



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Press release

9 April 2026

ECB concludes asset quality reviews of building societies LBS Süd and Wüstenrot

- ECB conducted asset quality reviews of two building societies (*Bausparkassen*) after classifying them as significant
- Exercises focused on credit risk
- No capital shortfalls were identified

The European Central Bank (ECB) today published the results of its asset quality reviews (AQRs) of LBS Landesbausparkasse Süd (LBS Süd) and Wüstenrot Bausparkasse AG (Wüstenrot).

The ECB classified the two banks as [significant](#) because the total value of their assets exceeded the threshold of €30 billion. As a result, the ECB began directly supervising Wüstenrot in January 2024 and LBS Süd in January 2025.

Supervisors carry out AQRs to review banks' asset valuations from a prudential perspective, increase transparency regarding their exposures and assess the adequacy of their capital levels. The AQRs of LBS Süd and Wüstenrot focused on credit risk.

The results will inform ongoing supervision of the banks and will lead to supervisory measures to address identified weaknesses. The results will also be considered in the Supervisory Review and Evaluation Process, which assesses the individual risk profiles of supervised banks.

The results of the AQRs show a depletion of the Common Equity Tier 1 (CET1) capital ratio by 137 basis points for LBS Süd and by 98 basis points for Wüstenrot. A bank's CET1 ratio is a key measure of its financial soundness.

This impact mostly stems from the fact that the banks only recognised credit risk once a loan was granted, whereas credit risk arises at least as soon as a client becomes eligible for a loan under a "Bauspar"-contract. This finding led to a depletion of the CET1 ratio by 109 basis points for LBS Süd

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and by 64 basis points for Wüstenrot. The rest of the CET1 ratio depletion stems from credit file review findings, including additional provisioning needs.

As the banks' AQR-adjusted CET1 ratios do not fall below their capital requirements, they do not face a capital shortfall.

The banks consented to the disclosure of the results. The ECB expects the banks to follow up on the outcome of the AQRs.

Results of the asset quality reviews

Bank	Starting point CET1 ratio	AQR impact	AQR-adjusted CET1 ratio
LBS Landesbausparkasse Süd	17.43%	-137 basis points	16.06%
Wüstenrot Bausparkasse AG	17.69%	-98 basis points	16.71%

More detailed results and information on the outcome of this exercise can be found in the disclosure templates shared in annexes to this press release.

For media queries, please contact [Lina Bennar](#), tel.: +49 152 06556600.

Notes

- Banks recently classified or likely to soon be classified as significant undergo an [asset quality review](#).
- The ECB has directly supervised Wüstenrot Bausparkasse AG since 1 January 2024 and LBS Landesbausparkasse Süd since 1 January 2025.

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