MOODY'S
INVESTORS SERVICE

CREDIT OPINION
19 January 2022

Update

Rate this Research

Bausparkasse Mainz AG

Update following affirmation of ratings

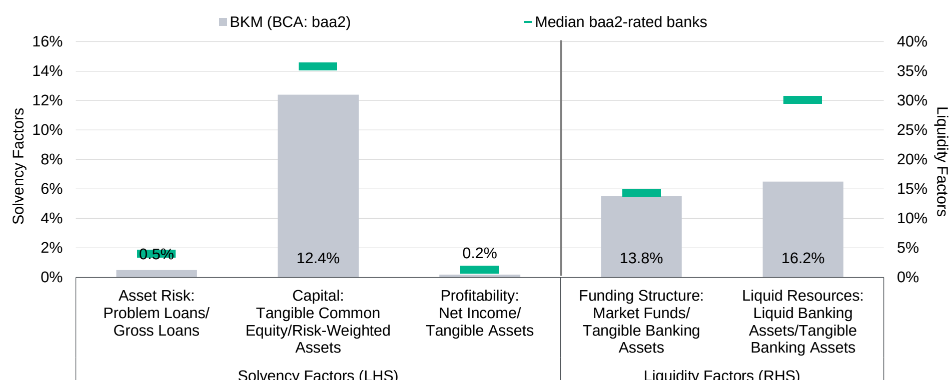
Summary

On 17 January 2022, we affirmed the ratings of Bausparkasse Mainz AG (BKM), which comprise its A2(stable)/P-1 deposit ratings and its A2/P-1 Counterparty Risk Rating. We also affirmed the bank's baa2 Baseline Credit Assessment (BCA), its baa2 Adjusted BCA, and its A2(cr)/P-1(cr) Counterparty Risk Assessment.

BKM's A2 deposit ratings reflect the bank's baa2 BCA and the application of our Advanced Loss Given Failure (LGF) analysis to its liabilities, which indicates an extremely low loss given failure and results in three notches of rating uplift. BKM's ratings do not benefit from government support uplift because of its small size in the context of the German banking system.

BKM's baa2 BCA reflects the overall stability of its financial profile, despite business-model inherent challenges from an extended adverse interest rate environment. The BCA considers BKM's solid asset quality and sound funding profile, which is predominantly based on granular home savings (Bauspar) and other customer deposits, but it also takes into account BKM's low profitability and increasing industry-wide capital requirements, which soften its relative capital strength. The BCA further considers the narrowly focused business model as a monoline building society (Bausparkasse), which results in material concentration risk to that business and legal limitations as regards to diversification opportunities.

Exhibit 1
Rating Scorecard - Key financial ratios



Asset risk and profitability ratios reflect the worse of 1) the average for the period 2018 - 2020; or 2) the latest reported figure.
Source: Moody's Financial Metrics

RATINGS

Bausparkasse Mainz AG

Domicile	Mainz, Germany
Long Term CRR	A2
Type	LT Counterparty Risk Rating - Dom Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	A2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Credit strengths

» Sound asset quality, which benefits from the bank's highly granular and largely collateralised loan book

» Solid capitalisation, whose relative strength is somewhat softened, though, by temporarily increased industry-wide capital requirements

» Limited dependence on market funding

Credit challenges

» Persistent pressures on margins from the low interest rate environment, compounded by eroding fee income in the next few years

» BKM's highly focused, narrow business model, which is a weakness in the low interest rate environment

» Declining liquid resources, as the bank reduces the size of its low-yielding investment portfolio

Outlook

The stable outlook reflects BKM management's good track record in defending the bank's financial profile, despite a deteriorated economic environment over the past years. We expect that the fundamental credit profile of BKM will stay resilient throughout a phase of intensifying challenges and that the bank can weather the pressures from the low interest rate environment.

Factors that could lead to an upgrade

» An upgrade of BKM's ratings would require an upgrade of its BCA combined with an unchanged notching uplift from our Advanced LGF analysis.

» The BCA could be upgraded as a result of a significant and sustainable increase in the amount of BKM's core capital; a significant improvement in the bank's profitability without compromising the quality of earnings or the bank's sound asset profile; and a material reduction in the risk stemming from low interest rates on its core business.

» An increase in the volume of junior deposits or subordinated instruments would not lead to additional uplift for BKM’s deposit ratings because these already benefit from the highest possible LGF result, with three notches of LGF-related rating uplift from the Adjusted BCA.

Factors that could lead to a downgrade

» BKM's ratings could be downgraded as a result of a BCA downgrade or because of fewer notches of rating uplift from our Advanced LGF analysis.

» A downgrade of BKM's BCA could result from lower capitalization; pressure on BKM's profitability; more aggressive risk-taking based on the greater flexibility afforded by the sector's specific law amended in 2015 that would hurt the bank's asset quality; or a reduction in liquid resources to an extent that it weakens BKM's combined liquidity profile.

» BKM's ratings may also be downgraded if there is a change in its liability structure, particularly if the amount of junior senior debt outstanding declines relative to the bank's balance sheet such that it results in a meaningful increase in the loss severity for BKM's deposits and counterparty risk liabilities.

Key indicators

Exhibit 2

Bausparkasse Mainz AG (Consolidated Financials) [1]

	12-20[2]	12-19[2]	12-18[2]	12-17[2]	12-16[2]	CAGR/Avg.[3]
Total Assets (EUR Billion)	2.5	2.4	2.4	2.4	2.4	1.5[4]
Total Assets (USD Billion)	3.1	2.7	2.8	2.9	2.5	5.3[4]
Tangible Common Equity (EUR Billion)	0.1	0.1	0.1	0.1	0.1	3.8[4]
Tangible Common Equity (USD Billion)	0.2	0.1	0.1	0.1	0.1	7.7[4]
Problem Loans / Gross Loans (%)	0.3	0.5	0.7	1.0	1.2	0.7[5]
Tangible Common Equity / Risk Weighted Assets (%)	12.4	12.9	12.9	12.8	12.7	12.7[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	4.4	8.1	10.8	14.4	17.7	11.1[5]
Net Interest Margin (%)	1.7	1.6	1.5	1.4	1.4	1.5[5]
PPI / Average RWA (%)	0.8	0.9	1.2	0.9	0.8	0.9[6]
Net Income / Tangible Assets (%)	0.2	0.3	0.2	0.2	0.1	0.2[5]
Cost / Income Ratio (%)	79.6	79.5	74.6	77.9	82.2	78.8[5]
Market Funds / Tangible Banking Assets (%)	13.8	14.8	19.5	18.4	18.5	17.0[5]
Liquid Banking Assets / Tangible Banking Assets (%)	16.2	17.2	16.8	20.9	24.2	19.1[5]
Gross Loans / Due to Customers (%)	109.1	108.5	110.6	108.0	103.3	107.9[5]

[-] Further to the publication of our revised methodology in July 2021, for issuers that have "high trigger" additional Tier 1 instruments outstanding, not all ratios included in this report reflect the change in treatment of these instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Investors Service and company filings

Profile

BKM is a specialised residential mortgage lender and subject to separate legislation for German building and loan associations (Bausparkassen). Bausparkassen provide long-term financial planning solutions for home buyers. Their core product is the Bauspar contract, whereby customers make deposits over a flexible number of years at a fixed interest rate so as to build up a down payment on a property. Bausparkassen use the deposited funds from new clients to provide mortgages to clients who have already saved up their equity buffer.

Legally, the sector's activities are restricted to residential mortgage lending, either via the Bauspar contracts or in competition with retail banks on the open market. With total assets of €2.5 billion as of 31 December 2020, BKM is one of the smaller of the 18 German building and loan associations. BKM is ultimately wholly owned by INTER Versicherungsverein aG, which is a holding company of multiple insurance companies in Germany and Poland.

Weighted Macro Profile of Strong (+)

BKM is focused exclusively on the German market, with only select non-domestic exposures residing within the bank's investment portfolio. We therefore assign to the bank a Weighted Macro Profile of Strong (+), in line with the Strong (+) Macro Profile of Germany.

Detailed credit considerations

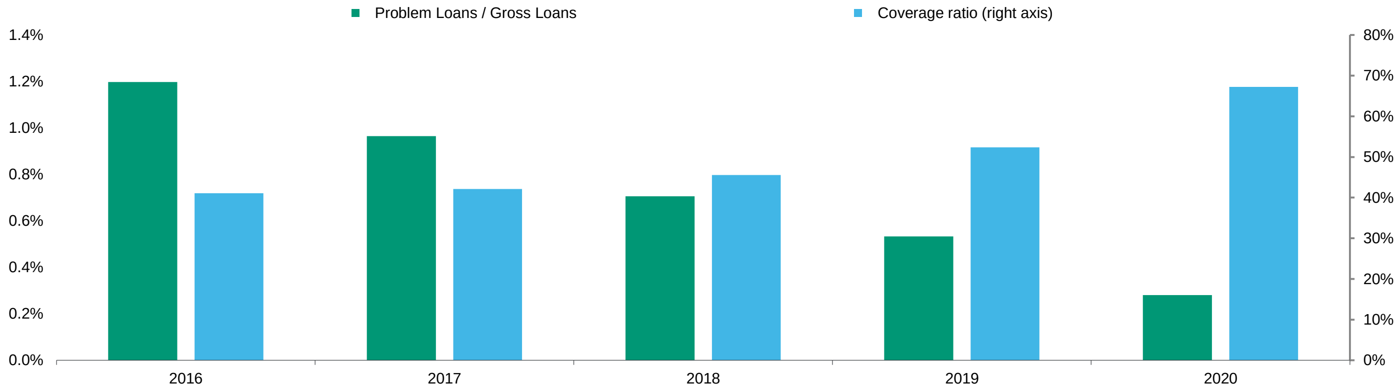
Sound asset quality, given the highly granular and collateralised loan book

We assign an a1 Asset Risk score, two notches below the aa2 initial score, reflecting that the bank's solvency is sensitive to a sudden increase in interest rates.

The credit risk of BKM's loan book is relatively low, as reflected by the institution's focus on residential mortgage lending (accounting for 80% of total assets) and the inherent high portfolio granularity. For loans subject to the Bausparkassengesetz, the maximum loan-to-value (LTV) ratio was capped at 80% until year-end 2015. Since year-end 2015, a revision of this law has increased the maximum LTV ratio for owner-occupied residences to 100%. The bank has since been allowing a portion of the new mortgage lending business to be conducted at higher LTVs, although within prudent limits and still below the market average.

Loans subject to specific loan-loss reserves accounted for roughly 0.3% of gross loans as of year-end 2020, compared with 0.5% a year earlier, thereby continuing the positive trend in loan quality since 2013. The securities portfolio is also of high quality, considering that €322 million of the total of €358 million as of year-end 2020 was eligible for repo business at central banks. However, interest rate risk

Exhibit 3
BKM's asset quality metrics have improved further



The problem loan ratio is as per our definition.
Source: Company reports and Moody's Investors Service

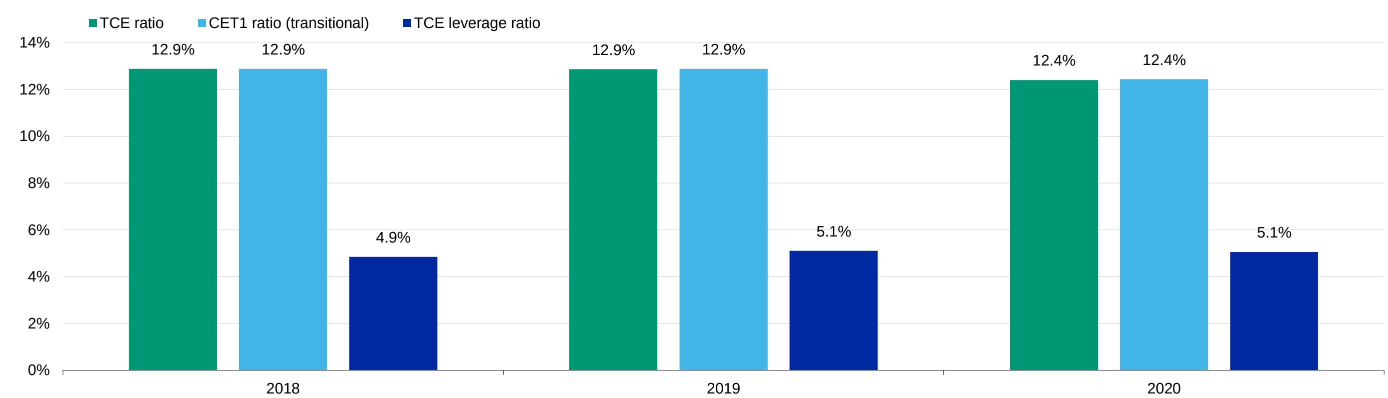
in the banking book remains elevated, which is reflected in the potential negative impact of 13.3% on total capital as a result of the supervisory standard shock as of year-end 2020 (2019: 16.6%). In addition, under a sudden 200 basis points parallel upward shift of the yield curve, BKM's core capital would have declined by 17.0% as of year-end 2020 (2019: 20.4%), thereby still breaching the regulatory 15% threshold. BKM expects, however, that the issuance of long-dated covered bonds, which commenced in 2020, will continue to lower the interest rate risk in the banking book in the future.

Capital ratios are adequate, but modest earnings outlook weighs on capital growth

We assign an a3 Capital score, in line with the initial score, which takes into account the bank's fully taxed 340f contingency reserves in our capital assessment[1], but also reflects the bank's weak internal capital generation and temporarily increased industry-wide capital requirements. As of year-end 2020, the addition of the bank's 340f reserves raises our tangible common equity (TCE) ratio to 13.2% (2019: 13.7%) from the unadjusted 12.4% (2019: 12.9%), and the TCE-based leverage ratio to 5.4% (2019: 5.4%) from the unadjusted 5.1% (2019: 5.1%).

We consider BKM's current capitalisation levels to be commensurate with the institution's relatively low-risk profile. Because of weak internal capital generation, however, which mirrors BKM's subdued profitability, we expect the bank's capital volume to grow at a slow rate, which could limit the bank's growth potential and result in some further softening of the bank's capital ratios. In 2020, BKM grew its loan book by 5.0% and at the same time reduced its low-yielding investment portfolio by 3.9%. The resulting 6.9% increase in risk-

Exhibit 4
BKM's risk-weighted capital ratios softened, while leverage remained broadly stable



TCE = Tangible common equity (Moody's calculation). CET1 = Common Equity Tier 1.
Source: Moody's Investors Service, company reports

weighted assets led to the regulatory Common Equity Tier 1 capital ratio to decline to 12.4% from 12.9%, while the bank's regulatory leverage ratio only softened slightly to 4.9% from 5.0%.

In general, we expect BKM, with its highly collateralised loan book and the chosen standard approach to calculating risk-weighted assets, to be less exposed to (1) risks to capital stemming from cyclical pressures; and (2) regulatory risk, because the bank will be broadly unaffected by the finalisation of the Basel III rules during 2023-2027, also sometimes referred to as Basel IV. However, on 12 January 2022, the German regulator BaFin announced that it plans to implement a 0.75% countercyclical buffer on domestic risk-weighted exposures as well as a 2.0% systemic risk buffer for risk-weighted exposures collateralised by residential real estate, which banks will have to fulfill by 1 January 2023. With BKM's loan book being exclusively derived from Germany and solely representing residential real estate exposures, the bank will be confronted, at least temporarily, with a substantial increase in its capital requirements.

Profitability will remain subdued because of pressure on non-interest income and inflexible costs

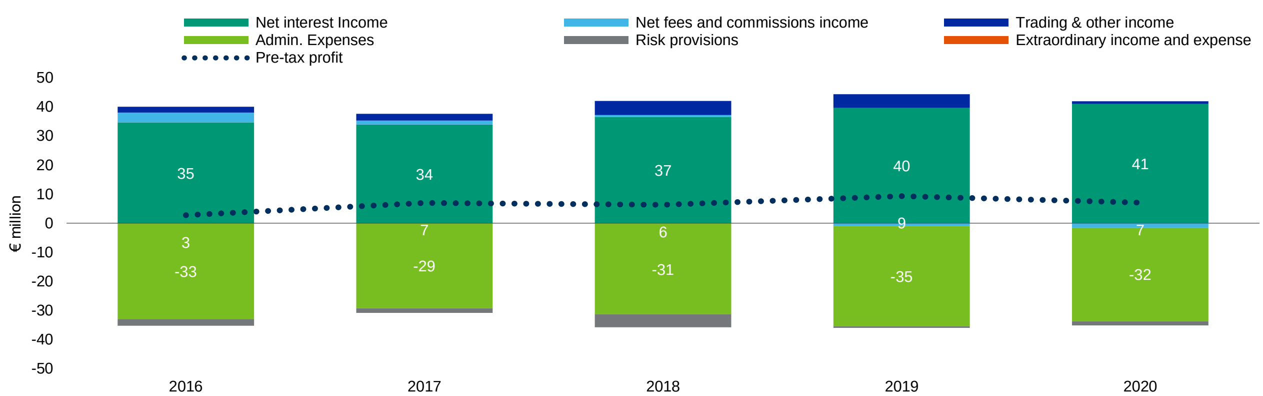
We assign a b3 Profitability score, two notches below the b1 initial score. The downward adjustment reflects our expectation of continued pressure on non-interest income and inflexible costs for the next four to five years. That said, BKM has shown some success in defending its modest profitability levels, and it does have additional scope to offset profit pressures, especially by generating higher net interest income that will benefit from lower funding costs over the next few years.

One of the weaknesses of BKM's income statement is its structurally low diversification of revenue and inflexible costs. Like its peers within the German building and loan association sector, BKM is highly dependent on net interest income and we do not foresee fee income to provide diversification benefits in light of court decisions that fully accommodated the interests of customers and will have a strongly negative impact on the scope of banks' fee generation. Even so, we expect BKM to be able to defend its modest level of profitability through a mix of saving funding costs and organically growing its business in the vibrant German residential mortgage market, while the less remunerative savings and lending business matures.

Although challenging in Germany's highly competitive environment, BKM will be increasingly able to focus on both remunerative Bauspar and non-Bauspar products such as mortgage loans. As portions of the bank's most expensive deposits reduce every year, BKM will increasingly explore cheaper funding options for new business in the market, including through the issuance of covered bonds, which commenced in 2020. At the same time, BKM has been successfully marketing its newer Bauspar products for some years at remunerative terms for the bank. After a long period of decline, BKM's Bauspar deposits have grown again since 2017 to €738 million as of year-end 2020 (29.0% of total assets) from €705 million as of year-end 2016 (29.5% of total assets). That said, within the sector, BKM has the lowest percentage of Bauspar deposits within its overall funding mix, which makes it easier for BKM to fend off the related earnings pressures.

Exhibit 5

BKM's earnings have been resilient, but remain subdued



Source: Moody's Investors Service, company reports

In 2020, BKM's net revenues on a Moody's-adjusted basis declined to €40.4 million from €43.4 million in 2019, despite a €1.4 million increase in net interest income to €41.0 million. The drop was driven by €0.6 million lower net fee and commission income, which contributed a negative €1.5 million to the bank's topline as expenses for mortgage referrals continued to outstrip fee and commission income. In addition, other income reduced to €0.9 million in 2020 from €4.7 million in 2019. Some of the decline in net revenues was offset by €2.4 million lower operating expenses, which reached €32.1 million in 2020, reflecting lower pension provisions but also lower expenses for projects that were deferred due to the pandemic. With loan loss provisions having increased to €0.9 million from €0.6 million and the bank also having increased its 340f reserve by €0.6 million in 2020, the Moody's-adjusted net income of BKM declined to €4.6 million from €6.5 million in 2019.

BKM benefits from a diversified funding structure; dependence on debt markets is low, but will likely increase

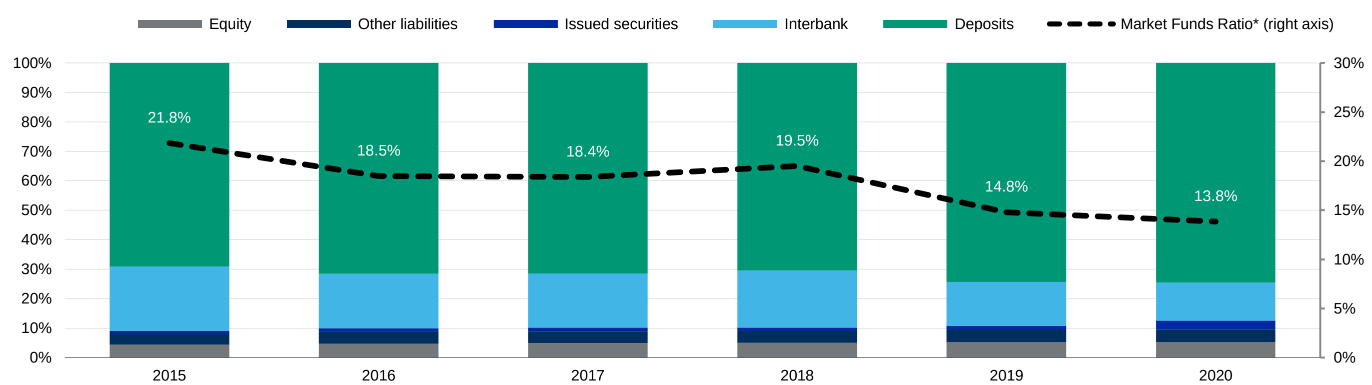
We assign an a3 Funding Structure score, one notch below the a2 initial score. The score reflects offsetting adjustments, specifically our upward adjustment to the market funds ratio, because BKM has some issued debt outstanding that is not included in our initial calculation of market funds, as well as the expectation that BKM will increase its market funding dependence (inter alia through covered bond issuances) in order to diversify is funding base and lower its funding costs. These adjustments raise the market funds ratio and lower the Funding Structure score by three notches from the initial score. On the other hand, we grant a two-notch upward adjustment in the Funding Structure score, because we positively take into consideration the long duration and sticky nature of the bank's retail deposits, which help to ensure a broadly matched maturity structure.

The bank's retail deposit base represented €1.8 billion, or 72% of total assets as of December 2020. Included in this figure were €738 million of fixed-rate Bauspar deposits (a portion of which is very costly), which comprised 29% of total assets. Although substantial for the bank, this proportion is considerably below the average for the sector, implying a considerable cost advantage over peers in the Bauspar market. Growth in adequately priced Bauspar deposits in 2020 once again outpaced the decline in more costly Bauspar deposits, underpinning the stability of the deposit base.

Only a moderate amount of BKM's funding relies on institutional funds at present. As of year-end 2020, market funds comprised €329 million of interbank liabilities, €70 million of senior promissory notes sold to customers, and €46 million of registered covered bonds, which improved BKM's term structure. BKM's covered bond license, obtained in June 2018, allows the bank to further diversify its funding options, but will also increase the bank's overall market funding reliance. BKM was only the second building and loan association in the German market to have obtained a covered bond license.

Exhibit 6

BKM mostly funds itself with granular and sticky customer deposits



*Market funds ratio = market funds/tangible banking assets.
Source: Moody's Investors Service

BKM maintains adequate liquidity buffers

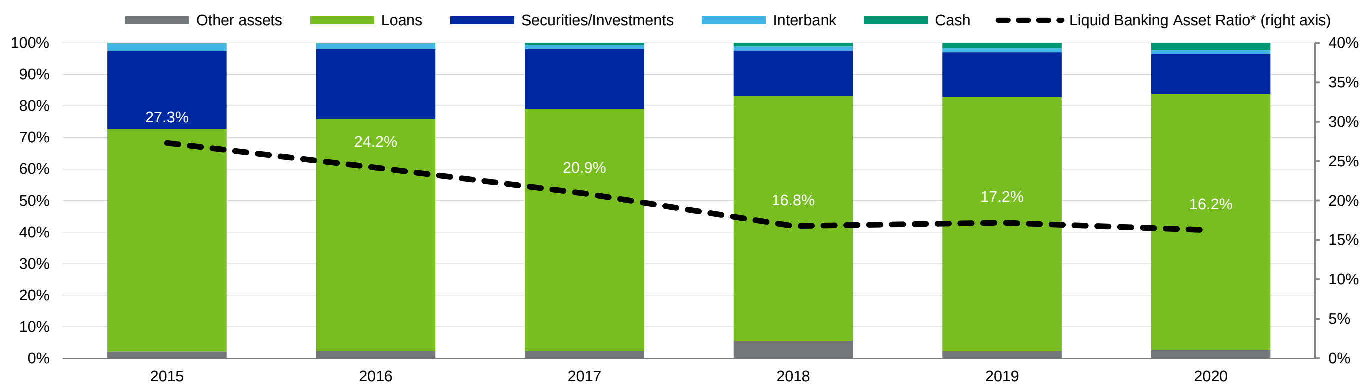
We assign a baa3 Liquid Resources score, one notch below the baa2 initial score. The downward adjustment takes into account the encumbrance of the bank's liquid assets as well as BKM's target to reduce liquidity buffers in order to save costs.

We consider in the bank's liquidity buffers still adequate, despite BKM's plans to further reduce its low-yielding investment portfolio, given the bank's very high liquidity coverage ratio of 569% during 2020. Moreover, due to the fact that the bank established a covered bond program, overcollateralization of the bank's cover pool would allow the bank to issue retained covered bonds at short notice in order to generate additional liquidity.

The size and quality of BKM's liquidity portfolio is very sound. It contains a high proportion of central bank-eligible assets to counter unexpected liquidity outflows, which stood at €322 million, or 13% of total assets, as of year-end 2020. In addition, we include the bank's €60 million of cash and €31 million of interbank loans in our calculation of liquid banking assets, which resulted in a liquid banking assets ratio of 16.2% as of year-end 2020.

Exhibit 7

BKM's liquid resources have been declining



*Liquid banking assets ratio = liquid assets/tangible banking assets.
Source: Moody's Investors Service

The narrow business model of mortgage lending constrains the BCA

Business diversification is an important gauge of a bank's sensitivity to stress in a single business line. It is related to earnings stability in the sense that earnings diversification across distinct and relatively uncorrelated lines of business increases the reliability of a bank's earnings streams and its potential to absorb shocks affecting a business line.

BKM's high concentration in mortgage lending, and the Bauspar product in particular, leads us to deduct a full notch from its Financial Profile score. BKM is almost exclusively dependent on one business line, that is, mortgage savings and loan contracts, and we therefore classify the bank as a monoline bank.

BKM was an early mover in increasing viable mortgage loan products outside the Bauspar product; however, it will take time before this will sustainably offset the risks related to the concentration in long-term Bauspar saving and lending, and translate into healthier profits. For the time being, BKM's business model remains vulnerable to changes in market dynamics and legislation.

Environmental, social and governance (ESG) considerations

In line with our general view on the banking sector, BKM has a low exposure to environmental risks (see our environmental heat map[2] for further information).

For social risks, we also place BKM in line with our general view for the banking sector, which indicates a moderate exposure (see our social heat map[3]). This includes considerations in relation to the coronavirus outbreak, given the substantial implications for public health and safety and the severe and extensive credit shock the pandemic has caused across many sectors, regions and markets. In addition, the German savings and loan associations (Bausparkassen) are regularly targeted by consumer protection associations, as the banks try to terminate costly legacy client relationships, which makes them vulnerable to challenges in court.

Governance is highly relevant for BKM, as it is to all participants in the banking industry. Governance risks are largely internal, rather than externally driven, and for BKM, we do not have any particular governance concern[4]. Nonetheless, corporate governance remains a key credit consideration and requires ongoing monitoring.

Support and structural considerations

Loss Given Failure analysis

BKM is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider to be an Operational Resolution Regime. We therefore apply our Advanced LGF analysis, where we consider the risks faced by the different debt and deposit classes across the liability structure should the bank enter resolution.

In our Advanced LGF analysis, we consider the results of both the formal legal position (pari passu, or 'de jure' scenario), to which we assign a 75% probability, and an alternative liability ranking, reflecting resolution authority discretion to prefer deposits over senior unsecured debt (full depositor preference, or 'de facto' scenario), to which we assign a 25% probability.

We further assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets, a 25% run-off in “junior” wholesale deposits and a 5% run-off in preferred deposits. These ratios are in line with our standard assumptions. In addition, we assume that only a very small percentage (10%) of the deposit base can actually be considered junior and qualify as bail-in-able under the BRRD.

For counterparty risk liabilities and deposits, our LGF analysis indicates an extremely low loss given failure, leading us to position their Preliminary Rating Assessments at a2, three notches above the baa2 Adjusted BCA.

Government support considerations

Since the introduction of the BRRD, we have only very selectively assigned moderate expectations of support that the government might provide to a bank in Germany in the event of need. Because of its small size relative to the German banking system and its limited degree of systemic interconnectedness, we continue to assign a low systemic support probability assumption to BKM, which does not result in any rating uplift from government support.

Counterparty Risk Rating (CRR)

BKM's CRR is A2/P-1

The CRR is three notches above the baa2 Adjusted BCA, reflecting the extremely low loss given failure from the high volume of instruments that are subordinated to CRR liabilities. BKM's CRR does not benefit from government support, in line with our support assumptions on deposits.

Counterparty Risk (CR) Assessment

BKM's CR Assessment is A2(cr)/P-1(cr)

The CR Assessment is three notches above the baa2 Adjusted BCA, based on the buffer against default provided to the senior obligations represented by the CR Assessment by more subordinated instruments, including junior deposits and junior senior unsecured debt, amounting to about 20% of BKM's tangible banking assets. BKM's CR Assessment does not benefit from any rating uplift based on government support, in line with our support assumptions on deposits.

Because the CR Assessment captures the probability of default on certain senior operational obligations, rather than expected loss, we focus purely on subordination and take no account of the volume of the instrument class.

Methodology and scorecard

Methodology

The principal methodology we used in rating BKM was Banks Methodology published in July 2021.

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 8

Bausparkasse Mainz AG

Macro Factors							
Weighted Macro Profile	**Strong +**	**100%**					
Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	0.5%	aa2	↑	a1	Interest rate risk	Sector concentration
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	12.4%	a3	↔	a3	Risk-weighted capitalisation	Expected trend
Profitability						
Net Income / Tangible Assets	0.2%	b1	↓	b3	Earnings quality	Expected trend
Combined Solvency Score		a3		baa1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	13.8%	a2	↓↓	a3	Expected trend	Deposit quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	16.2%	baa2	↓	baa3	Expected trend	Stock of liquid assets
Combined Liquidity Score		a3		baa1		
Financial Profile				baa1		
Qualitative Adjustments				Adjustment		
Business Diversification				-1		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				-1		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				baa1 - baa3		
Assigned BCA				baa2		
Affiliate Support notching				0		
Adjusted BCA				baa2		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	346	13.6%	474	18.7%
Deposits	1,824	71.8%	1,696	66.8%
Preferred deposits	1,641	64.6%	1,559	61.4%
Junior deposits	182	7.2%	137	5.4%
Junior senior unsecured bank debt	262	10.3%	262	10.3%
Dated subordinated bank debt	33	1.3%	33	1.3%
Equity	76	3.0%	76	3.0%
Total Tangible Banking Assets	2,540	100.0%	2,540	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	20.0%	20.0%	20.0%	20.0%	3	3	3	3	0	a2
Counterparty Risk Assessment	20.0%	20.0%	20.0%	20.0%	3	3	3	3	0	a2 (cr)
Deposits	20.0%	14.6%	20.0%	14.6%	3	3	3	3	0	a2

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a2	0	A2	
Counterparty Risk Assessment	3	0	a2 (cr)	0	A2(cr)	
Deposits	3	0	a2	0	A2	A2

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Investors Service

Ratings

Exhibit 9

Category	Moody's Rating
BAUSPARKASSE MAINZ AG	
Outlook	Stable
Counterparty Risk Rating -Dom Curr	A2/P-1
Bank Deposits	A2/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A2(cr)/P-1(cr)

Source: Moody's Investors Service

Endnotes

1 The 340f reserves under German GAAP are deducted from gross loans rather than being accounted for under liabilities, and are not recognised in banks' Common Equity Tier 1 (CET1) ratios. Under the international financial reporting standards (IFRS), such reserves would need to be released and included in balance-sheet capital and CET1.

2 Environmental risks can be defined as environmental hazards encompassing the impact of air pollution, soil/water pollution, water shortages, and natural and man-made hazards (physical risks). Additionally, regulatory or policy risks, such as the impact of carbon regulation or other regulatory restrictions, including related transition risks such as policy, legal, technology and market shifts, that could impair the evaluation of assets are an important factor. Certain banks could face a higher risk from concentrated lending to individual sectors or operations exposed to the aforementioned risks.

3 Social risk considerations represent a broad spectrum, including customer relations, human capital, demographic and societal trends, health and safety, and responsible production. The most relevant social risks for banks arise from the way they interact with their customers. Social risks are particularly high in the area of data security and customer privacy, which is partly mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. Fines and reputational damage because of product mis-selling or other types of misconduct is a further social risk. Societal trends are also relevant in a number of areas, such as shifting customer preferences towards digital banking services increasing information technology costs, ageing population concerns in several countries affecting the demand for financial services or socially driven policy agendas that may translate into regulations that affect banks' revenue bases.

4 Corporate governance is a well-established key driver for banks and related risks are typically included in our evaluation of banks' financial profiles. Corporate governance weaknesses can lead to a deterioration in a bank's credit quality, while governance strengths can benefit its credit profile. Further, factors such as specific corporate behaviour, key person risk, insider and related-party risk, strategy and management risk factors, and dividend policy may be captured in individual adjustments to the BCA.

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