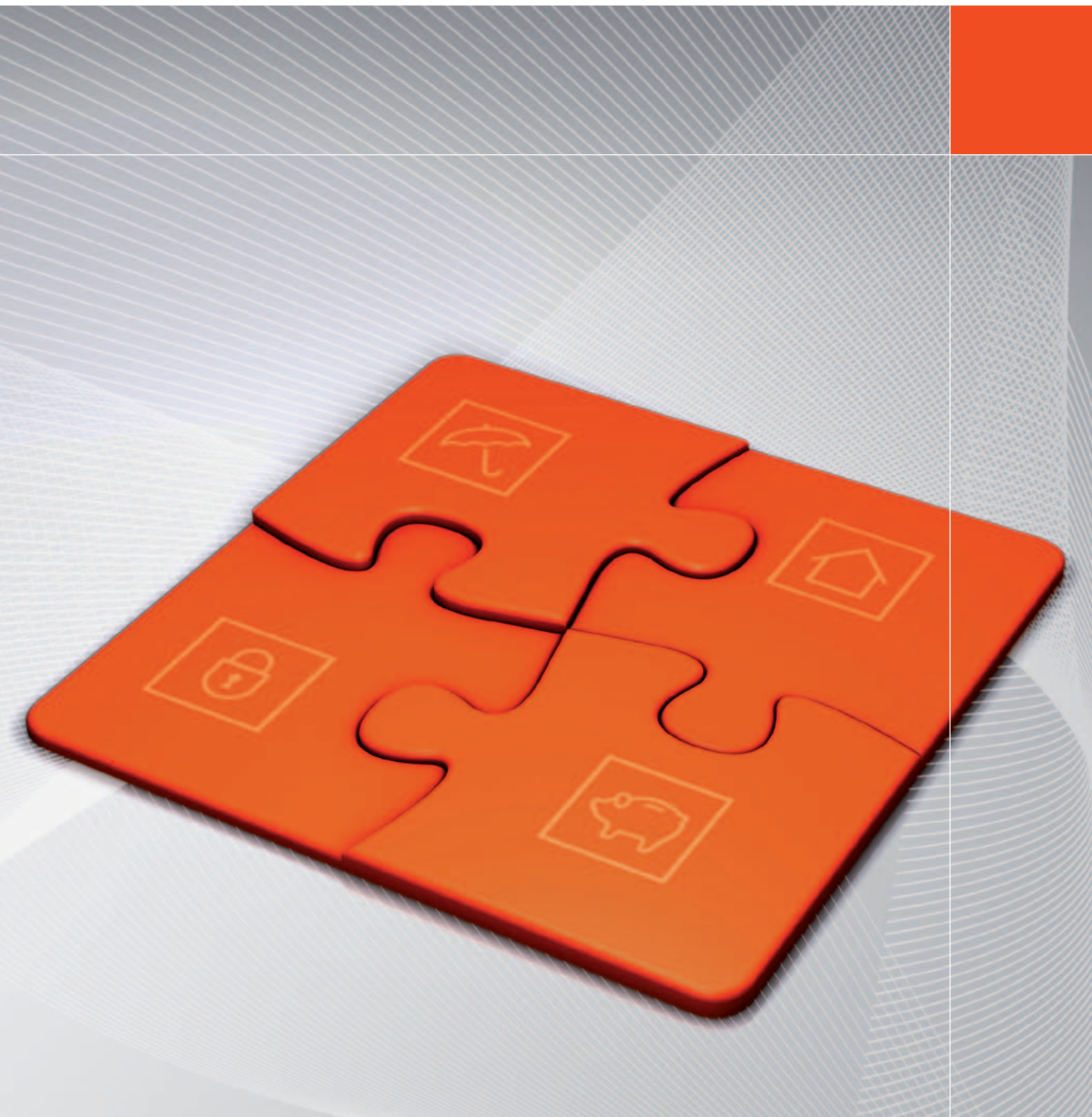


Interim management statement as at 30 September 2010

Wüstenrot & Württembergische AG



KEY FIGURES OF W&W GROUP

W&W GROUP (ACCORDING TO IFRS)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		31 Sep 2010	31 Dec 2009
Available-for-sale financial assets	€ bn	19.9	16.9
Loans and advances to banks	€ bn	15.7	15.1
Loans and advances to customers	€ bn	33.3	30.6
Liabilities to customers	€ bn	27.4	23.8
Technical provisions	€ bn	30.1	29.1
Equity	€ bn	2.9	2.6
Net asset value per share	€	30.94	28.01
Total assets	€ bn	76.7	69.5
CONSOLIDATED INCOME STATEMENT		1 Jan to 30 Sep 2010	1 Jan 2009 to 30 Sep 2009
Net financial result (after allowance for credit losses)	€ mn	1 238.2	1 075.5
Premiums/contributions earned (net)	€ mn	2 868.4	2 774.0
Insurance benefits (net)	€ mn	3 004.2	2 704.9
Earnings before income taxes from continued operations	€ mn	166.5	223.1
Consolidated net income	€ mn	144.4	184.0
Earnings per share	€	1.47	1.88
OTHER DISCLOSURES		1 Jan to 30 Sep 2010	1 Jan 2009 to 30 Sep 2009
Employees ¹		8 523	8 267
Employees ²		10 083	9 819
Assets under management	€ bn	28.6	26.8
Sales of own and third-party investment funds	€ mn	244.3	139.9
New home loans business	€ mn	4 347.3	4 009.6
SEGMENT OVERVIEW		1 Jan to 30 Sep 2010	1 Jan 2009 to 30 Sep 2009
Home Loan and Savings Bank			
New home loan savings business (paid in)	€ mn	8 140.5	5 908.0
New home loan savings business (gross)	€ mn	10 461.5	7 702.8
Property/Casualty Insurance			
New premiums/contributions (measured in terms of annual contributions to the portfolio)	€ mn	158.2	149.9
Gross premium/contribution income	€ mn	1 110.4	1 094.5
Life and Health Insurance			
Annual Premium Equivalent (APE)	€ mn	165.2	147.4
Gross premium/contribution income	€ mn	1 910.5	1 742.1

¹ Full-time equivalent head count as at 30 September 2010 (previous year's figure as at 31 Dec 2009).

² Number of employment contracts as at 30 September 2010 (previous year's figure as at 31 Dec 2009).

KEY FIGURES OF W&W AG

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

		1 Jan to 30 Sep 2010	1 Jan 2009 to 30 Sep 2009
Net income for the period	€ mn	106.0	149.5
Share price on 30 September	€	19.20	16.29
Market capitalisation as at 30 September	€ mn	1 766.3	1 498.6

This interim management statement, pursuant to section 37x of the German Securities Trading Act (*Wertpapierhandels-gesetz – “WpHG”*), has been prepared as at 30 September 2010 in accordance with IFRS. This interim management statement does not constitute an interim report in accordance with IAS 34, or financial statements in accordance with IAS 1.

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

Economic situation

DEVELOPMENTS IN THE ECONOMY AS A WHOLE

With gross domestic product expected to grow by at least 3%, the German economy is set to greatly exceed the original expectations for 2010. Key to this gratifying development during the period under review has once again been the brisk nature of export business, boosted in particular by high levels of demand from emerging markets. Consumer demand too, which has tended to disappoint over the past few years, has also shown the first signs of picking up speed again. The surprisingly positive state of Germany's labour market is the likely cause. Unemployment fell during the second half of 2010 to 7.5%, back to its level prior to the economic and financial crisis.

CAPITAL MARKETS

Bond markets hit by low interest rates

The dominating feature on the German bond markets in 2010 to date has been the clear downward movement in yields. Ten-year government bonds, for example, had dropped to a low of 2.3% by the end of September 2010, compared with a 2009 year-end figure of 3.4%. Meanwhile, the yields on bonds with shorter terms have also shrunk. Two-year government bonds were at the 0.83% mark as at 30 September. There are several reasons for this decline. One contributory factor was the intensification of the debt crisis affecting some of the eurozone countries. This created considerably higher levels of risk aversion among international investors, who subsequently began to favour securities with the highest credit ratings, and thus government bonds, pushing up their prices with a corresponding downward effect on yields. Additionally, major central banks repeatedly stressed that they would be adhering to their extremely expansionist monetary policy approach for some time yet due to the ongoing economic uncertainties and low risk of inflation. Such statements from the monetary authorities also helped to support prices on the bond markets.

Inconsistency on the equity markets

Developments on the European equity markets during 2010 have so far been influenced by very different factors, as reflected in the Euro Stoxx 50. Firstly, share prices have been hit hard by what has been only a very modest economic upturn in the wake of the economic and financial crisis, and by the intensifying debt crisis in the eurozone. At the same time, however, company profits have risen due to far-reaching cost-cutting measures and very good business results in emerging markets. This propelled the Euro Stoxx 50 to its highest point of the year right at the beginning of 2010, when it reached 3,018 points, before tumbling to a low of 2,489 points at the height of the eurozone crisis in late May. The second half of the year has been marked by a modest recovery in prices, with the index reaching 2,748 points by the end of the third quarter. This equates to a price fall during the year of 7.3% to date.

Over the course of the year the W&W share has demonstrated its strength. Rising by 14.6% to € 19.20 as at 30 September 2010, it was able to clearly stand out from the rest of the market. This very positive performance reflects the Group's successful restructuring measures over recent years. The current "W&W 2012" modernisation programme will support the W&W Group's positive business prospects and open up further price potential for the W&W share.

Sector performance

HOME LOAN SAVINGS AND HOME LOANS

Gross new business in the home loan and savings sector, measured in terms of volume, rose by 11.6% across the sector as a whole during the first nine months of 2010, to reach approximately € 78 billion (€ 69.5 billion). The ongoing trend in favour of secure and predictable forms of investment, the continued level of demand for modernisation work and the new Riester products have all had a very positive impact on the entire home loan and savings sector. According to figures from the German Association of Private Building Societies, new business is therefore expected to exceed € 100 billion (€ 95.0 billion) for 2010 as a whole.

¹ Unless specified otherwise, the figures in brackets represent the corresponding values as at 30 September 2009.

Meanwhile, over the same period, and based on Deutsche Bundesbank figures, home finance business declined by 11.2% and is likely to total € 180 billion for the year as a whole (€ 195.2 billion). This is down on the previous year's level. One of the reasons for this fall is that fact that many sales were brought forward in 2009 as providers sought to secure lower interest rates for mortgage products even then. However, this fall in new business levels experienced over the first nine months of 2010 is expected to level off. The number of building projects being completed and successful planning applications is expected to rise, whilst remaining at a low level by long-term comparisons. A positive factor could be that consumers are still taking advantage of low interest rates and also investing more heavily in real estate in order to secure themselves against the risk of inflation.

INSURANCE BUSINESS

Life insurers and pension funds recorded a rise in total new premiums during the third quarter, with an increase of 38.8% to € 23.5 billion (€ 16.9 billion). The Annual Premium Equivalent or APE (new regular premiums plus one tenth of one-off premiums) improved by 11.0% to € 5.8 billion (€ 5.2 billion). Gross premiums written grew by 10.4% to € 65.2 billion (€ 59.0 billion). Overall, the way in which new business recorded by life insurance undertakings and pension funds has developed shows far-reaching structural changes. One-off contributions are becoming increasingly important, whilst the number of new policies with regular premium payments is falling. Overall, the General Association of the German Insurance Industry (GDV) expects a 25.2% rise in new business to be recorded for 2010, giving a total level of € 32.0 billion (€ 25.6 billion), with gross premiums written anticipated to rise by 7.3% to € 87.3 billion (€ 81.37 billion).

There are as yet no actual figures for the third quarter for the area of property/casualty insurance. For 2010 as a whole, the GDV's extrapolated figures indicate a rise in claim expenses of 2.8% to give a total of € 43.1 billion (€ 42.1 billion). According to the GDV, premium and contribution income rose slightly, up by 0.7% to € 55.1 billion (€ 54.7 billion).

Business development

As *the* expert in savings, investments and risk protection, the W&W Group offers financial protection solutions in the fields of home loan and savings and insurance in particular. Once again during the third quarter of 2010, this was a business model that enabled the W&W Group to continue to enjoy growth. New business developed positively across all of the Group's segments and was higher than the industry average. The results achieved for the quarter are well above the pro-rata target for the year of € 105 million.

Group net profit as at 30 September 2010 was € 144.4 million (€ 184.0 million). As well as the effects of the first-time consolidation of the newly acquired Allianz Dresdner Bauspar AG (ADB) 2010, this result also includes integration expenses, in relation to both ADB and Victoria Vereinsbank Bauspar AG (VVB), acquired in 2009. Investments made in the "W&W 2012" modernisation programme are also included in the figure. This programme aims to strengthen the Group's earning power over the long term.

The current takeover of ADB has enabled the W&W Group to strengthen further its home loan and savings segment and to capture new sales channels. Associated with the acquisition is a long-term and exclusive cooperation agreement between Wüstenrot and Commerzbank AG, the Allianz Group and Oldenburgische Landesbank in the home loan and savings segment.

TOTAL CONSOLIDATED COMPREHENSIVE INCOME

Consolidated income statement

W&W's income as reported in the consolidated income statement, totalling € 144.4 million (€ 184.0 million), can be broken down as follows:

NET FINANCIAL RESULT

The W&W Group's net financial result improved by € 162.7 million as at 30 September 2010, reaching € 1,238.2 million (€ 1,075.5 million). The following key effects impacted on the result.

Net income from available-for-sale financial assets rose by a considerable € 334.0 million to € 588.1 million (€ 254.1 million). Income from disposals was a particular area of improvement. The previous year's result was dominated by

the impact of the financial and economic crisis. Net income from financial assets and liabilities at fair value through profit or loss totalled € -88.5 million (€ 120.7 million). This fall can be attributed in particular to the performance of derivatives used for economic hedges.

Net income from receivables, liabilities and subordinated capital fell slightly, to € 777.5 million (€ 799.3 million). Lower impairments meant that the net expense for allowances for credit losses was reduced by € 59.7 million to € 40.6 million (€ 100.3 million).

PREMIUMS AND CONTRIBUTIONS EARNED

Premiums and contributions earned as at 30 September 2010 had grown by € 94.4 million to € 2,868.4 million (€ 2,774.0 million). This increase was mainly due to a rise in new life and health insurance business.

INSURANCE BENEFITS

Insurance benefits paid rose to € 3,004.2 million (€ 2,704.9 million). In the property/casualty insurance segment, a higher level of claims had a noticeable impact. In life and health insurance, in contrast, higher allocations were made to the technical provisions on the basis of the significant expansion in new business and growth in the net financial result.

GENERAL ADMINISTRATIVE EXPENSES

General administrative expenses totalled € 808.6 million (€ 750.4 million). The acquisition of VVB and ADB resulted in a rise in the number of employees, thereby also pushing up personnel expenses. In this connection, integration costs were also incurred, particularly with regard to the migration of IT systems. New investments in the context of the "W&W 2012" modernisation programme also had an impact.

NET OTHER INCOME/EXPENSE

Net other income rose by € 51.3 million compared with the previous year to € 106.4 million (€ 55.1 million). The acquisition of ADB during the third quarter resulted in a first-time consolidation effect in the provisional amount of € 97.8 million, recognised as income under net other income.

Condensed consolidated statement of comprehensive income

Total comprehensive income, comprising consolidated net income plus income recognised directly in equity, totalled € 363.3 million (€ 269.6 million) as at 30 September 2010.

The considerable rise in the revaluation reserve for cash-flow hedges resulted in an increase of € 133.3 million in income that has not yet been realised and is thus recognised directly in equity to € 218.9 million (€ 85.6 million). Actuarial losses from pension provisions had the opposite effect, due to the lower discounting rate.

Equity

As at 30 September 2010, the W&W Group's equity totalled € 2,947.9 million, compared with € 2,647.3 million as at 31 December 2009. The increase is primarily attributable to the consolidated net income as at 30 September 2010 and the results of € 218.9 million recognised in equity. In contrast, the dividend distribution accounted for 58.9 million. Other effects also reduced equity by € 3.8 million.

Income situation of the individual segments

HOME LOAN AND SAVINGS BANK

With effect from 7 July 2010, Wüstenrot Bausparkasse AG has acquired all of the shares in ADB. The merger was completed on 16 September 2010 and applied retrospectively with effect from 1 January 2010. The figures given below in relation to the segment's income situation therefore include the figures for the merged Wüstenrot Bausparkasse AG as well as the figures for Wüstenrot Bank AG Pfandbriefbank.

As a result, it has been possible to boost new home loan and saving business considerably. This growth was attributable to both the acquisition of ADB and organic growth. The segment's net financial result, at € 99.1 million (€ 99.4 million) was on a par with the previous year.

New business

Gross new business, measured in terms of the volume of contracts, grew by a significant 35.8% to € 10.5 billion (€ 7.7 billion). ADB contributed € 1.9 billion to this total. Adjusted to take account of new ADB business, gross new business, measured in terms of volume of contracts, grew by 11.8% to € 8.6 billion (€ 7.7 billion).

New business paid in, including ADB, rose by 37.8% to reach € 8.1 billion (€ 5.9 billion). Excluding ADB, the total volume of new business paid in rose by 9.1% to € 6.4 billion (€ 5.9 billion).

New lending business grew by 8.4% to reach € 2,901.3 million (€ 2,676.8 million). Follow-up financing included in this figure accounted for € 295.2 million (€ 544.6 million), with newly concluded lending business growing by 22.2% to reach € 2,606.0 million (€ 2,132.3 million).

Across the segments, new home loan financing business in the entire W&W Group totalled € 4,347.3 million (€ 4,009.6 million). The Czech building society and the Czech mortgage bank, the business activities of which are reported under "All other segments", contributed € 340.9 million (€ 321.2 million). The figure also includes mortgage loans granted by Württembergische Lebensversicherung AG and disbursements from home loan and savings contracts.

Income situation in the segment

The net financial result of the Home Loan and Savings Bank segment as at 30 September 2010 was € 296.7 million (€ 356.6 million), comprising mainly:

Net income from available-for-sale financial assets rose by € 14.5 million to € 161.5 million (€ 147.0 million). This was boosted by income from disposals, with lower interest rates having a positive impact on the market values of fixed-income bonds held in the investment portfolio. Net income from financial assets and liabilities at fair value through profit or loss fell to € -10.8 million (€ 14.6 million). This reflects the performance of derivatives used to manage interest rate risks.

Net income from receivables, liabilities and subordinated capital fell from € 223.4 million to € 167.0 million. Lower refinancing costs were not enough to make up for the lower level of income as a result of higher costs for interest bonus

provisions. The discounting rates fell in line with market performance, whilst the current interest rate situation resulted in a smaller number of withdrawals with bonus entitlement, creating a higher level of potential bonuses. This therefore required a higher level of provisioning.

General administrative expenses totalled € 284.6 million (€ 246.5 million). The rise was predominantly due to the acquisition of the operations of the building societies VVB and ADB. The resulting increase in staffing levels, but also a rise in IT integration costs in particular, had a clear impact. This contrasts, however, with income from the two acquisitions, which is recognised under Net other income. Additionally, as part of the "W&W 2012" modernisation programme, further investments were made in the name of long-term growth.

Net other income, in the amount of € 102.8 million (€ 23.2 million) was dominated by the acquisition of ADB, in the provisional amount of € 97.8 million. The difference between the purchase price and the acquired net assets of ADB resulted in income that has been reported under Net other income. The previous year's figure contained income relating to the takeover of VVB.

The first-time consolidation of ADB following its acquisition has resulted in tax income of € 1.3 million in the segment.

LIFE AND HEALTH INSURANCE

The Life and Health Insurance segment has put in a positive performance during the first three quarters of 2010, in terms of both new business and income levels. The segment's net income as at 30 September 2010 rose considerably, from € 6.4 million twelve months ago to € 15.0 million.

New business

New life and health insurance premiums rose to € 664.6 million (€ 475.2 million) as at 30 September 2010, which equates to a year-on-year increase of 39.9%. One of the main factors behind this increase was a rise in one-off contributions, up from € 364.2 million to € 554.9 million. When selling new policies based on one-off contributions, care is taken to guarantee the collective compatibility of the policies. € 41.6 million of the one-off contributions related to reinsurance cover protecting the W&W Group's partial retirement agreements against insolvency. At € 109.8 million, new regular premiums were on a par with the previous year (€ 111.0 million).

Measured in terms of the Annual Premium Equivalent (APE), new business totalled € 165.2 million (€ 147.4 million). This indicator includes new regular premiums in their full amount but only includes one-off contributions at 10% of their value, with the result that the rise in the APE was less marked.

Income situation in the segment

The net financial result in the life and health insurance segment improved significantly, to € 854.7 million (€ 671.4 million). This positive development featured a strong rise in available-for-sale financial assets, up by € 288.1 million to € 396.5 million (€ 108.4 million). Lower interest rates on the capital markets meant that, unlike the previous year, it was possible to generate disposal gains. Additionally, the losses incurred in 2009 in relation to cutting share investments fell considerably during 2010.

Net income from financial assets and liabilities at fair value through profit or loss fell from € 107.3 million to € -55.5 million. This was an area in which the negative performance of financial derivatives had an impact. These are used as economic hedges against fluctuating interest and exchange rates. Furthermore, income from unit-linked life insurance also fell, due to a more subdued performance from share prices during the first nine months. The lower net expense for allowances for credit losses of € 11.6 million (€ 70.6 million) is primarily attributable to lower write-downs.

The rise in new business and resulting commission expenses owed to sales staff resulted in net commission income of € -105.0 million (€ -95.6 million).

Net premiums and contributions earned developed positively compared with the same period of 2009, growing by € 118.8 million to € 1,944.4 million (€ 1,825.6 million). The rise in one-off contribution business played a key role in this regard.

Insurance benefits paid totalled € 2,489.2 million (€ 2,230.0 million). In conjunction with the expansion of one-off contribution business, there was a rise in the allocation to provisions for future policy benefits. Additionally, as the net financial result rose compared with the same period of 2009, a higher allocation was made to the provisions for premium refunds.

General administrative expenses in the Life and Health Insurance segment were only slightly higher than during the previous year, at € 188.4 million (€ 178.8 million). Other net income earned in the Life and Health Insurance segment improved by € 3.0 million to € -15.9 million (€ -18.9 million).

PROPERTY/CASUALTY INSURANCE

Business in the Property/Casualty Insurance segment was characterised by a positive development in terms of both new business and the net financial result. In contrast, there was a rise in the benefits paid under insurance contracts. The segment's net income reached € 23.0 million (€ 65.0 million).

New business

New business, measured in terms of annual contributions to the portfolio, had climbed by € 8.3 million to reach € 158.2 million (€ 149.9 million) by 30 September 2010. Motor vehicle insurance was a source of positive growth momentum.

Income situation in the segment

The net financial result benefited from the recovery on the capital markets, improving considerably to reach € 60.7 million (€ 27.8 million). Net income from available-for-sale financial assets was the main driving force, growing by € 27.9 million to € 23.0 million (€ -4.9 million). This development was due in particular to currency-related gains on investments and a higher result from disposals.

This result was partly offset by net income from financial assets and liabilities at fair value through profit or loss, which had been dominated in 2009 by a higher level of income from disposals in the trading portfolio and duly fell to € -1.0 million (€ 4.9 million). Exchange rate gains meant that there was an increase of € 14.4 million in net income from receivables, liabilities and subordinated capital, which totalled € 41.5 million (€ 27.1 million). Net commission income totalled € -130.0 million (€ -122.3 million). Additional revenue from brokerage activities for other segments contrasted with higher fee and commission expenses emanating from the expansion of new business.

Earned net premiums continued to develop well, growing by € 7.6 million to € 805.1 million (€ 797.5 million), due to growth in new business.

Insurance benefits paid rose considerably to € 445.3 million (€ 384.5 million) due to an increase in claims for the year as a whole, particularly in the area of motor vehicle insurance. The biggest single event was Hurricane Xynthia. A lower settlement result from earlier years was also recorded.

General administrative expenses were maintained at the previous year's level, at € 256.7 million (€ 256.5 million).

The fall in net other income/expense of € 35.7 million to € 2.9 million was primarily due to exchange rate losses affecting technical provisions, which were nevertheless offset by currency gains in the net financial result.

ALL OTHER SEGMENTS

"All other segments" comprises those areas of business that cannot be allocated to any other segment, including W&W AG, W&W Asset Management GmbH and the Czech subsidiaries.

Income situation in the segment

Net income after taxes totalled € 127.2 million (€ 142.9 million). The above companies contributed to this result as follows: W&W AG € 116.9 million (€ 119.8 million), W&W Asset Management GmbH € 3.5 million (€ 6.8 million) and the Czech companies € 13.3 million (€ 12.4 million).

The net financial result for the reporting period totalled € 169.3 million (€ 203.7 million). This was mainly attributable to investment income included under available-for-sale financial assets that were consolidated under total comprehensive income.

Insurance benefits rose to € 116.4 million (€ 92.7 million), primarily due to the settlement result from the active reinsurance business that was discontinued during the previous year. General administrative expenses were up slightly, at € 66.6 million (€ 63.8 million). Net other income/expense fell by € 2.8 million to € 13.5 million (€ 16.3 million) due to lower sales from property development business.

Outlook

With the successful conclusion of the "W&W 2009" restructuring programme, the W&W Group has reached a crucial milestone in its development. In order to secure high-quality, sustained growth and to reinforce the Group's earning power, efforts are now fully focused on the "W&W 2012" modernisation programme. The additional investment required for this programme will affect the Group's net income during this and the coming year.

In our 2009 Annual Report, we forecasted a consolidated net income for 2010 of not less than € 140 million. This figure already took account of the investments required for "W&W 2012". As already reported at the end of the first half-year, we are now anticipating a higher level of consolidated net income for the year as a whole, based on the positive way in which business has progressed and the effects of the ADB acquisition. Our current forecast is approximately € 160 million to € 170 million. This forecast is based on the assumption that there will be no unexpected claim, credit or capital market events capable of impacting on our Group result.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

€ 000's	30 Sep 2010	31 Dec 2009	1 Jan 2009
A. Cash reserve	104 932	110 322	146 484
B. Non-current assets held for sale and disposal groups	28 129	8 997	14 890
C. Financial assets at fair value through profit or loss	2 201 125	1 966 968	1 525 188
D. Available-for-sale financial assets	19 919 456	16 888 671	12 733 841
E. Receivables	49 285 355	45 903 234	45 564 984
I. Loans and advances to banks	15 650 653	15 103 954	16 684 549
II. Receivables from reinsurance business	109 914	103 799	103 732
III. Loans and advances to customers	33 338 007	30 624 338	28 631 462
IV. Portfolio hedge adjustment	103 565	- 11 772	-
V. Other receivables	83 216	82 915	145 241
F. Allowance for credit losses	- 245 423	- 240 813	- 246 595
G. Positive market value of hedges	498 951	239 523	10 724
H. Investments accounted for using the equity method	192 630	141 064	130 173
I. Investment property	1 390 424	1 262 590	1 296 792
J. Reinsurers' share of technical provisions	1 779 224	1 818 778	1 898 407
K. Other assets	1 497 779	1 439 330	1 373 267
I. Intangible assets	221 003	218 592	234 108
II. Property, plant and equipment, and inventories	350 985	349 279	360 074
III. Current tax assets	89 309	102 747	136 944
IV. Deferred tax assets	805 751	646 664	567 043
V. Miscellaneous assets	30 731	122 048	75 098
TOTAL ASSETS	76 652 582	69 538 664	64 448 155

EQUITY AND LIABILITIES

€ 000's	30 Sep 2010	31 Dec 2009	1 Jan 2009
A. Financial liabilities at fair value through profit or loss	720 166	496 451	507 002
B. Liabilities	38 731 964	33 850 121	30 195 743
I. Certificated liabilities	1 472 737	1 293 492	2 043 322
II. Liabilities to banks	7 795 751	6 740 072	5 210 199
III. Liabilities from reinsurance business	1 616 185	1 592 859	1 602 442
IV. Liabilities to customers	27 426 732	23 769 784	20 865 770
V. Other liabilities	420 559	453 914	474 010
C. Negative market value of hedges	562 026	378 892	141 348
D. Technical provisions	30 103 073	29 123 203	28 477 505
E. Other provisions	2 098 836	1 772 143	1 589 852
F. Other liabilities	1 030 976	839 844	730 872
I. Current tax liabilities	331 945	339 646	243 009
II. Deferred tax liabilities	665 304	482 674	475 093
III. Miscellaneous liabilities	33 727	17 524	12 770
G. Subordinated capital	457 598	430 686	468 198
H. Equity	2 947 943	2 647 324	2 337 635
I. Share in paid-in capital attributable to shareholders of W&W AG	1 460 195	1 460 195	1 374 105
II. Share in retained earnings attributable to shareholders of W&W AG	1 405 773	1 115 485	906 536
III. Non-controlling interests	81 975	71 644	56 994
TOTAL EQUITY AND LIABILITIES	76 652 582	69 538 664	64 448 155

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

CONSOLIDATED INCOME STATEMENT

€ 000's	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009
Income from available-for-sale financial assets	719 059	581 249
Expenses for available-for-sale financial assets	130 949	327 199
1. Net income from available-for-sale financial assets	588 110	254 050
Income from investments accounted for using the equity method	1 613	2 340
Expenses for investments accounted for using the equity method	4 791	—
2. Net income from/net expense for investments accounted for using the equity method	- 3 178	2 340
Income from financial assets and liabilities at fair value through profit or loss	1 177 929	1 348 789
Expenses for financial assets and liabilities at fair value through profit or loss	1 266 444	1 228 075
3. Net income from/net expense for financial assets and liabilities at fair value through profit or loss	- 88 515	120 714
Income from hedges	345 913	78 291
Expenses for hedges	341 137	78 929
4. Hedge result	4 776	- 638
Income from receivables, liabilities and subordinated capital	1 599 896	1 627 790
Expenses for receivables, liabilities and subordinated capital	822 353	828 454
5. Net income from receivables, liabilities and subordinated capital	777 543	799 336
Income from allowances for credit losses	85 078	56 218
Expenses for allowances for credit losses	125 646	156 532
6. Net expense for allowances for credit losses	40 568	100 314
7. NET FINANCIAL RESULT	1 238 168	1 075 488
Income from investment property	65 477	64 580
Expenses for investment property	41 273	42 405
8. NET INCOME FROM INVESTMENT PROPERTY	24 204	22 175
Fee and commission income	168 749	149 149 ¹
Fee and commission expenses	426 646	398 456 ¹
9. NET FEE AND COMMISSION RESULT	- 257 897	- 249 307
Premiums/contributions earned (gross)	2 994 282	2 906 235
Premiums ceded to reinsurers	- 125 874	- 132 214
10. PREMIUMS/CONTRIBUTIONS EARNED (NET)	2 868 408	2 774 021
Insurance benefits (gross)	3 077 182	2 809 968
Claim recoveries from reinsurers	- 73 029	- 105 035
11. INSURANCE BENEFITS (NET)	3 004 153	2 704 933
AMOUNT CARRIED FORWARD	868 730	917 444

€ 000's	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009
AMOUNT CARRIED FORWARD	868 730	917 444
Personnel expenses	455 379	427 540
Other administrative expenses	312 462	283 821
Amortisation, depreciation and impairment	40 748	39 086
12. GENERAL ADMINISTRATIVE EXPENSES	808 589	750 447
13. MEASUREMENT GAIN/LOSS FOR NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	—	985
Miscellaneous other operating income	300 283	180 137
Other expenses	193 896	125 016
14. NET OTHER INCOME/EXPENSE	106 387	55 121
15. EARNINGS BEFORE INCOME TAXES FROM CONTINUED OPERATIONS	166 528	223 103
16. TAXES ON INCOME	22 167	39 118
17. CONSOLIDATED NET INCOME	144 361	183 985
Result attributable to shareholders of W&W AG	135 617	173 095
Result attributable to non-controlling interests	8 744	10 890
18. EARNINGS PER SHARE (€)²	1.47	1.88
of which: attributable to continued operations (in €)	1.47	1.88

1 Previous year's figure adjusted in accordance with IAS 8.42.
2 Basic earnings per share correspond to diluted earnings per share.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

€ 000's	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009
Consolidated net income	144 361	183 985
Recognised in equity	90 958	84 422 ¹
Reclassified to the income statement	- 22 123	19 517 ¹
Measurement gains/losses from available-for-sale financial assets	68 835	103 939
Measurement gains/losses from investments accounted for using the equity method	32 644	1 104
Recognised in equity	159 694	- 16 451
Reclassified to the income statement	2 240	3 005
Measurement gains/losses from cash flow hedges	161 934	- 13 446
Currency translation differences of independent foreign operations	8 578	6 864
Actuarial gains and losses from defined benefit plans	- 53 059	- 12 870
Other comprehensive income, net of tax	218 932	85 591
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	363 293	269 576
Attributable to shareholders of W&W AG	345 825	243 766
Attributable to non-controlling interests	17 468	25 810

1 Previous year's figure adjusted in accordance with IAS 8.42.

SEGMENT INCOME STATEMENT

	HOME LOAN SAVINGS BANK		LIFE AND HEALTH INSURANCE	
	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009
€ 000's				
1. Net income from available-for-sale financial assets	161 507	146 963	396 545	108 371
2. Net income from/net expense for investments accounted for using the equity method	—	—	- 2 058	1 609
3. Net income from/net expense for financial assets and liabilities at fair value through profit or loss	- 10 818	14 563	- 55 504	107 285
4. Hedge result	4 959	- 538	- 183	- 100
5. Net income from receivables, liabilities and subordinated capital	167 029	223 434	527 569	524 820
6. Net expense for allowances for credit losses	25 942	27 782	11 623	70 559
7. NET FINANCIAL RESULT	296 735	356 640	854 746	671 426
8. NET INCOME FROM INVESTMENT PROPERTY	- 44	- 42	21 650	19 582
9. NET FEE AND COMMISSION RESULT	- 17 053	- 11 197	- 104 972	- 95 559
10. PREMIUMS/CONTRIBUTIONS EARNED (NET)	—	—	1 944 403	1 825 587
11. INSURANCE BENEFITS (NET)	—	—	2 489 248	2 230 006
12. GENERAL ADMINISTRATIVE EXPENSES²	284 619	246 459	188 444	178 779
13. MEASUREMENT GAIN/LOSS FOR NON-CURRENT ASSETS AND DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE	—	—	—	—
14. NET OTHER INCOME/EXPENSE	102 825	23 246	- 15 938	- 18 939
15. SEGMENT RESULT FROM CONTINUED OPERATIONS BEFORE INCOME TAXES	97 844	122 188	22 197	- 6 688
16. TAXES ON INCOME	- 1 257	22 838	7 196	- 13 084
17. SEGMENT RESULT AFTER TAXES	99 101	99 350	15 001	6 396

1 Includes amounts from proportional profit transfers eliminated during consolidation.

2 Including service revenues and rental income with other segments.

	PROPERTY/ CASUALTY INSURANCE		SUM TOTAL OF ALL REPORTABLE SEGMENTS		OTHER SEGMENTS ¹		CONSOLIDATION/ RECONCILIATION		GROUP	
	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009	1 Jan to 30 Sep 2010	1 Jan to 30 Sep 2009
	22 967	- 4 899	581 019	250 435	157 411	196 205	- 150 320	- 192 590	588 110	254 050
	- 2 343	876	- 4 401	2 485	1 223	- 648	—	503	- 3 178	2 340
	- 1 001	4 895	- 67 323	126 743	- 21 325	- 5 919	133	- 110	- 88 515	120 714
	—	—	4 776	- 638	—	—	—	—	4 776	- 638
	41 549	27 059	736 147	775 313	34 579	15 881	6 817	8 142	777 543	799 336
	452	166	38 017	98 507	2 551	1 807	—	—	40 568	100 314
	60 720	27 765	1 212 201	1 055 831	169 337	203 712	- 143 370	- 184 055	1 238 168	1 075 488
	2 043	1 981	23 649	21 521	702	519	- 147	135	24 204	22 175
	- 129 952	- 122 264	- 251 977	- 229 020	- 14 745	- 29 514	8 825	9 227	- 257 897	- 249 307
	805 147	797 467	2 749 550	2 623 054	164 110	157 832	- 45 252	- 6 865	2 868 408	2 774 021
	445 273	384 478	2 934 521	2 614 484	116 444	92 666	- 46 812	- 2 217	3 004 153	2 704 933
	256 656	256 481	729 719	681 719	66 551	63 773	12 319	4 955	808 589	750 447
	—	—	—	—	—	985	—	—	—	985
	2 886	35 695	89 773	40 002	13 464	16 267	3 150	- 1 148	106 387	55 121
	38 915	99 685	158 956	215 185	149 873	193 362	- 142 301	- 185 444	166 528	223 103
	15 884	34 726	21 823	44 480	22 637	50 506	- 22 293	- 55 868	22 167	39 118
	23 031	64 959	137 133	170 705	127 236	142 856	- 120 008	- 129 576	144 361	183 985

IMPRINT AND CONTACT DETAILS

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

Please do not hesitate to contact us to discuss any specific financial issues – we look forward to talking with you.

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