

Interim financial report as at 30 September 2009

Wüstenrot & Württembergische AG



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*Strength, independence and
the potential to shape the future*

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KEY FIGURES OF W&W GROUP

W&W GROUP (ACCORDING TO IFRS)

BALANCE SHEET		30 Sep 2009	31 Dec 2008
Available-for-sale financial assets	in € bn	16.8	12.7
Loans and advances to banks	in € bn	15.9	16.7
Loans and advances to customers	in € bn	31.5	28.6
Liabilities to customers	in € bn	23.6	20.9
Technical provisions	in € bn	29.2	28.5
Equity	in € bn	2.6	2.3
Net asset value per share	in €	28.30	25.87
Total assets	in € bn	71.2	64.4
INCOME STATEMENT		1 Jan 2009 to 30 Sept 2009	1 Jan 2008 to 30 Sept 2008
Net financial result (after allowance for credit losses)	in € mn	1,075.5	372.9
Premiums/contributions earned (net)	in € mn	2,774.0	2,741.7
Insurance benefits (net)	in € mn	2,704.9	2,106.3
Earnings before taxes from continued operations	in € mn	223.1	89.7
Consolidated net income	in € mn	184.0	92.5
Earnings per share	in €	1.88	1.00
OTHER INFORMATION		1 Jan 2009 to 30 Sept 2009	1 Jan 2008 to 30 Sept 2008
Employees ¹		8,282	8,134
Employees ²		9,873	9,806
Assets under management	in € bn	26.8	24.8
Sales of own and third-party investment funds	in € mn	139.9	296.1
New home loans business	in € mn	4,009.6	4,272.5
SEGMENT OVERVIEW		1 Jan 2009 to 30 Sept 2009	1 Jan 2008 to 30 Sept 2008
Home Loan and Savings Bank			
New home loan savings business (paid in) ³	in € bn	5.9	5.4
New home loan savings business (gross)	in € bn	7.7	6.9
Property/Casualty Insurance			
New premiums/contributions (measured in terms of annual contributions to the portfolio)	in € mn	149.9	125.7
Gross premium/contribution income	in € mn	1,094.5	1,080.6
Life and Health Insurance			
Annual Premium Equivalent (APE)	in € mn	147.4	162.4
Gross premium/contribution income	in € mn	1,742.1	1,658.2

¹ Full-time equivalent headcount as at 30 September 2009 (previous year's figure as at 31 Dec 2008).

² Number of employment contracts as at 30 September 2009 (previous year's figure as at 31 Dec 2008).

³ Including new business from the newly acquired Vereinsbank Victoria Bauspar AG.

KEY FIGURES OF W&W AG

W&W AG (ACCORDING TO THE GERMAN COMMERCIAL CODE)

		1 Jan 2009 to 30 Sept 2009	1 Jan 2008 to 30 Sept 2008
Net income as at 30 September 2009	in € mn	149.5	59.0
Share price on 30 September 2009	in €	16.29	13.05
Market capitalisation as at 30 September 2009	in € mn	1,498.6	1,125.5

This interim financial report as at 30 September 2009 has been prepared in line with the IFRS principles pursuant to Section 37x of the German Securities Trading Act (WpHG). It is not an interim statement as defined in IAS 34 and does not take the form of financial statements as defined in IAS 1.

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REPORT ON ASSETS, LIABILITIES, FINANCIAL POSITION, AND PROFIT OR LOSS

Economic situation

German gross domestic product was still falling during the first quarter of 2009, down a clear 3.5% compared with the previous three months as the financial crisis took its toll. Since the spring, however, there have been signs of recovery, with economic performance actually rising again and improving by 0.3% during the second quarter. The contributory factor has been the highly expansionist monetary and fiscal policy pursued in Germany. Tools such as the scrap bonus for used cars are stimulating the economy again, at least in the short term. Meanwhile, the export sector, which is so important to the German economy, also appears to be picking up speed again. The unemployment rate, however, is likely to rise further over the coming months, with households propensity to spend set to wane further. Looking at 2009 as a whole, the leading economic research institutes are therefore forecasting a 5% fall in GDP in their autumn report. With regard to 2010, however, economic output is expected to grow by 1.2%.

Meanwhile, a change of mood was evident on the European equity markets, thanks to the improved economic development and the positive business results recorded by several major banks over the reporting period. Additionally, liquidity levels among institutional investors rose sharply as a result of the central bank's policy, sparking increased demand for investments. Subsequently, the European equity markets enjoyed a marked price rally through until the end of September 2009.

The yields on 10-year federal bonds had worked their way up during the first months of 2009 to just above their 2008 year-end level of 2.95%. The first improvements in key economic indicators – such as the ifo business climate index – from May onwards then pushed them higher, to around the 3.7% mark. Announcements by the European Central Bank to the effect that it intends pursuing its extremely expansionist monetary policy for some time yet saw the 10-year yield fall back to 3.22% by the end of September 2009. An additional factor is the high appeal of long-term bonds given the pronounced steepness of the yield curve. An abundant supply of liquidity has generated interest among buyers on the bond market too. Moreover, inflation expectations on this market have also helped to keep interest rates at low levels. Although the highly expansionist monetary and fiscal policy does present certain risks of inflation over the long term, a continuation of low rates of inflation can be expected over the short and medium term due to capacity being underused during the period of recession. Some players on the bond markets even believe that there is a certain risk of deflation over the next few quarters.

Capital increase

In the context of a capital increase, W&W AG increased its share capital by € 30.1 million to € 481.1 million through the issue of 5,749,538 no-par value registered shares on 7 August 2009. With an issue price of € 15 per share, the increase raised € 86.2 million. This has enabled W&W AG to continue to play an active part in the financial services sector consolidation process.

Sector environment

The home loan savings and financing sectors have fared differently over the year to date. Gross new business in the home loan savings sector fell by 11.4% to € 69.5 billion, whilst the financing sector experienced an increase of 14.2% to reach € 151.0 billion.

The advance sales in conjunction with the new rules on housing subsidies (*Wohnungsbauprämie*) in Germany meant that home loan savings business enjoyed an exceptionally good year in 2008. Subsequently, new business levels returned to normal in 2009. By contrast, home financing business has defied initial expectations and continued to fare well. Planned renovation and modernisation work, as well as solid demand for second-hand properties, have lent impetus to this sector. In terms of new house-building projects, however, a continued fall in the number of planning permission applications being accepted can be expected.

In terms of life insurance business, the number of new contracts fell as a result of the continued uncertainty on the financial market, down by 6.8% year-on-year to 4.3 million new policies. The annual premium equivalent with regard to new business during the first nine months of 2009 fell by 9.1% to € 5.1 billion. For 2009 as a whole, the General Association of the German Insurance Industry (GDV) expects to see gross premiums rise by 5%, primarily driven by one-off contributions.

In terms of property/casualty insurance, the GDV is, however, only expecting to see a slight increase in premium income, up 0.2% to € 54.7 billion.

Business development

The three-year "W&W 2009" programme, focusing on growth, efficiency and profitability, is nearing its conclusion. The measures taken under this programme, which have been implemented since 2006, continued to have a positive impact during the third quarter of 2009. Despite the financial crisis, the W&W Group generated a consolidated net income (according to IFRS) as at 30 September 2009 of € 184.0 million (€ 92.5 million)¹. The rise can be attributed to the Home Loan and Savings Bank and Property/Casualty Insurance segments.

NET FINANCIAL RESULT

The W&W Group's net financial result improved by € 702.6 million to € 1,075.5 million (€ 372.9 million) as at 30 September 2009. The following factors should be taken into account.

Net income from investment securities available for sale grew by € 616.1 million during the reporting period. The comparable figure for the same period of 2008 was affected by impairments in relation to shares, and higher losses from disposals.

Net income from financial assets and liabilities at fair value through profit or loss rose by € 64.1 million, primarily as a result of the improvement in the unit-linked life insurance results.

Net income from receivables, liabilities and subordinated capital reached € 799.3 million, compared with € 713.0 million during the first nine months of 2008.

Net expenses for allowances for credit losses rose by € 54.5 million, from € 45.8 million to € 100.3 million due to direct write-downs on bonds in the Life and Health Insurance segment.

PREMIUMS AND CONTRIBUTIONS EARNED

Premiums and contributions earned as at 30 September 2009 rose by € 32.4 million from € 2,741.6 million to € 2,774.0 million. Whilst there was a gain of € 58.3 million in the amount earned in Life and Health Insurance, thanks to a rise in one-off contributions, premiums earned in

¹ Unless specified otherwise, the figures in brackets represent the corresponding values as at 30 September 2008.

Property/Casualty Insurance fell by € 17.6 million. One of the reasons for this was the Group's earlier disposal of its UK branch, WürttUK.

INSURANCE BENEFITS

Insurance benefits increased over the first nine months of 2009, up by € 598.6 million from € 2,106.3 million to € 2,704.9 million. Claim expenses in the Property/Casualty Insurance segment fell in conjunction with the discontinuation of the Group's London-based business, and because domestic claim costs were also down. In contrast, in the Life and Health Insurance segment, allocations to technical provisions were up. These are included in the benefits provided under life and health insurance agreements. The lower net financial result recorded during the previous year led to lower technical provisions for these benefits.

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses rose by € 27.8 million from € 722.6 million to € 750.4 million, primarily as a result of the rise in the contribution due to the Pension Security Association, the costs associated with integrating Vereinsbank Victoria Bauspar AG, and investment in IT.

NET OTHER INCOME/EXPENSE

Net other income improved by € 30.8 million from € 24.3 million to € 55.1 million, an increase attributable to the Home Loan and Savings Bank and Property/Casualty Insurance segments. The rise recorded in the Home Loan and Savings Bank segment was primarily the result of the first-time consolidation of the newly acquired Vereinsbank Victoria Bauspar AG. Net other income improved in Property/Casualty Insurance primarily in conjunction with actuarial foreign exchange rate gains.

EQUITY

As at 30 September 2009, the W&W Group's equity totalled € 2,645.9 million, compared with € 2,337.6 million as at 31 December 2008. The growth of € 308.3 million can be attributed to the higher level of consolidated net income as at 30 September 2009, the rise in the revaluation surplus due to higher prices for the securities portfolio, and the capital increase implemented by W&W AG. In contrast, the dividend distributed for the 2008 financial year had a negative effect on equity.

Segment reporting

HOME LOAN AND SAVINGS BANK

Wüstenrot Bausparkasse AG acquired all of the shares in Vereinsbank Victoria Bauspar AG with effect from 8 July 2009. The merger with Wüstenrot Bausparkasse AG was completed on 29 September 2009. The figures quoted below on the segment's income therefore, as well as relating to the results for Wüstenrot Bank AG Pfandbriefbank, also include the figures for the merged Wüstenrot Bausparkasse AG. New business and net profit for the segment developed positively overall. Net profit, at € 99.4 million, rose considerably compared with the € 35.6 million recorded for the same period of the previous year.

Gross new business in the home loan and savings segment rose by 12.4% in terms of the volume of contracts, growing from € 6,850.9 million to € 7,702.8 million, of which € 731.2 million related to Vereinsbank Victoria Bauspar AG. Excluding the acquisition of Vereinsbank Victoria Bauspar AG, the increase in new business totalled 1.8%. New business paid in also improved as a result of this positive development. As at 30 September 2009, it totalled € 5,908.0 million (€ 5,438.2 million).

New lending business in the Home Loan and Savings Bank segment fell slightly as at 30 September 2009, down by 1.9% to € 2,676.6 million (€ 2,727.4 million). We have continued to adhere to our consistent risk policy in a difficult market environment. Extensions totalled € 544.5 million (€ 756.8 million). Newly concluded lending business totalled € 2,132.1 million (€ 1,970.6 million), of which € 27.3 million related to Vereinsbank Victoria Bauspar AG.

New home loan financing business (including disbursements from Württembergische Lebensversicherung AG loans under home loan and savings contracts, and mortgage loans) in the W&W Group reached € 4,009.6 million (€ 4,272.5 million) during the period under review. Domestic business accounted for the greater share, at € 3,688.4 million (€ 3,930.1 million). Vereinsbank Victoria Bauspar AG accounted for € 100.4 million. The Czech building society and mortgage bank, whose business activities are reported under "All other segments" contributed € 321.2 million (€ 342.4 million).

The net financial result of the Home Loan and Savings Bank segment rose by € 75.6 million to € 356.6 million (€ 281.0 million). The € 14.5 million increase in net income from available-for-sale financial assets, to € 146.9 million (€ 132.4 million), reflected higher interest income on a larger portfolio. Net income from financial assets and liabilities at fair value through profit or loss rose by € 14.3 million, reaching € 14.6 million (€ 0.3 million). This can be attributed to an improved result in relation to the fair values of derivatives without a hedging relationship. Net income from receivables, liabilities and subordinated capital rose by € 40.1 million to € 223.4 million (€ 183.3 million), predominantly on the basis of lower refinancing costs as a result of low-interest funding. A further contributory factor was the fall in bonus payments given that, within the building savings collective, certain contractual changes may now only be made if bonuses are waived. This reduces potential bonuses, and consequently the actual bonus payments made.

General administrative expenses increased over the period up to 30 September 2009, primarily as a result of higher contributions to the Pension Security Association and non-personnel expenses incurred during the integration of Vereinsbank Victoria Bauspar AG. These rose by € 10.8 million, to € 240.5 million (€ 229.7 million).

Net other income increased from –€ 6.1 million to € 17.2 million. As a result of the acquisition of Vereinsbank Victoria Bauspar AG in the third quarter of 2009, the resulting negative goodwill was posted as income under Net other income.

LIFE AND HEALTH INSURANCE

The Life and Health Insurance segment recorded growth in terms of both income and premiums/contributions. Premiums and contributions earned rose by € 58.3 million from € 1,767.3 million to € 1,825.6 million. Net profit for the segment totalled € 6.4 million as at 30 September 2009, compared with € 4.0 million for the first nine months of the previous year.

New insurance business, measured in terms of the Annual Premium Equivalent (APE), totalled € 147.4 million as at 30 September 2009 (€ 162.4 million). New life insurance business featured a clear rise in one-off contributions, only 10% of which are included in the calculation of new business in terms of the APE.

The easing of the situation on the financial markets also manifested itself in this segment's net financial result. This rose to € 671.4 million (€ 22.5 million) and was significantly affected by the improvement of € 626.3 million in net income from available-for-sale financial assets. Considerably higher impairments recognised in income and disposal losses in relation to equities were recorded during the previous year. Additionally, net income from financial assets and liabilities at fair value through profit or loss increased by € 40.8 million from € 66.5 million to € 107.3 million, thanks to an improved result from the investments made in relation to unit-linked insurance policies. This considerably made up for the poorer result from disposals and the fair value of the trading portfolio. An improvement in net interest income and realised gains also contributed to a higher level of net income from receivables, liabilities and subordinated capital, which reached € 524.8 million compared with € 475.2 million during the previous year. Overall, these factors were sufficient to offset the rise of € 65.7 million in net expenses for allowances for credit losses resulting from the value adjustment of receivables.

Insurance benefits increased by € 666.1 million to € 2,230.0 million (€ 1,563.9 million). Compared with 2008, there was a significant reduction in withdrawals from the deferred provisions formed for premium refunds, and higher allocations to the provision for future policy benefits for unit-linked and classic life insurance policies. These provisions developed in line with the trend in terms of net financial result. After the lower net financial result last year led to a reduction in the provisions for premium refunds and future policy benefits related to unit-linked insurance policies, a clear increase is now in evidence again with a corresponding impact on the allocated provisions.

General administrative expenses in the Life and Health Insurance segment increased by € 18.8 million, rising from € 165.8 million to € 184.6 million. The costs of introducing a new life insurance product family are reflected under this item. The partial release of a provision to cover part-time arrangements for older employees helped to reduce personnel expenses.

PROPERTY/CASUALTY INSURANCE

Lower insurance benefits and an improvement in net other income combined to push net profit in the Property/Casualty Insurance segment up significantly. As at 30 September 2009 net profit for the segment had grown to € 65.0 million (€ 27.7 million).

New business, measured in terms of annual contributions to the portfolio, had climbed by € 24.2 million to reach € 149.9 million (€ 125.7 million) by 30 September 2009. Württembergische Vertriebservice GmbH, dealing with brokers and freelance agents, made a major contribution in this regard, growing its new business from € 14.3 million to € 30.0 million.

The net financial result dropped by € 7.8 million to € 27.8 million (€ 35.6 million). This development was mainly due to the fall of € 15.1 million in net income from receivables, liabilities and subordinated capital due to lower interest income and lower income from disposals. Two factors had a positive impact, however. The first was net income from financial assets and liabilities at fair value through profit or loss, which improved by € 4.1 million based on more gratifying results from disposals and fair value. The second was the rise of € 2.3 million in net income from available-for-sale financial assets, caused by lower impairments recognised in income and disposal losses in relation to equities.

The fall of € 17.6 million in net premiums earned, down from € 815.1 million to € 797.5 million, was mainly due to the disposal of the UK branch WürttUK, the sales figures for which were still included in the previous year's result.

In the absence of new business coming through WürttUK, insurance benefits in this segment were reduced by € 56.3 million. Claim expenses were also cut with regard to German business operations. The fall in insurance benefits is reflected in both the reported losses for the year and a clearly positive settlement result.

General administrative expenses in the Property/Casualty Insurance segment increased by € 3.7 million, rising from € 241.1 million to € 244.8 million. This was primarily due to the increase in the contributions due to the Pension Security Association.

The improvement in net other income, up by € 23.3 million from € 0.7 million to € 24.0 million, can be primarily attributed to exchange rate gains from technical provisions and higher income from rental business and leases.

ALL OTHER SEGMENTS

The item "All other segments" comprises those areas of business that are not allocated to another segment.

Performance is fundamentally determined by W&W AG, W&W Asset Management GmbH and the Czech companies (building society, insurance, mortgage bank). The segment's net profit, after taxes, was € 142.9 million compared with € 70.8 million during the same period of 2008. The main factor responsible for the rise was the increase of € 93.5 million in the net financial result, which grew from € 110.2 million to € 203.7 million as a result of higher income from W&W AG's participatory holdings.

Outlook

As part of the "W&W 2009" modernisation programme, the W&W Group set itself the target of achieving a return on equity of 9% after taxes by the year 2009. This target was set in 2006, at a time when the general economic conditions were far removed from the financial and economic crisis in which we currently find ourselves. By adhering to our sound, clearly defined and sustainable business model, and through our "W&W 2009" programme, which has provided us with a good foundation, we are continuing to pursue this aim even although current economic conditions make it a more difficult target to attain. According to economic experts, gross domestic product is likely to fall by 5% over 2009 as a whole in Germany.

Our consolidated net income is developing as planned. This reinforces our view that we can achieve our target for the year, subject to the capital markets continuing to stabilise and provided that there are no significant instances of loan default or major claim events.

On the basis of the measures contained in (and success derived from) the "W&W 2009" renewal programme, we are currently developing the next stage of our strategy, "W&W 2012". Projects covering the key themes of value proposition and the customer, growth, efficiency, profitability, management and HR, are being developed, and will be evaluated and fleshed out by the end of the year.

CONSOLIDATED BALANCE SHEET

ASSETS

EUR 000's	30 Sep 2009	31 Dec 2008	1 Jan 2008
A. Cash reserve	23,013	146,484	182,333
B. Non-current assets held for sale and disposal groups	11,044	14,890	89,505
C. Financial assets at fair value through profit or loss	2,020,262	1,525,188	1,706,279
D. Available-for-sale financial assets	16,845,728	12,733,841	13,029,552
E. Loans and receivables	47,637,515	45,564,984	48,845,167
I. Loans and advances to banks	15,915,523	16,684,549	19,097,928
II. Receivables from reinsurance business	118,332	103,732	183,355
III. Loans and advances to customers	31,480,939	28,631,462 ¹	29,312,744 ¹
IV. Other receivables	122,721	145,241	251,140
F. Allowance for credit losses	- 246,775	- 246,595	- 266,346
G. Positive market value of hedges	291,814	10,724	19,099
H. Investments accounted for using the equity method	131,098	130,173	192,570
I. Investment property	1,265,286	1,296,792	1,227,801
J. Reinsurers' share of technical provisions	1,861,701	1,898,407	1,988,978
K. Other assets	1,363,152	1,373,268	1,100,024
I. Intangible assets	223,950	234,108	203,632
II. Property, plant and equipment, and inventories	365,230	360,074	353,487
III. Current tax assets	122,498	136,944	131,368
IV. Deferred tax assets	613,672	567,044 ¹	344,970 ¹
V. Miscellaneous assets	37,802	75,098	66,567
TOTAL ASSETS	71,203,838	64,448,156	68,114,962

¹ Previous year's figure adjusted due to amendment to IAS 18.

EQUITY AND LIABILITIES

EUR 000's	30 Sep 2009	31 Dec 2008	1 Jan 2008
A. Liabilities directly connected with non-current assets held for sale and disposal groups	—	—	—
B. Financial liabilities at fair value through profit or loss	542,048	507,002	227,690
C. Liabilities	35,383,543	30,195,743	32,807,055
I. Certificated liabilities	1,511,754	2,043,322	3,315,831
II. Liabilities to banks	8,069,836	5,210,199	5,542,903
III. Liabilities from reinsurance business	1,651,157	1,602,442	1,710,444
IV. Liabilities to customers	23,620,537	20,865,770	21,789,959
V. Other liabilities	530,259	474,010	447,918
D. Negative market value of hedges	408,289	141,348	85,833
E. Technical provisions	29,234,152	28,477,505	29,719,736
F. Other provisions	1,754,598	1,589,852	1,607,470
G. Other liabilities	799,106	730,872	678,474
I. Current tax liabilities	258,670	243,009	301,623
II. Deferred tax liabilities	527,513	475,093 ¹	333,610 ¹
III. Miscellaneous liabilities	12,923	12,770	43,241
H. Subordinated capital	436,166	468,199	507,455
I. Equity	2,645,936	2,337,635	2,481,249
I. Share in paid-in capital attributable to shareholders of W&W AG	1,460,195	1,374,105	1,374,105
II. Share in retained earnings attributable to shareholders of W&W AG	1,109,557	906,536 ¹	1,032,792 ¹
III. Minority interests	76,184	56,994	74,352
TOTAL EQUITY AND LIABILITIES	71,203,838	64,448,156	68,114,962

¹ Previous year's figure adjusted due to amendment to IAS 18.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

EUR 000's	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008
Income from available-for-sale financial assets	581,249	640,777 ²
Expenses for available-for-sale financial assets	327,199	1,002,843 ²
1. Net income from/net expense for available-for-sale financial assets	254,050	- 362,066
Income from investments accounted for using the equity method	2,340	8,172
Expenses for investments accounted for using the equity method	—	2,264
2. Net income from investments accounted for using the equity method	2,340	5,908
Income from financial assets and liabilities at fair value through profit or loss	1,348,789	1,063,828 ²
Expenses for financial assets and liabilities at fair value through profit or loss	1,228,075	1,007,230 ²
3. Net income from financial assets and liabilities at fair value through profit or loss	120,714	56,598
Income from hedges	78,291	14,061
Expenses for hedges	78,929	8,738
4. Hedge result	- 638	5,323
Income from receivables, liabilities and subordinated capital	1,627,790	1,731,836 ^{1,2}
Expenses for receivables, liabilities and subordinated capital	828,454	1,018,819 ^{2,3}
5. Net income from receivables, liabilities and subordinated capital	799,336	713,017
Income from allowances for credit losses	56,218	54,499
Expenses for allowances for credit losses	156,532	100,340
6. Net expense for allowances for credit losses	100,314	45,841
7. NET FINANCIAL RESULT	1,075,488	372,939
Income from investment property	64,580	71,699
Expenses for investment property	42,405	45,651
8. NET INCOME FROM INVESTMENT PROPERTY	22,175	26,048
Fee and commission income	170,989	200,542
Fee and commission expenses	420,296	446,889 ¹
9. NET FEE AND COMMISSION RESULT	- 249,307	- 246,347
Premiums/contributions earned (gross)	2,906,235	2,875,945
Premiums ceded to reinsurers	132,214	134,287
10. PREMIUMS/CONTRIBUTIONS EARNED (NET)	2,774,021	2,741,658
Insurance benefits (gross)	2,809,968	2,241,977
Claim recoveries from reinsurers	105,035	135,689
11. INSURANCE BENEFITS (NET)	2,704,933	2,106,288
AMOUNT CARRIED FORWARD	917,444	788,010

EUR 000's	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008
AMOUNT BROUGHT FORWARD	917,444	788,010
Personnel expenses	427,540	404,601 ³
Other administrative expenses	283,821	277,019
Amortisation, depreciation and impairment	39,086	41,023
12. GENERAL ADMINISTRATIVE EXPENSES	750,447	722,643
13. MEASUREMENT GAIN/LOSS FOR NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	985	—
Other income	180,137	135,058 ²
Other expenses	125,016	110,743 ^{2,4}
14. NET OTHER INCOME/EXPENSE	55,121	24,315
15. EARNINGS BEFORE INCOME TAXES FROM CONTINUED OPERATIONS	223,103	89,682
16. TAXES ON INCOME	39,118	– 2,822¹
17. EARNINGS AFTER INCOME TAXES FROM DISCONTINUED OPERATIONS	—	—
18. CONSOLIDATED NET INCOME	183,985	92,504
Result attributable to shareholders of W&W AG	173,095	86,566
Result attributable to minority interests	10,890	5,938
19. EARNINGS PER SHARE IN €⁵	1.88	1.00
of which: attributable to continued operations (in €)	1.88	1.00

1 Previous year's figure adjusted due to amendment to IAS 18.

2 Previous year's figure adjusted due to a change in presentation of income and expenses from currency translation.

3 Previous year's figure adjusted due to a change in presentation of interest cost for pension provisions.

4 Previous year's figure adjusted due to a change in presentation of expenses for other taxes.

5 Basic earnings per share correspond to diluted earnings per share.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR 000's	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008
Consolidated net income	183,985	92,504
Recognised in equity	– 49,025	– 155,465
Reclassified to the income statement	152,964	28,443
Measurement gains/losses from available-for-sale financial assets	103,939	– 127,022
Recognised in equity	– 16,451	– 3,531
Reclassified to the income statement	3,005	5,984
Measurement gains/losses from cash flow hedges	– 13,446	2,453
Currency translation differences of independent foreign operations	6,864	7,431
Actuarial gains and losses from defined benefit plans	– 12,870	3,047
Measurement gains/losses from investments accounted for using the equity method	1,104	8,061
Other comprehensive income, net of tax	85,591	– 106,030
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	269,576	– 13,526
Attributable to shareholders of W&W AG	243,766	– 14,725
Attributable to minority interests	25,810	1,199

SEGMENT INCOME STATEMENT

EUR 000's	HOME LOAN SAVINGS BANK		LIFE AND HEALTH INSURANCE	
	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008
1. Net income from/net expense for available-for-sale financial assets	146,963	132,428	108,371	- 517,915
2. Net income from/expense for investments accounted for using the equity method	—	—	1,609	3,688
3. Net income from/expense for financial assets and liabilities at fair value through profit or loss	14,563	303	107,285	66,453
4. Hedge result	- 538	5,425	- 100	- 102
5. Net income from receivables, liabilities and subordinated capital	223,434	183,276	524,820	475,245
6. Net expense for allowances for credit losses	27,782	40,446	70,559	4,909
7. Net financial result	356,640	280,986	671,426	22,460
8. Net income from/net expense for investment property	- 42	—	19,582	21,515
9. Net fee and commission result	- 11,197	- 10,355	- 95,559	- 93,904
10. Premiums/contributions earned (net)	—	—	1,825,587	1,767,253
11. Insurance benefits (net)	—	—	2,230,006	1,563,947
12. General administrative expenses¹	240,456	229,669	184,633	165,853
13. Measurement gain/loss for non-current assets and disposal groups classified as held for sale	—	—	—	—
14. Net other income/expense	17,243	- 6,087	- 13,085	- 7,564
15. SEGMENT RESULT FROM CONTINUED OPERATIONS BEFORE INCOME TAXES	122,188	34,875	- 6,688	- 20,040
16. Taxes on income	22,838	- 766	- 13,084	- 24,088
17. Result from discontinued operations	—	—	—	—
18. SEGMENT RESULT AFTER TAXES	99,350	35,641	6,396	4,048

1 Including service revenues from other segments.

2 Includes amounts from proportional profit transfers eliminated during consolidation.

	PROPERTY/CASUALTY INSURANCE		SUM TOTAL OF ALL REPORTABLE SEGMENTS		OTHER SEGMENTS ²		CONSOLIDATION/ RECONCILIATION		GROUP	
	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008	1 Jan 2009 to 30 Sep 2009	1 Jan 2008 to 30 Sep 2008
	- 4,899	- 7,228	250,435	- 392,715	196,205	107,393	- 192,590	- 76,744	254,050	- 362,066
	876	-	2,485	3,688	- 648	2,220	503	-	2,340	5,908
	4,895	809	126,743	67,565	- 5,919	- 10,967	- 110	-	120,714	56,598
	-	-	- 638	5,323	-	-	-	-	- 638	5,323
	27,059	42,206	775,313	700,727	15,881	11,861	8,142	429	799,336	713,017
	166	140	98,507	45,495	1,807	346	-	-	100,314	45,841
	27,765	35,647	1,055,831	339,093	203,712	110,161	- 184,055	- 76,315	1,075,488	372,939
	1,981	2,496	21,521	24,011	519	2,037	135	-	22,175	26,048
	- 122,264	- 124,409	- 229,020	- 228,668	- 29,514	- 25,047	9,227	7,368	- 249,307	- 246,347
	797,467	815,058	2,623,054	2,582,311	157,832	163,780	- 6,865	- 4,433	2,774,021	2,741,658
	384,478	440,814	2,614,484	2,004,761	92,666	107,596	- 2,217	- 6,069	2,704,933	2,106,288
	244,776	241,105	669,865	636,627	62,765	67,606	17,817	18,410	750,447	722,643
	-	-	-	-	985	-	-	-	985	-
	23,990	694	28,148	- 12,957	15,259	28,572	11,714	8,700	55,121	24,315
	99,685	47,567	215,185	62,402	193,362	104,301	- 185,444	- 77,021	223,103	89,682
	34,726	19,876	44,480	- 4,978	50,506	33,457	- 55,868	- 31,301	39,118	- 2,822
	-	-	-	-	-	-	-	-	-	-
	64,959	27,691	170,705	67,380	142,856	70,844	- 129,576	- 45,720	183,985	92,504

PUBLICATION AND CONTACT DETAILS

This interim management statement is available in both German and English. Both versions, as well as additional financial reports of W&W Group companies, are available for download at www.ww-ag.com/finanzberichte.

If you have any questions regarding financial issues, please do not hesitate to contact us.

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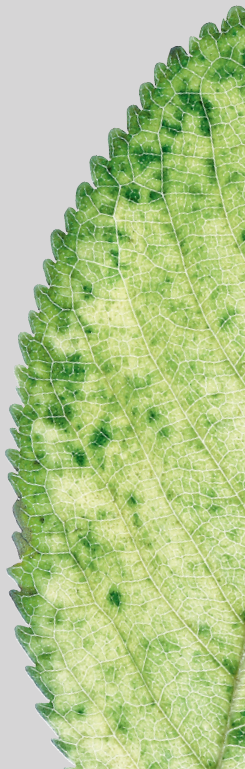
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