residual maturities

Breakdown by residual maturity in years as at 10 February 2025



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