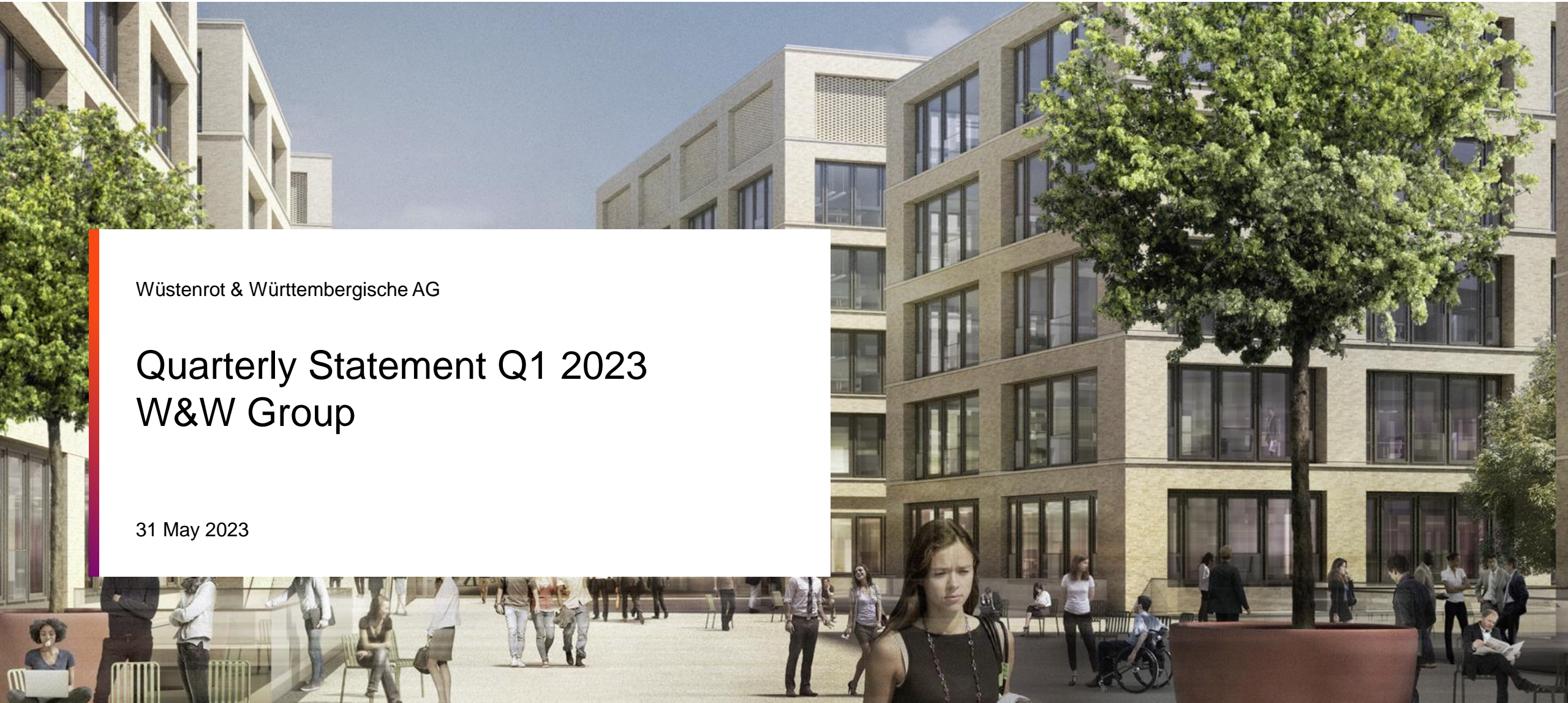


Wüstenrot & Württembergische AG

Quarterly Statement Q1 2023

W&W Group

31 May 2023



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W&W – Overview & Strategy

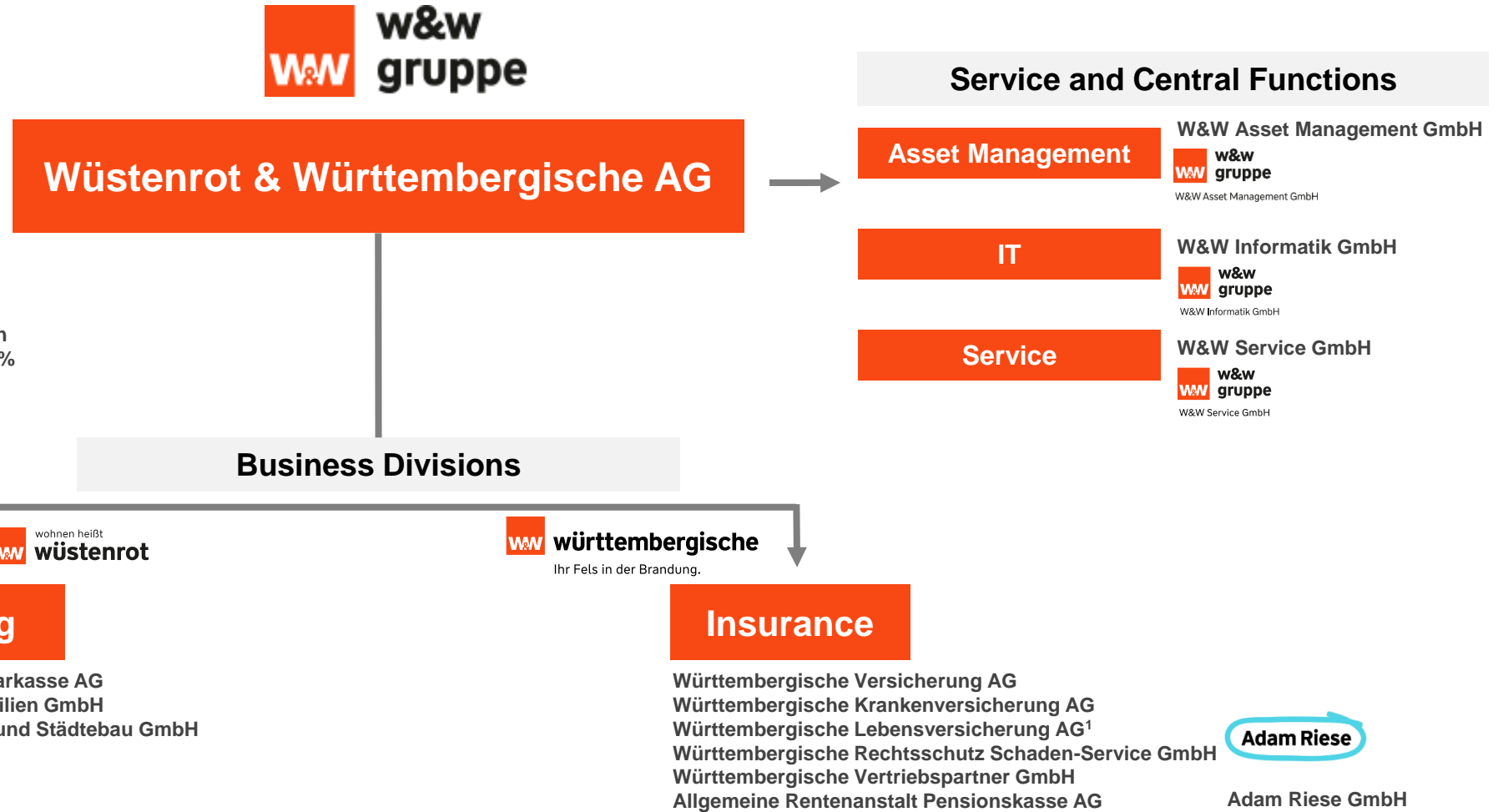
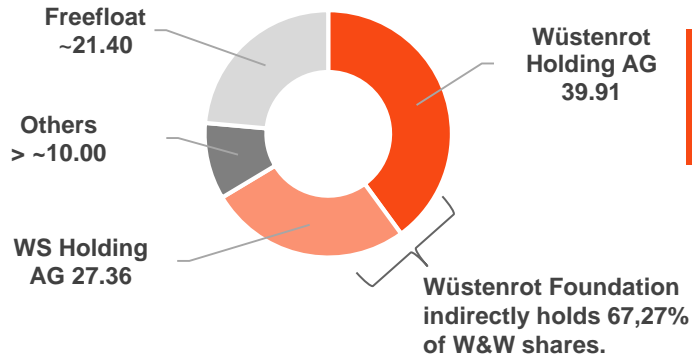
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W&W Group structure

Shareholder Structure W&W AG in %

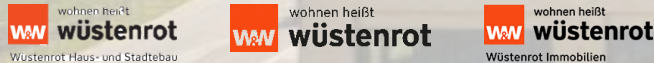


Our business areas are supported by strong partners across the group



Segment Housing

- Everything around housing: home loan savings, financing, project planning, sales and brokerage



2

„Bausparen“⁽¹⁾



Service and Central Functions

- Group-wide services around IT, investments, services and digitalization

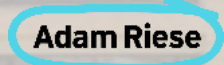


W&W Informatik GmbH



Segment Insurance

- Service insurer in the life, health and property/casualty lines.
- Adam Riese: Direct and broker brand for private customers



12

Life Insurance⁽²⁾

10

Property and Casualty Insurance⁽²⁾

6,5 Mio. customers, 6.500 employees, one common location in Kornwestheim: the W&W-Campus

Excellent client base with growth potential

~**6.5m**
Customers¹



On average three contracts per customer



High client retention (low churn rate)



Solvent customer base



Increasing digital affinity

Note: 1) as of Feb. 2023

The W&W Group pursues a multi-channel sales approach

Own sales channels

3,000 tied agents

 **wüstenrot**

3,000 tied agents

 **württembergische**

Direct channels

 **wüstenrot**  **württembergische**
 Adam Riese

Partnerships and cooperations

Insurances
Allianz  ERGO  ARAG 
HUK  HUK-COBURG  Gothaer  uniVersa  WWK
NURNBERGER  VERSICHERUNG  LVM  VPV  Barmenia  Mecklenburgische

Banks and financial distributors

CreditPlus  COMMERZBANK  OLB  BANK
Santander  HypoVereinsbank 

Sales networks & Brokers

SwissLife  Select  OVB  MLP **Over 20.000 brokers**

Partnerships

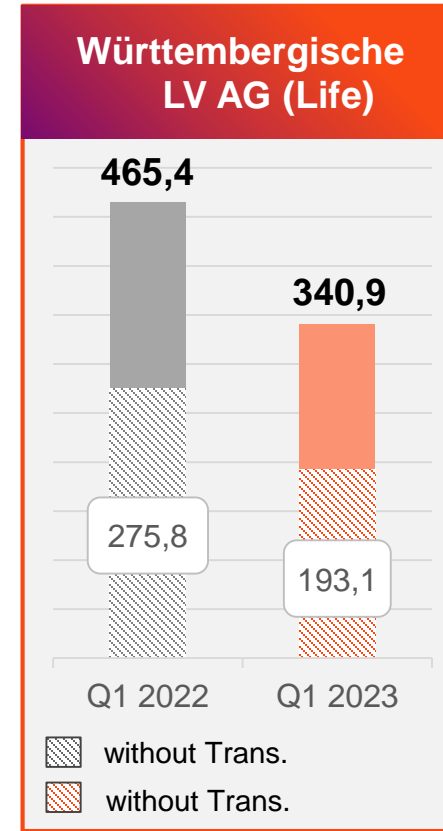
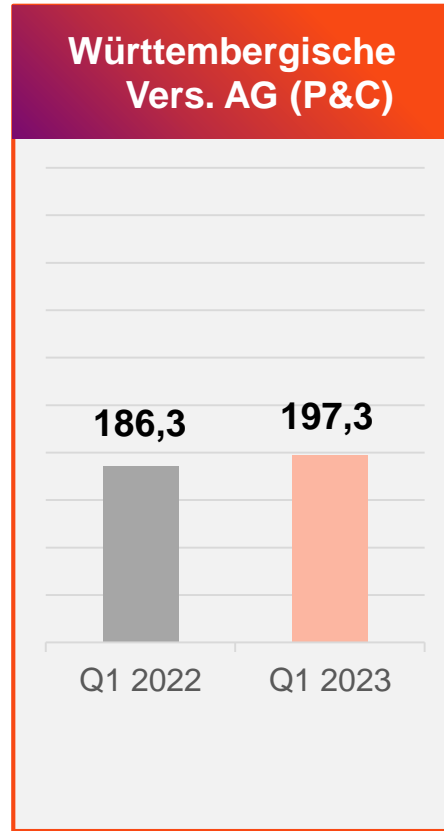
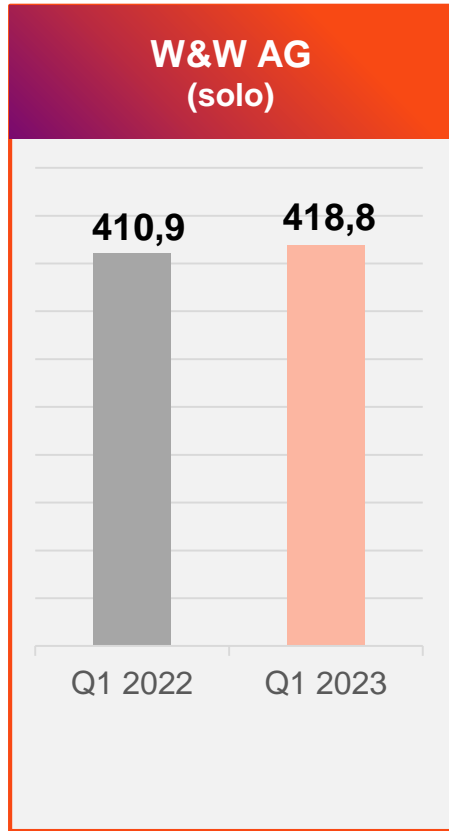
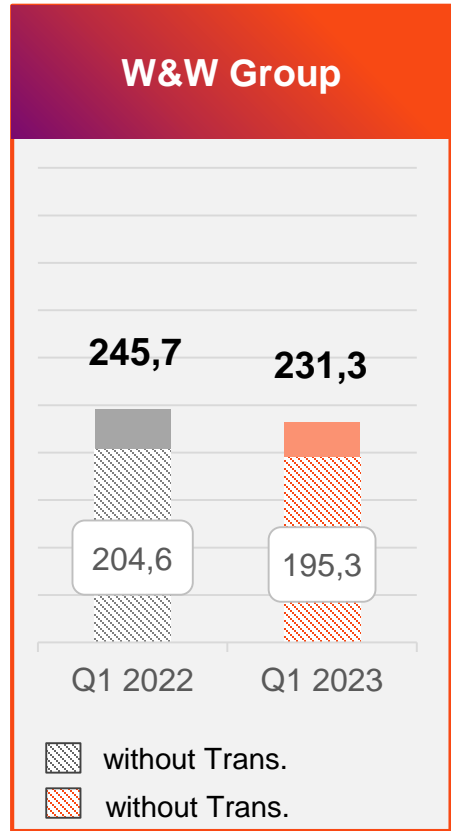
dbb  vorsorgewerk  ver.di
günstig • fair • nah

55 Mio.
potential customers

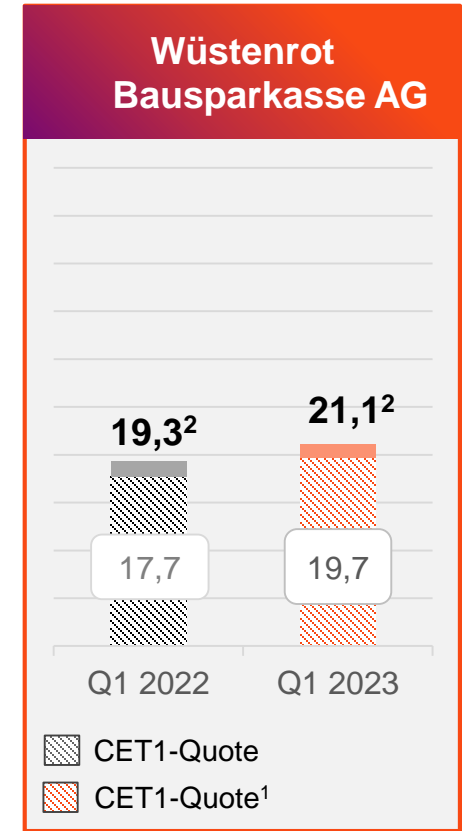
Comprehensive multi-channel distribution approach opens up access to 55 million customers

Overview regulatory capital of group key entities

Regulatory capital of group key entities in % (Solvency II ratios for insurance entities)



Capital ratios Bausparkasse in %



1) Common Equity Tier 1 capital 2) Total capital ratio

To the point: Sustainability goals of the W&W Group

E S G

E S G

Customers and products

"Green" product lines and components in the business areas

Sustainable and resource-saving customer communication

Capital investments and refinancing

Continuous reduction of CO₂ emissions towards climate-neutral capital investments by 2050

Own operations

CO₂-neutral operation of own buildings and vehicle fleet through the use of ecological energy sources and compensation of the remaining CO₂ emissions

Society

Promotion of cultural, sporting, social and regional offers

Expansion of our regional educational networks

Organisation

Strengthen awareness for sustainability and anchor it across the Group

Expansion of responsible corporate governance

Employees

Developing the future of work and work culture

Increase employer attractiveness and employee satisfaction

Promote diversity

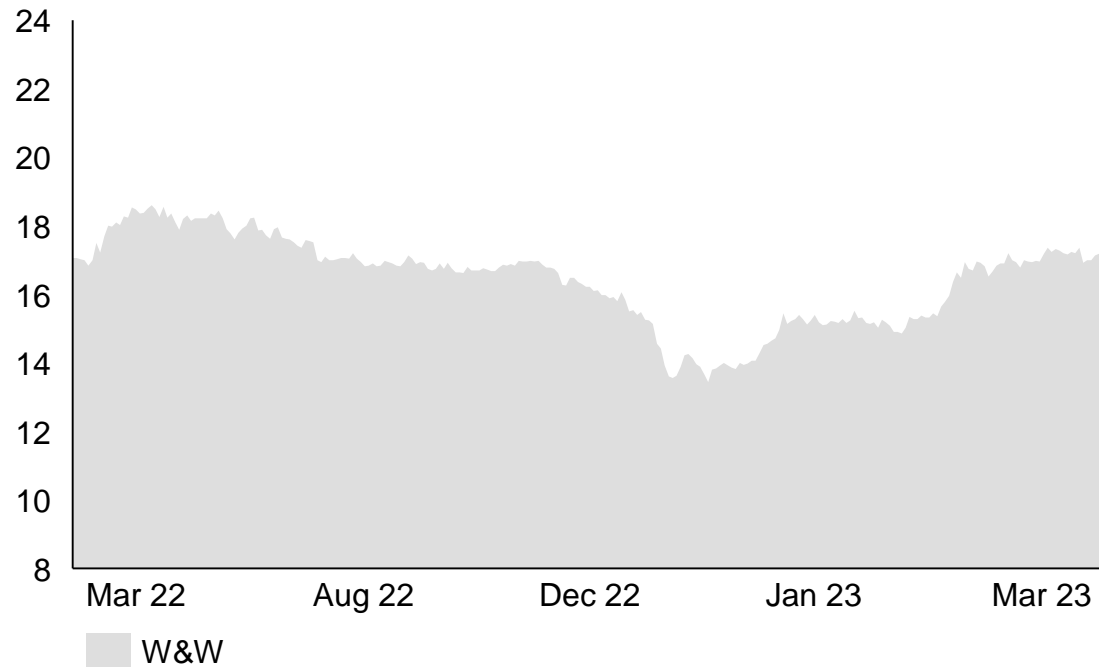
Signatory of: 13 Mai 2020



W&W Group is implementing these goals as part of a new sustainability strategy

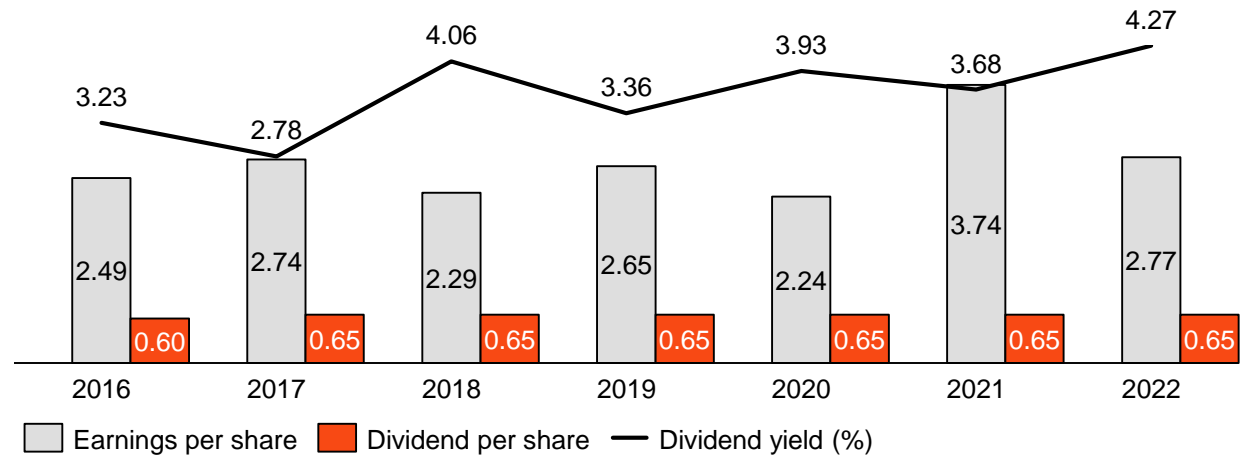
The W&W AG share - inclusion into the SDAX on March 20, 2023

W&W share stable in adverse capital market environment



Analyst opinions

| | | |
|---------|----------|-------------------------------|
| Metzler | 03/04/23 | buy / price target: 24.00 EUR |
| Montega | 05/04/23 | buy / price target: 23.00 EUR |
| LBBW | 31/03/23 | buy / price target: 22.00 EUR |



Stable and reliable dividend at least at the previous year's level as a quality feature of the W&W share

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Overview Q1 2023

For the W&W Group, the first three months were a good start to 2023. At €64.1 million (previous year: €62.1 million), total comprehensive income under IFRS was slightly above the adjusted IFRS 17 of the previous year. It was supported by more stable capital market conditions and a good technical result.

Despite high inflation, rising interest rates and geopolitical tensions, the development of the financial markets was surprisingly benign but also volatile in the first three months of the year. The bond market was also ultimately stable.

The W&W Group also saw continued success in new business. In gross new home loan savings business, it achieved the best quarterly result in the company's history. In property/casualty insurance, the growth trajectory continued.

The W&W Group has applied the new standard IFRS 17 Insurance Contracts since 1 January 2023. The previous year's figures have been restated accordingly. For the first time standardized requirements for the recognition, valuation, presentation and notes on insurance contracts and reinsurance contracts issued or held by the W&W Group's insurance companies apply.

The W&W Group is continuing its digital transformation process with the initiative "W&W Besser!". The strategic projects were successfully advanced in the first quarter of 2023. The focus here is, among other, on the development of new customer groups and the intensive support of existing customers.

Introduction of IFRS 17

Implications on the W&W Group

Equity

Positive Implications:

- Compared to the previous accounting according to the superseded accounting standard IFRS 4, the Group's equity increases at the transition date.

Balance Sheet

Positive Implications:

- Previously existing valuation mismatches are expected to be reduced in the future. This means that the asset and liability sides of our consolidated balance sheets will be harmonized.

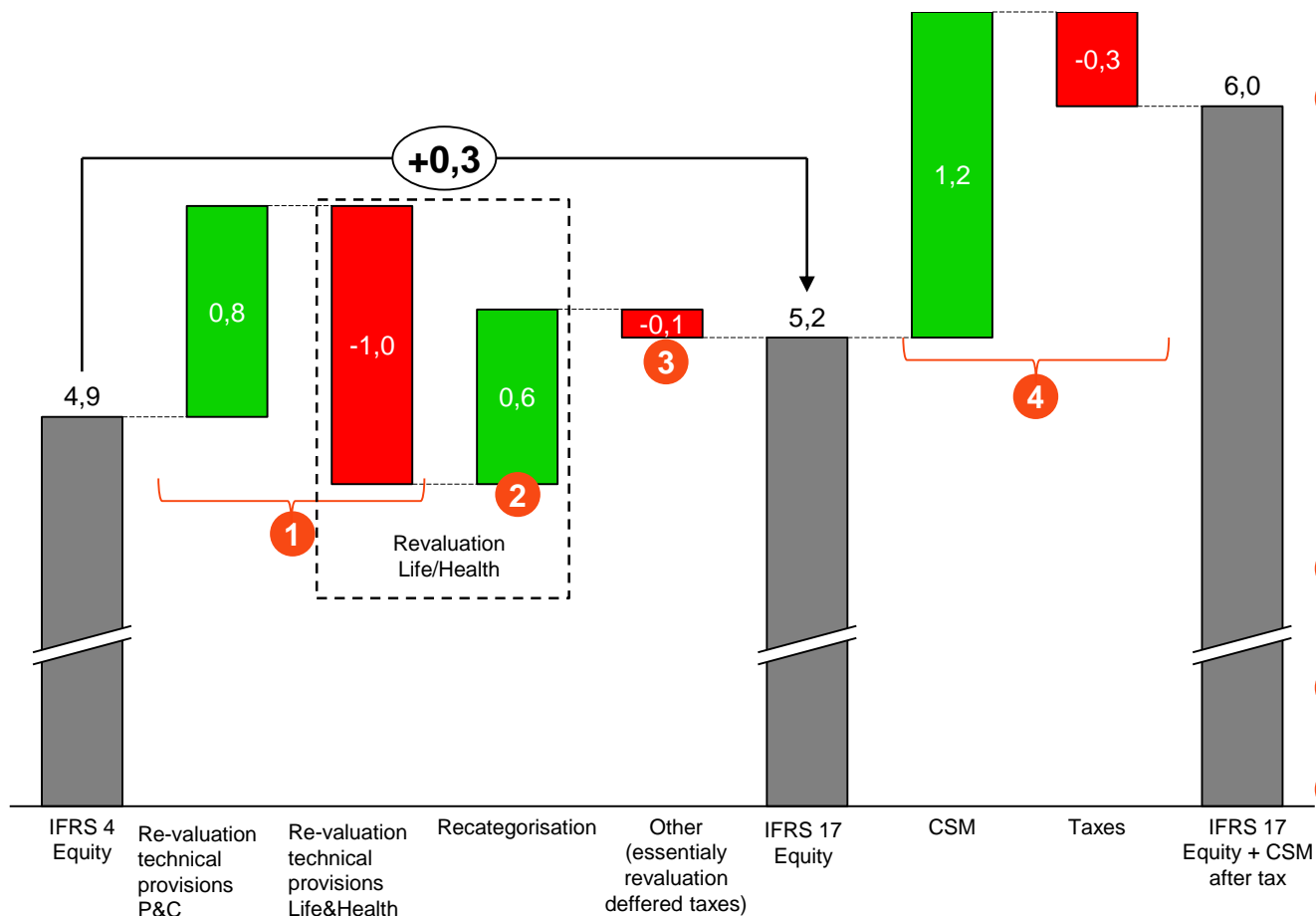
Earnings

Negative Implications:

- Higher earnings volatility cannot be ruled out.

There is no change in our profitability or financial strength, only in the presentation of our results. As a result transparency increases and our earning power becomes more visible.

Group - transition of equity IFRS 4 (31.12.2021) – IFRS 17 (01.01.2022)



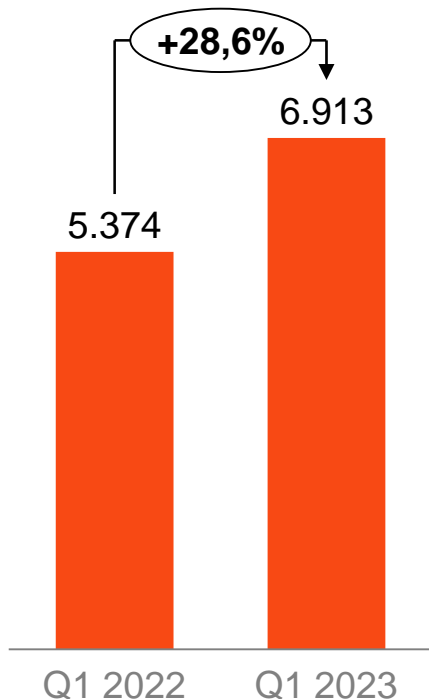
Equity effects vs. IFRS 4

- 1 Revaluation of technical provisions: -0,2 bn. EUR:**
 of which Property/Casualty Insurance and other segment: +0,8 bn. EUR (after Re-Insurance)
 → Derecognition of IFRS 4 over-reservation in first-time adoption effect in retained earnings
 of which Life/Health Insurance segment: -1,0 bn. EUR (after Re-Insurance, incl. 632 from Investment property)
 → Consideration of market values of all capital investments in provisions (not so far with deferred provision) leads to higher provisions; Proportional profit realization under IFRS 17 leads to reclassification of profits already shown in IFRS 4
- 2 Recategorization of investment property in Life/Health Insurance segment (Avoidance of Accounting Mismatch in Equity) + 0,6 bn. EUR**
- 3 Revaluation of deferred taxes: -0,1 bn. EUR**
 (On Balance deferred tax liabilities)
- 4 Contractual service margin (CSM) gross +1,2 bn. EUR includes deferred discounted future profits of current business and is part of insurance liabilities, which reduces equity.**

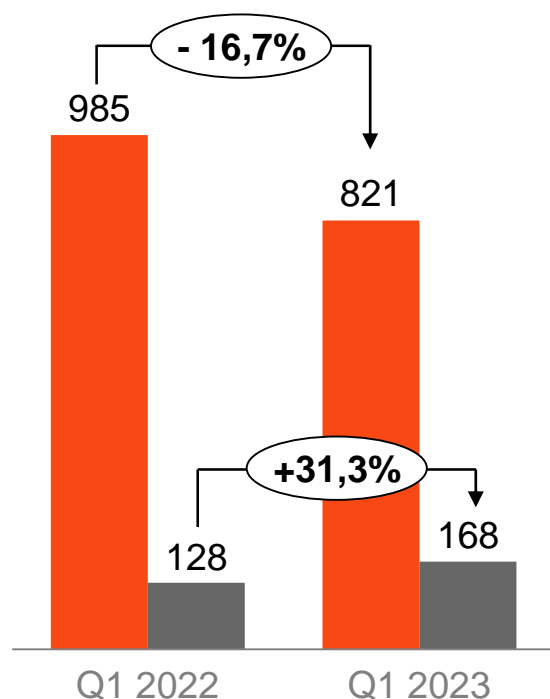
Equity increase from initial application IFRS 17 – amounting to +0,3 bn. EUR essentially through revaluation of provisions and recategorization of investment property.

Further growth in W&W's core business in a more stable market environment

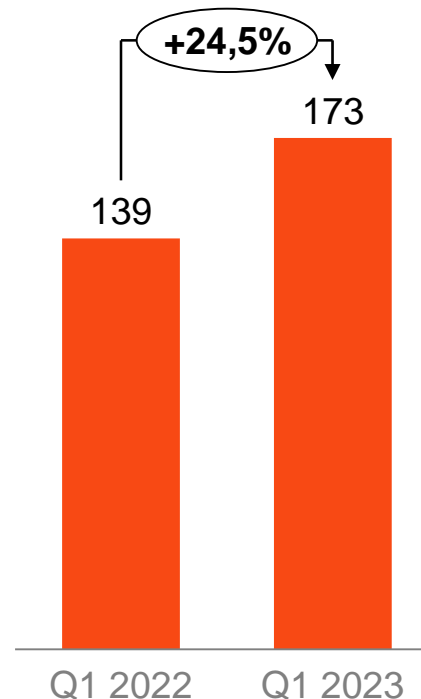
New business volume¹
Housing
 in EUR millions



New business
 in EUR millions



New customers
 in thousands



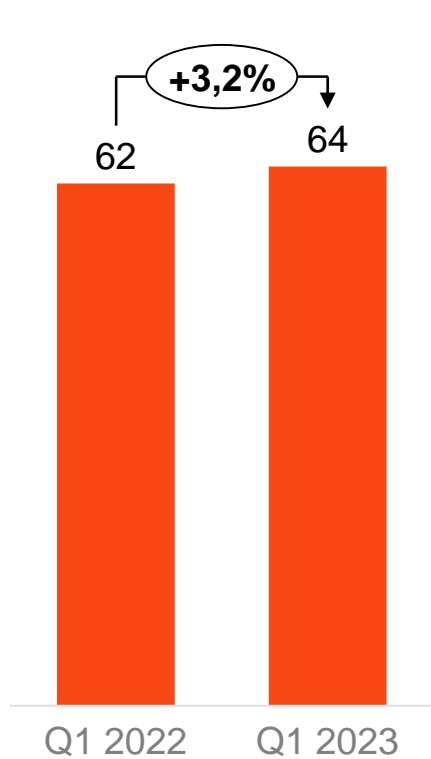
- In gross new home loan savings business, W&W Group achieved the best quarterly result in the company's history.
- Satisfactory increase in the number of new customers

■ Total premiums for new life insurance

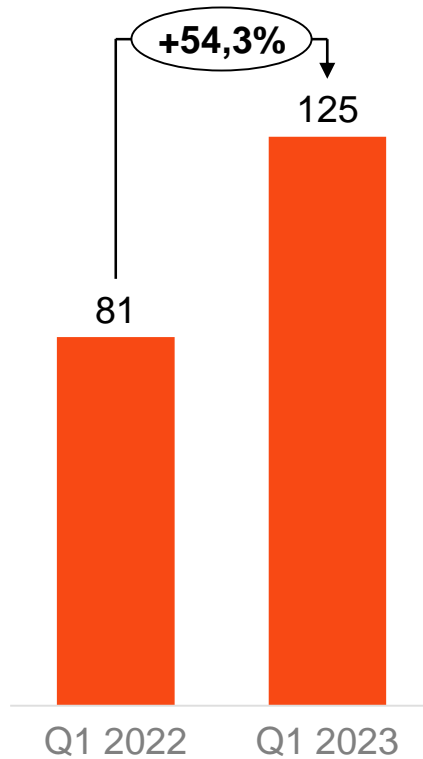
■ Annual contribution to the portfolio (new and replacement business) P&C

More stable capital market conditions led to good results

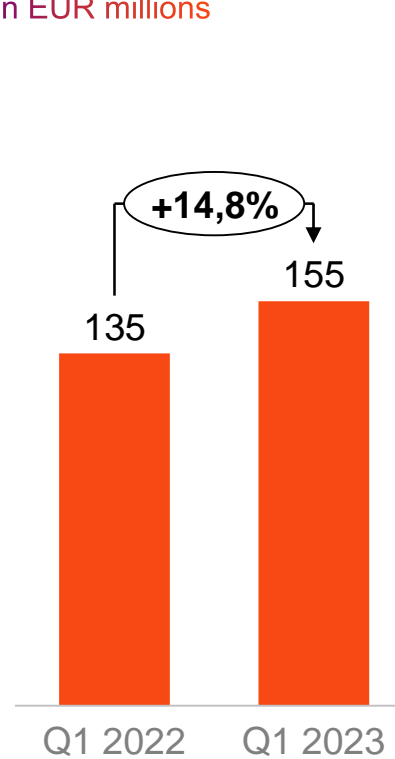
Net profit
in EUR millions



Financial income
in EUR millions



General administrative expenses¹
in EUR millions



- The increase in the net profit was mainly due to the development of the financial result and a good underwriting result.
- The increase in the financial income is mainly due to the improved valuation result, which benefited from the more stable capital markets compared to the previous year.
- Slight increase in administrative expenses due to higher material expenses, e.g. within the framework of the digitalization strategy.

IFRS consolidated income statement

| in Mio. EUR | IFRS 17 Q1 2023 | IFRS 17 Q1 2022 | Delta |
|---|--------------------|--------------------|----------|
| Net financial income | 125 | 81 | 44 |
| <i>Current net income</i> | 285 | 290 | -5 |
| <i>Net expense from risk provision</i> | -8 | -11 | 3 |
| <i>Net measurement gain/loss</i> | 89 | -505 | 594 |
| <i>Net income from disposals</i> | 44 | 260 | -216 |
| <i>Insurance finance result</i> | -284 | 47 | -331 |
| Technical result (net) | 72 | 48 | 24 |
| <i>Property/Casualty Insurance segment</i> | 48 | 17 | 31 |
| <i>Life and health insurance segment</i> | 24 | 31 | -7 |
| Net commission expense | -11 | 6 | -17 |
| General administrative expenses (net) | -155 | -135 | -20 |
| <i>General administrative expenses (gross)</i> | -311 | -282 | -29 |
| <i>General administrative expenses attributable to the technical result</i> | 156 | 147 | 9 |
| Net other operating income/expense | 53 | 76 | -23 |
| Consolidated net income before income taxes | 84 | 76 | 8 |
| Income taxes | -20 | -14 | -6 |
| IFRS consolidated net profit | 64 | 62 | 2 |

1 Net financial income: Interest rates, which jumped in the previous year, and the declining stock markets as a result of the war in Ukraine had a negative effect on the market values of securities in Q1 2022. Moderate valuation gains in Q1 2023

2 Technical result (net): A significant increase was achieved in property and casualty insurance in particular due to winter storms and conservative reserving in 2022. Life and health slightly below previous year

3 General administrative expenses (net): Increase in personnel expenses due to wage increases. Other administrative expenses increased due to higher advertising costs, among other things

Consolidated balance sheet Q1/2023 and previous year under IFRS 17

| in Mio. EUR | IFRS 17 Q1 2023 | IFRS 17 AR 2022 | Delta |
|--|--------------------|--------------------|--------------|
| Financial assets at fair value <u>through profit or loss</u> | 10.084 | 10.276 | -192 |
| Financial assets at fair value <u>through other comprehensive income</u> | 22.917 | 22.878 | 39 |
| Financial assets at amortised cost 1 | 29.077 | 27.795 | 1.282 |
| Investment property | 2.478 | 2.440 | 38 |
| Assets from insurance business | 386 | 345 | 41 |
| Insurance contracts issued that are assets | 75 | 71 | 4 |
| Reinsurance contracts held that are assets | 311 | 274 | 37 |
| Other assets | 3.384 | 3.562 | -178 |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Liabilities | 27.562 | 27.303 | 259 |
| <i>thereof deposits</i> | 25.263 | 25.630 | -367 |
| Technical provisions 2 | 31.034 | 30.299 | 735 |
| Property/Casualty Insurance segment | 2.383 | 1.963 | 420 |
| Life and Health Insurance segment | 28.651 | 28.336 | 315 |
| Other provisions | 1.867 | 1.906 | -39 |
| Other liabilities | 2.814 | 2.898 | -84 |
| Equity 3 | 5.049 | 4.890 | 159 |
| <hr style="border-top: 1px dashed black;"/> | | | |
| Total equity and liabilities | 68.326 | 67.296 | 1.030 |

1) Increase of deposits through
a) Liquidity inflow via customer time deposits that are not yet invested in the medium/long term as at the reporting date.
b) Sales of asset portfolios.
2) Increase home loan savings portfolio

2) Property/Casualty: Usual seasonal increase in provision ("unearned premiums")
Life and Health: Increase in provision due to slightly declining interest rates in Q1 2023

3) Increase in equity mainly due to the consolidated net profit Q1 2023 (+64 Mio. EUR) and due to the positive OCI (+96 Mio. EUR)

Segment overview

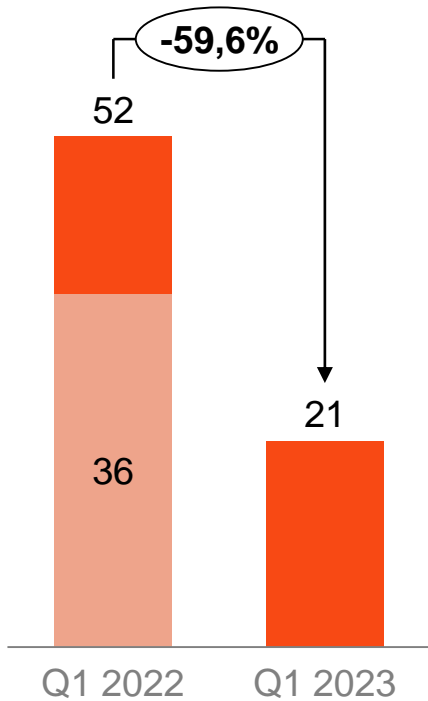
| Reported segments (in Mio. EUR) | IFRS 17 Q1/23 | IFRS 17 Q1/22 | IFRS 17 Q1/23 vs. Q1/22 | IFRS 4 Q1/22 |
|-------------------------------------|-------------------|-------------------|-------------------------------|-----------------|
| Housing segment | 20,9 | ¹ 52,1 | -31,2 | 35,8 |
| Life/Health Insurance segment | 12,4 | 13,2 | -0,8 | -4,5 |
| Property/Casualty Insurance segment | ² 23,9 | -4,9 | +28,8 | 18,8 |
| All other segments/consolidation | 6,9 | 1,7 | +5,2 | 6,6 |
| Consolidated net income | 64,1 | 62,1 | +2,0 | 56,7 |
| <i>Net income before taxes</i> | 84,2 | 76,1 | +8,1 | 71,7 |
| <i>Taxes</i> | -20,2 | -14,0 | +6,2 | -15,1 |

¹ Previous year's result in the Housing segment was retrospectively adjusted due to a change in the amortization of the separate line items from the portfolio fair value hedge

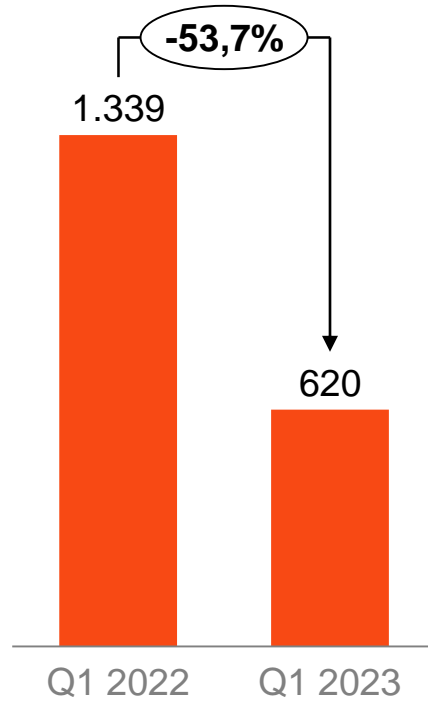
² Positive development in the property/casualty insurance segment due to valuation effects on capital investments

Segment Housing

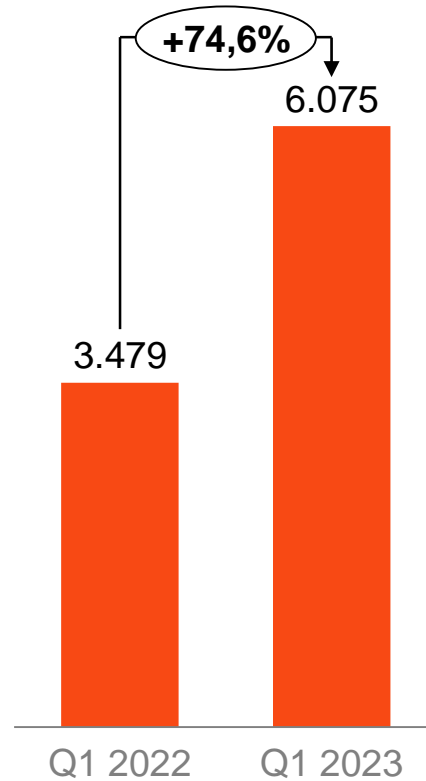
Segment net income
in EUR millions



Construction financing¹
in EUR millions



New home loan savings business (gross)
in EUR millions



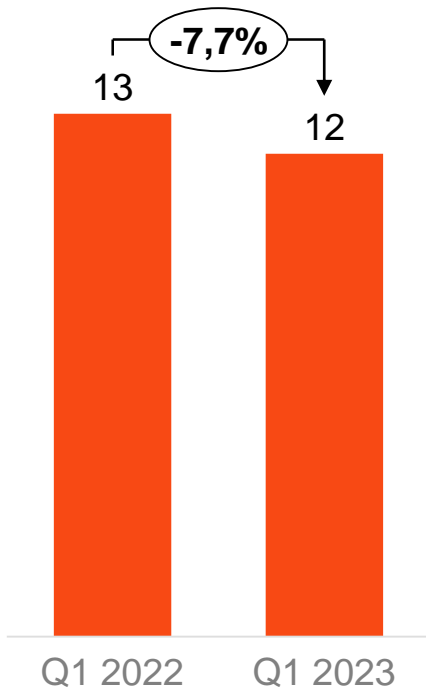
- Decline in segment net income compared to the previous year

- New home loan and savings business increased significantly despite challenging conditions

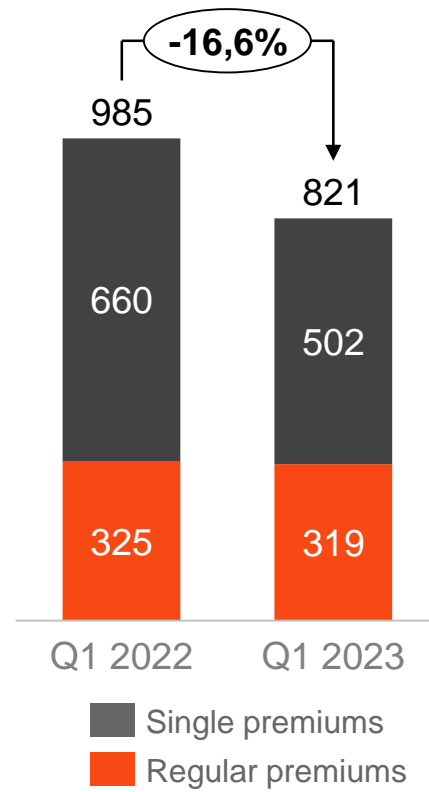
- Overall, continuation of the growth path and outperformance of market visible

Life and Health insurance segment

Segment net income
in EUR millions



New business premiums
in EUR millions

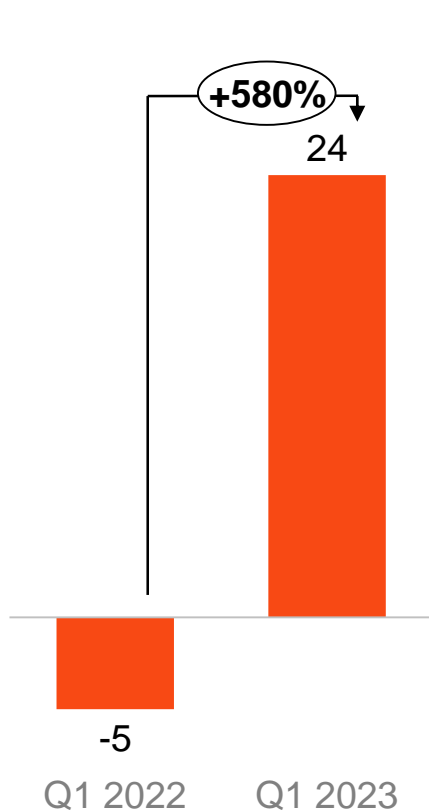


- Segment result generally stable. In the previous year, special income from reversal of IFRS 17 special provision ARA-PK (Subsidiary liability) due to rise in interest rates

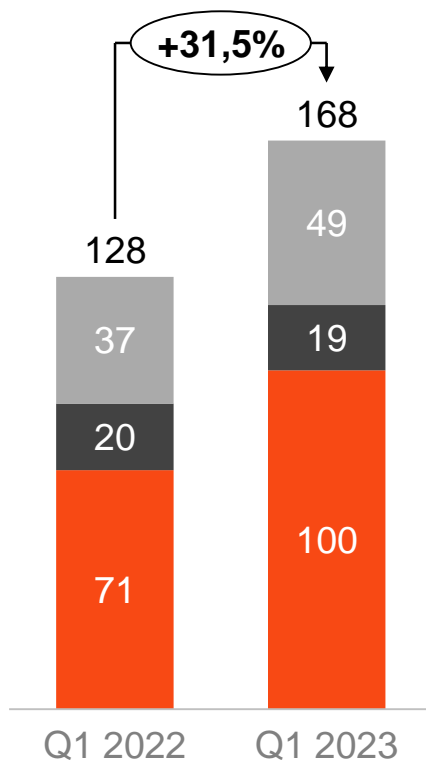
- The premium of the new business in life insurance decreased to 821,2 (previous year 985,0) Mio. EUR. In the area of company pension schemes, total premiums were on a par with the previous year 319,3 (previous year 324,5) Mio. EUR

Property and Casualty insurance segment

Segment net income
in EUR millions



Gross premiums written
in EUR millions



Combined Ratio¹
in %



Corporate Clients
 Privat Clients
 Automotive

IFRS 17 (net)

- Segment result above previous year's level due to positive valuation result as a result of the more stable developments on the stock market

- Both brand new business and replacement business were increased compared with the same quarter of the previous year. All sales channels contributed to this development and significantly exceeded expectations. There was particularly significant growth in the corporate customer and motor businesses.

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Outlook for 2023 as a whole

In the first quarter, persistent inflation, rising key interest rates and geopolitical tensions continued to cause volatility in the financial markets.

The W&W Group still expects to achieve consolidated net profit of **between €220 million and €250 million in 2023** as a whole.

This is assuming that there will be no distortions on the capital and financial markets or other unforeseeable events of material consequence for the W&W Group.

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Be sure to keep in touch with us

15.09.2023

Date to follow

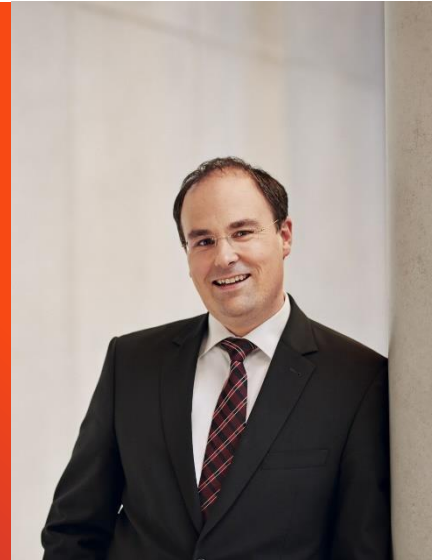
Interim Report as at 30. June

Quarterly Statement as at 30.
September

For further information please refer to

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ir@ww-ag.com



Please visit our IR-Website: <https://www.ww-ag.com/de/investor-relations>

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- the impact of regulatory decisions and changes in the regulatory environment;
- the impact of political and economic developments in Germany and other countries in which the Group operates;
- the impact of fluctuations in exchange rates and interest rates; and
- the ability of the Group to generate the expected income from the investments and capital expenditures that it has made in Germany and abroad.

The foregoing factors should not be considered exhaustive. As a result of such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements as a prediction of actual results. All forward-looking statements contained herein are based on information that was available to W&W at the time of publication of this document. W&W assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or other reasons, other than where it is required to do so by applicable law. All subsequent written or verbal forward-looking statements attributable to W&W or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. The Material is provided to you for information purposes only, and W&W is not soliciting you to act on the basis of it. The Material is not intended as an offer or solicitation to buy or sell any security or other financial instrument or any financial service of W&W or any other entity, nor may it be construed as such, and it does not represent an offer or solicitation to buy or sell. Any offer of securities or other financial instruments or financial services would be made on the basis of offering materials to which potential investors would be referred. The information contained in the Material does not purport to be complete and is subject to the same qualifications and assumptions. It should be considered by investors only in light of the same warnings, lack of assurances and other precautionary measures as are disclosed in the definitive offerings materials. The information contained herein supersedes all prior versions of this document and will be deemed superseded by any subsequent versions, including any offering documents. W&W is not obligated to update the Material or to periodically review it. All information in the Material is expressed as at the date indicated in the Material and may be changed at any time without the need for prior notice or other publication of such changes. The Material is intended solely for the information of W&W’s institutional customers. The information contained in the Material should be not be viewed by any person as reliable.

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