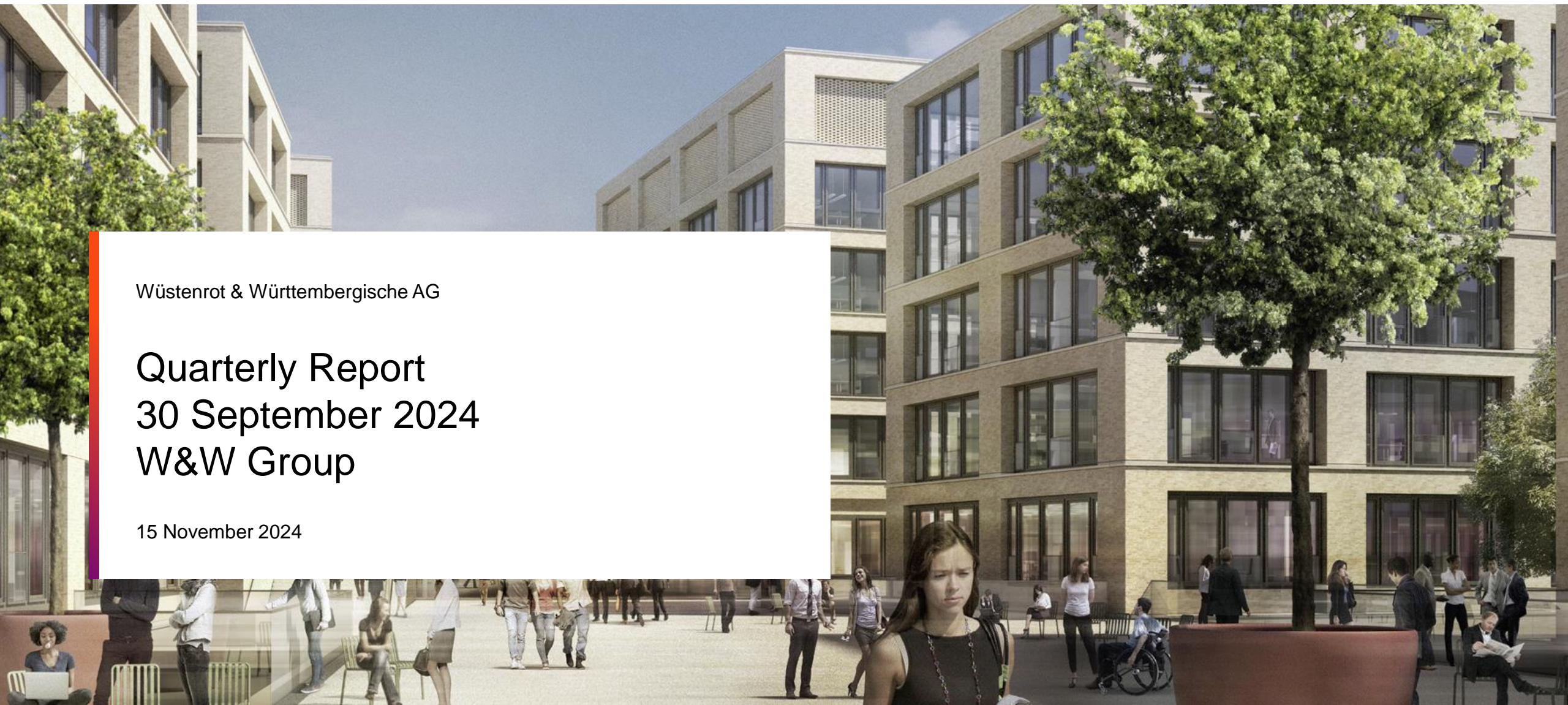


Wüstenrot & Württembergische AG

# Quarterly Report 30 September 2024 W&W Group

15 November 2024



# Agenda

## W&W – Overview & Strategy

## Group and Segment Development Q3 2024

## Outlook

## Appendix

# 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<sup>1)</sup>



## Segment Insurance

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

Adam Riese



# 12

Lebens-  
versicherung<sup>2)</sup>

# 10

Schaden- &  
Unfallversicherung<sup>2)</sup>



## Service and Central Functions

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



W&W Asset Management GmbH



W&W Service GmbH



W&W Informatik GmbH

6.5 mn customers, 6.6 k employees, one common location in Kornwestheim: the W&W-Campus



## Excellent client base with growth potential

**~6.5 mn**  
Customers<sup>1</sup>



On average three contracts per customer



High client retention (low churn rate)



Solvent customer base



Increasing digital affinity

Note: 1) as of September 2023

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

## Own sales channels

2,300 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  
NÜRNBERGER  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 mn  
potential customers

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

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

**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 CO<sub>2</sub> emissions towards climate-neutral capital investments by 2050

## Own operations

CO<sub>2</sub>-neutral operation of own buildings and vehicle fleet through the use of ecological energy sources and compensation of the remaining CO<sub>2</sub> emissions

## Society

Promotion of cultural, sporting, social and regional offers

Expansion of our regional educational networks

**E S G**

## 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

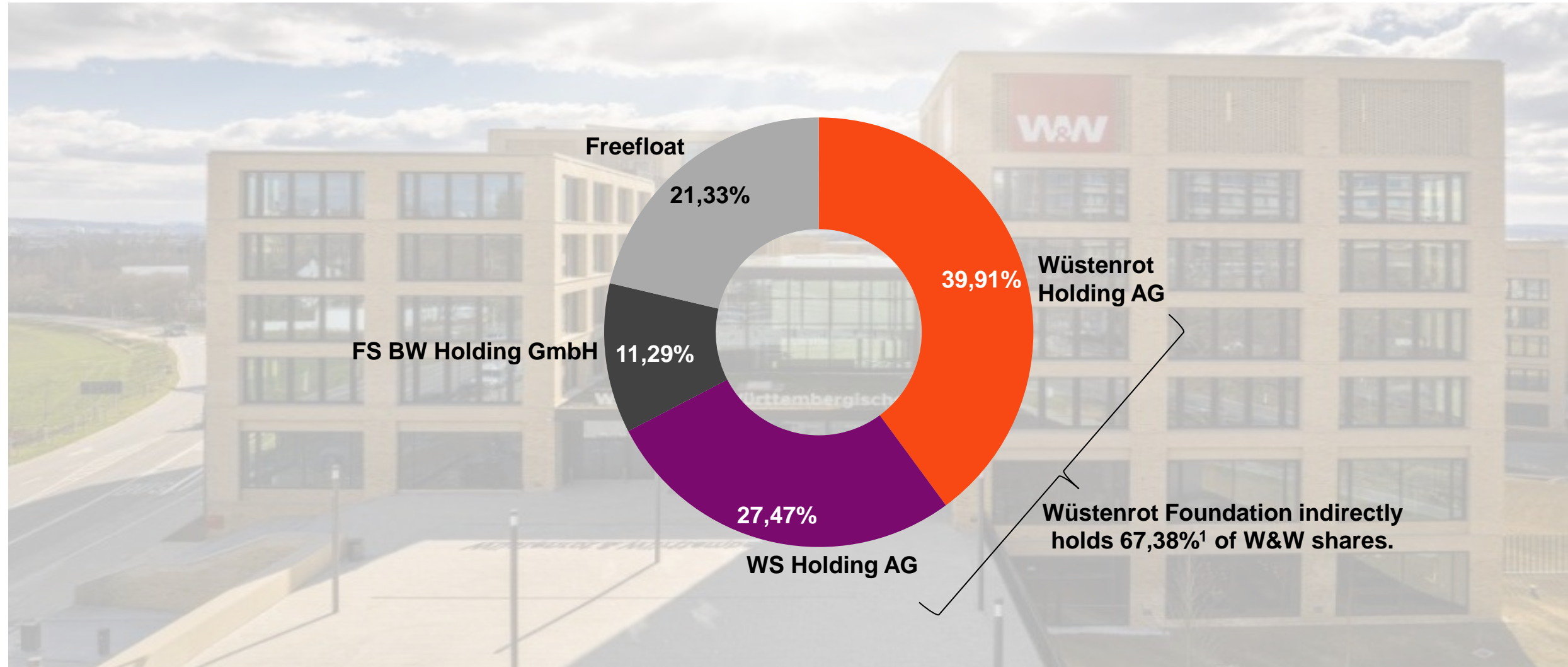
Signatory of: 13 Mai 2020



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



# W&W Group structure as of 30 September 2024



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## Overview Q3 2024

In the second and third quarter of 2024, the W&W Group's regional core insurance area suffered massive losses due to storms in some cases. In particular, the so-called “Orinoco” natural hazard event and various regional storms had a negative impact on the industry and also led to a significant decline in the W&W Group's consolidated net income in IFRS accounting in the third quarter of 2024. It fell to EUR 5 million (previous year: EUR 101 million).

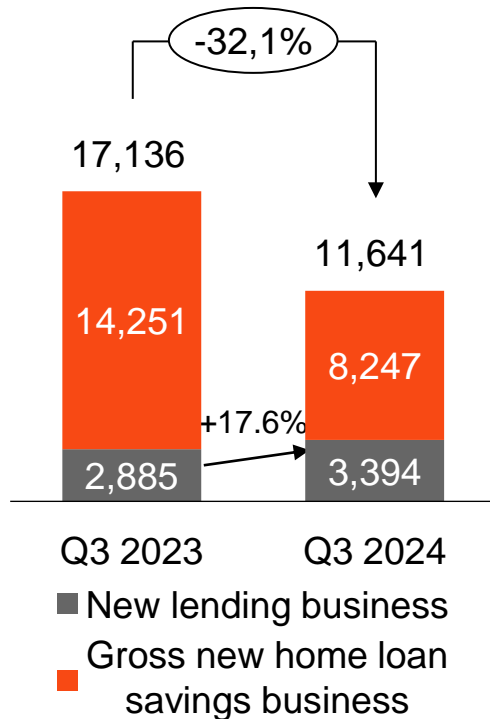
The major business fundamentals have expanded compared to the previous year. New business showed a mixed picture. In the housing segment, the previous year's record result in home loan savings business could not be matched. While new business in life insurance declined slightly, growth in property/casualty insurance continued.

Wüstenrot Bausparkasse AG acquired start:bausparkasse AG from BAWAG P.S.K. with effect from July 1, 2024. In connection with the acquisition, Wüstenrot Bausparkasse AG began a new sales cooperation with Südwestbank in the area of new home loan savings and construction financing business. This will provide sales impetus for future business development.

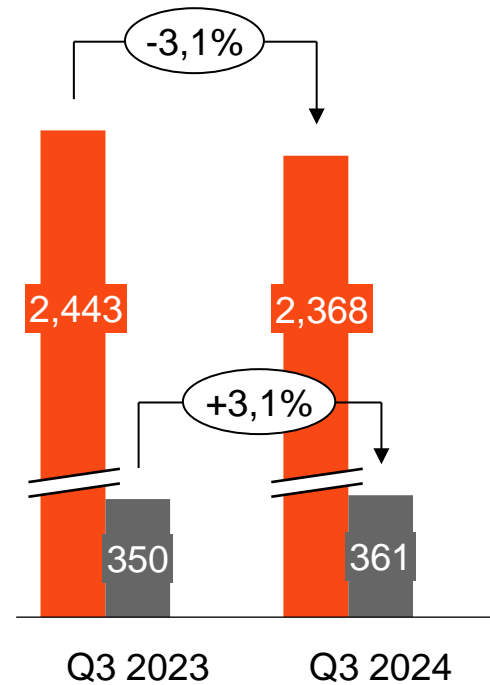
The W&W Group is continuing its digital transformation process with W&W Besser! The strategic projects were also further developed in the third quarter of 2024.

# W&W new business heterogeneous in a generally volatile market environment

## New business volume<sup>1,2</sup> Housing in EUR millions

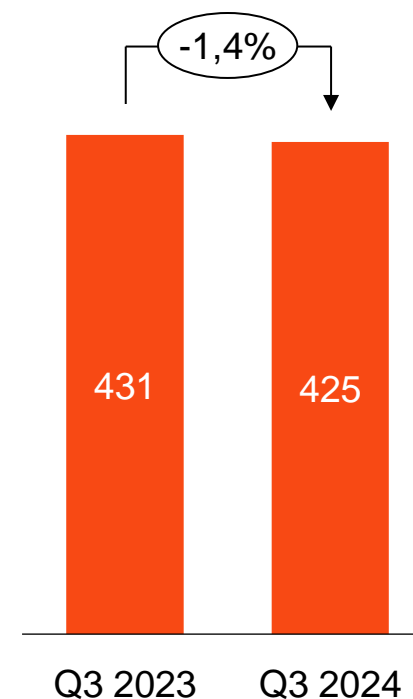


## New business<sup>2</sup> in EUR millions



- Total premiums for new life insurance
- Annual contribution to the portfolio (new and replacement business) P&C

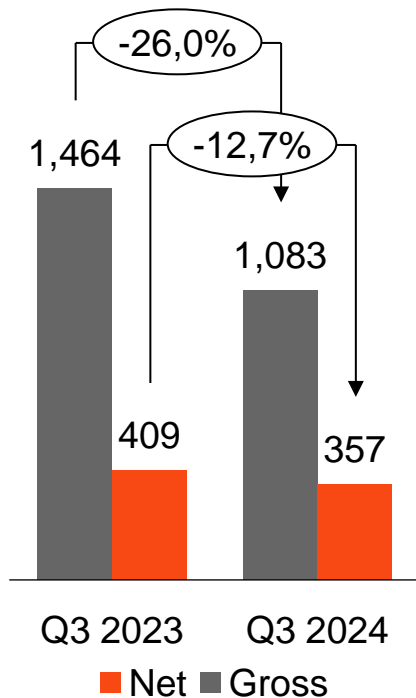
## New customers<sup>2</sup> in thousands



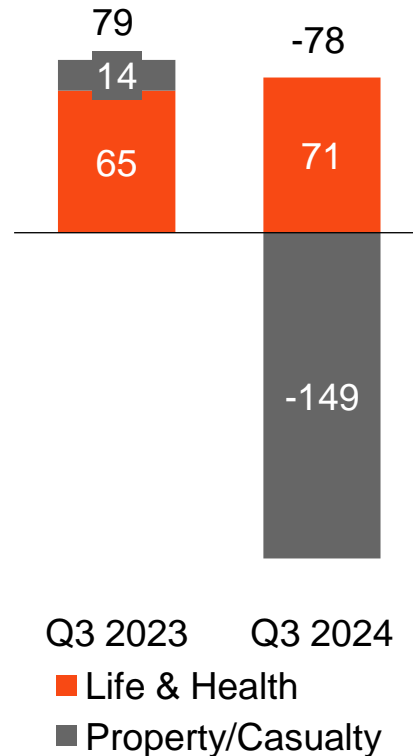
- In the housing segment, the previous year's record result in home loan savings could not be matched. The volume of new lending business increased significantly despite the continuing difficult economic conditions. The W&W Group thus consolidated its own market position.
- Single-premium life insurance policies declined, in line with the industry as a whole. Increase in new and replacement business of P&C, measured in terms of the annual portfolio contribution.
- New customer growth only slightly below the previous year.

# Group result burdened by significantly above-average natural hazard losses

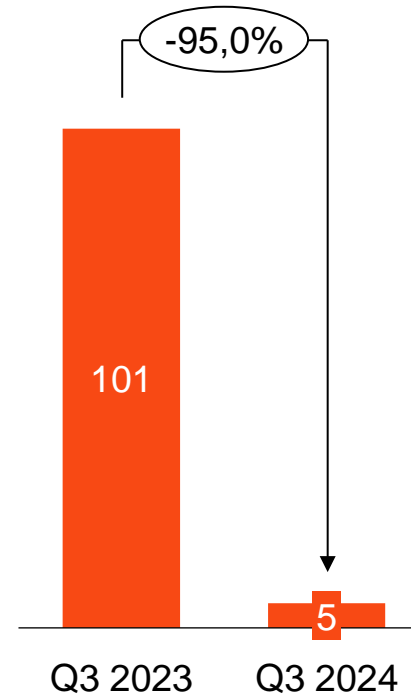
**Financial income<sup>1</sup>**  
in EUR millions



**Technical result (net)<sup>1</sup>**  
in EUR millions



**Net profit<sup>1</sup>**  
in EUR millions



- Weaker financial result (net/ gross) in the first nine months. Increase in valuation and interest result, but decline in disposal result.
- The technical result was negative due to the high level of natural hazard claims in Property/Casualty insurance and general claims inflation.



# IFRS consolidated income statement<sup>1</sup>

in EUR millions		Q3 2024	Q3 2023	Delta
Net financial income	1	357	409	-52
Current net income		989	965	24
Net expense from risk provision		-13	-20	7
Net measurement gain/loss		505	46	459
Net income from disposals		-17	92	-109
Finanzergebnis (brutto)		1,464	1,083	381
Insurance finance result	2	-1,107	-674	-433
Technical result (net)	3	-78	77	-155
Property/Casualty Insurance segment		-149	14	-163
Life and Health insurance segment		71	65	6
Net commission expense		-7	-21	14
General administrative expenses (net)		-369	-384	15
General administrative expenses (gross)	4	-837	-829	-8
General administrative expenses attributable to the technical result		468	445	23
Net other operating income/expense	5	81	60	21
<b>Consolidated net income before income taxes</b>		<b>-16</b>	<b>141</b>	<b>-157</b>
Income taxes	6	21	-40	61
<b>IFRS consolidated net profit</b>		<b>5</b>	<b>101</b>	<b>-96</b>

- Higher current result (despite positive one-off effect in the previous year). More positive stock market performance in the financial year and falling interest rates led to higher valuation gains on securities. Lower net income from disposals due to lower realizations (Housing) and reallocations/disposals (Life and Health).
- Participation of policyholders in the financial result (Life and Health) and compounding of the claims provision (Property/Casualty).
- Property/Casualty: Claims expenditure significantly increased due to massive losses caused by an accumulation of severe weather events. In addition, high claims inflation. Individual events largely within the deductible, therefore lower relief for reinsurers. Life and Health: higher CSM income due to higher interest rates.
- Personnel expenses at the previous year's level, contrary to the inflation trend. Lower consulting and advertising costs, but higher IT expenses.
- In the financial year, income (badwill) from the purchase of start:bausparkasse AG. In the previous year, sale of own real estate at Württembergische Versicherung AG and higher collection of immovable accounts by BSW. In addition, lower income from property development activities in the current financial year.
- Tax-free income from badwill increases consolidated earnings before taxes, but has no effect on income taxes.

# Consolidated balance sheet<sup>1</sup>

in EUR million	Q3 2024	Q3 2023	Delta
Financial assets at fair value <u>through profit or loss</u> <b>1</b>	11,594	10,630	964
Financial assets at fair value <u>through other comprehensive income</u>	23,959	23,687	272
Financial assets at amortised cost <b>2</b>	31,296	28,461	2,835
Investment property	2,549	2,549	-20
Assets from insurance business	365	357	8
Insurance contracts issued that are assets	73	37	36
Reinsurance contracts held that are assets	292	320	-28
Other assets	2,953	2,977	-42
Liabilities	32,049	28,576	3,473
<i>thereof deposits</i>	28,770	25,698	3,072
Technical provisions <b>3</b>	32,987	31,900	1,087
Property/Casualty Insurance segment	2,737	2,295	442
Life and Health Insurance segment	30,250	29,605	645
Other provisions	1,718	1,871	-153
Other liabilities <b>4</b>	971	1,373	-402
Equity	4,985	4,961	24
<b>Total equity and liabilities</b>	<b>72,698</b>	<b>68,681</b>	<b>4,017</b>

- 1** Increase in alternative investments and assets for unit-linked life insurance policies. Decline in fixed-interest securities, among others.
- 2** Increase in building loans, particularly from bridging loans. In addition, higher investments in overnight money.
- 3** Significant increase in overnight and term deposits.
- 4** Slight increase in equity. Consolidated net income Q3 2024 (+EUR 5 mn), OCI (+EUR 83 mn) and dividend payment (-EUR 61 mn).

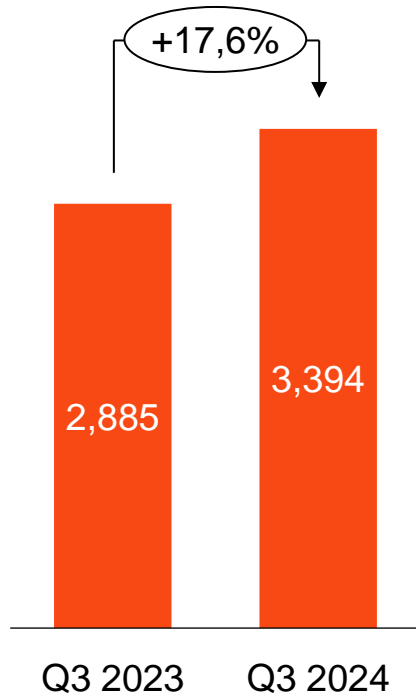
# Segment overview

Reported segments <sup>1</sup> (in EUR millions)	Reported segments <sup>1</sup>		
	Q3 2024	Q3 2023	Delta
Housing segment	34	52	-18
Life and Health Insurance segment	32	22	10
Property/Casualty Insurance segment	-115	10	-125
All other segments/consolidation	54	17	37
<b>Consolidated net income</b>	<b>5</b>	<b>101</b>	<b>-96</b>
<i>Net income before taxes</i>	-16	141	-157
<i>Taxes</i>	21	-40	61

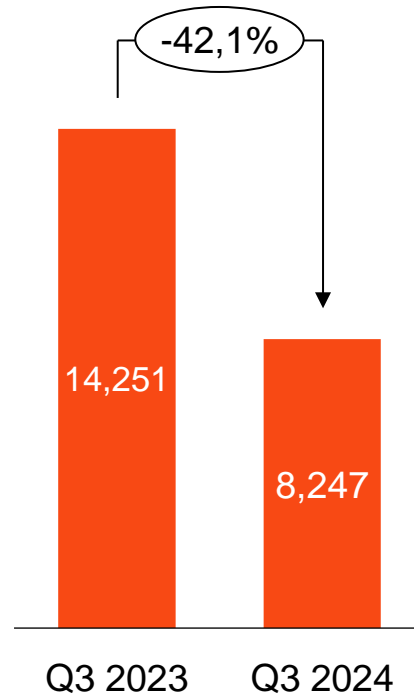


## Segment Housing – segment result down versus previous year's level

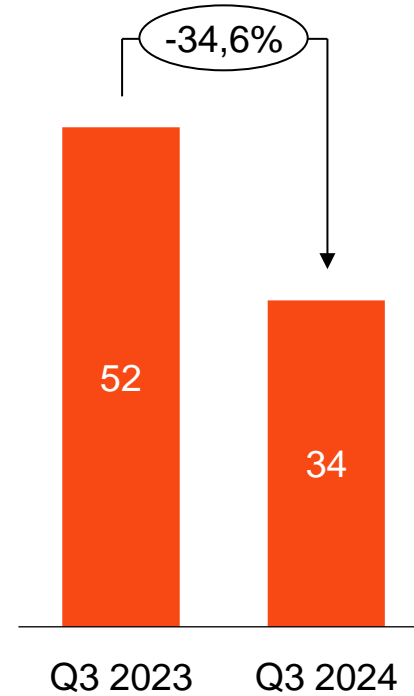
New lending business<sup>1,2</sup>  
in EUR millions



New home loan savings  
business (gross)<sup>2</sup>  
in EUR millions



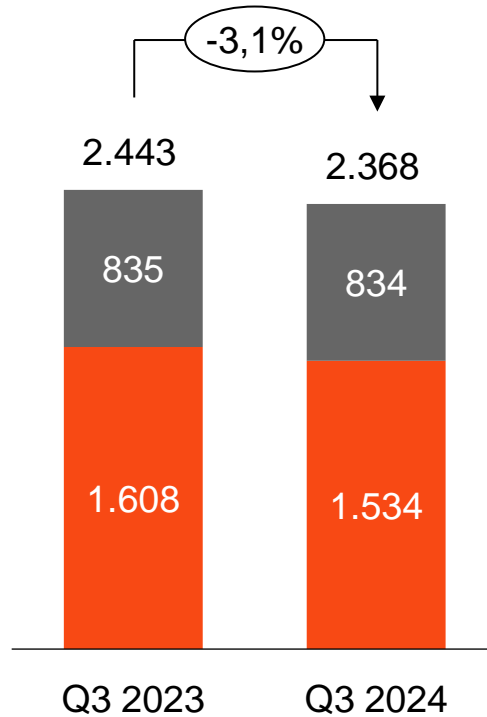
Segment net income<sup>2</sup>  
in EUR millions



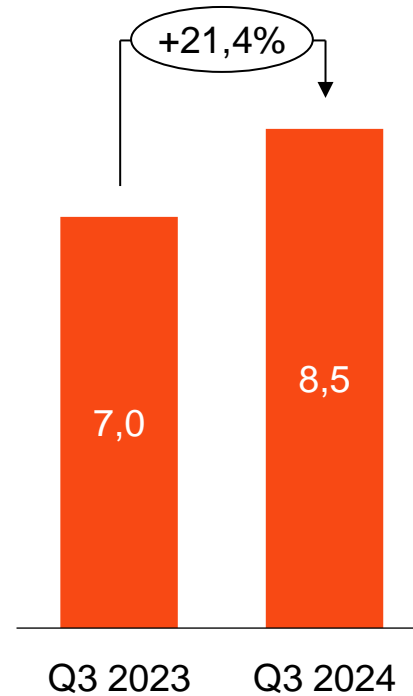
- The new lending business was increased despite the continuing difficult economic conditions.
- Gross new home loan savings business amount was below the record result of the same period last year, which had benefited from the sharp rise in mortgage interest rates.

# Segment Life and Health Insurance – segment result increased (1/2)

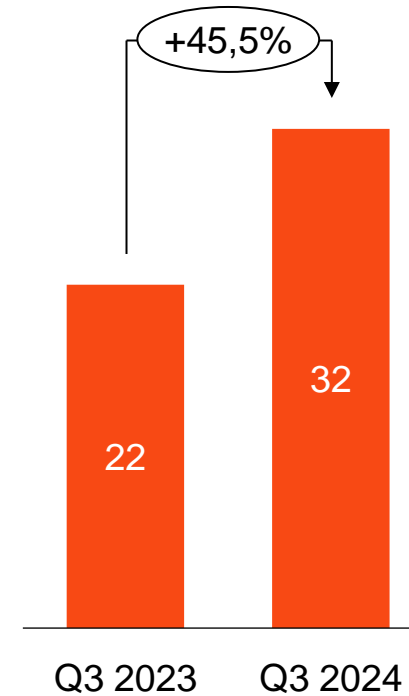
## New business premiums<sup>1</sup> in EUR millions



## Annual new health insurance premiums<sup>1</sup> in EUR million



## Segment net income<sup>1</sup> in EUR million

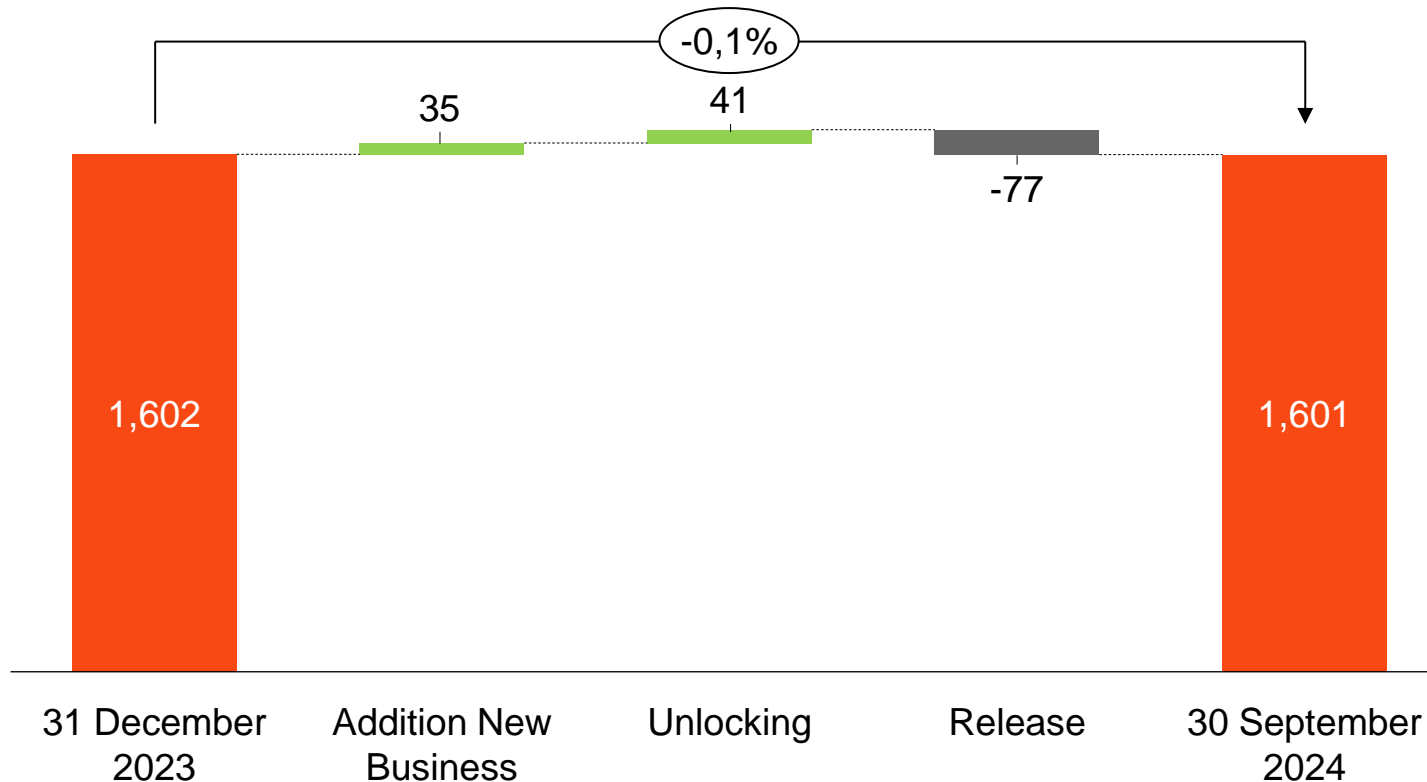


- New business premiums in life insurance declining, in line with the industry as a whole.
- In health insurance, annual new premiums increased. New business grew particularly in company health insurance.

- Total premiums in new business (not incl. Company pension schemes)
- Total premiums in new business for company pension schemes

## Segment Life and Health Insurance (2/2)

Contractual Service Margin (CSM) Q3 2024, net<sup>1,2,3</sup>  
in EUR millions

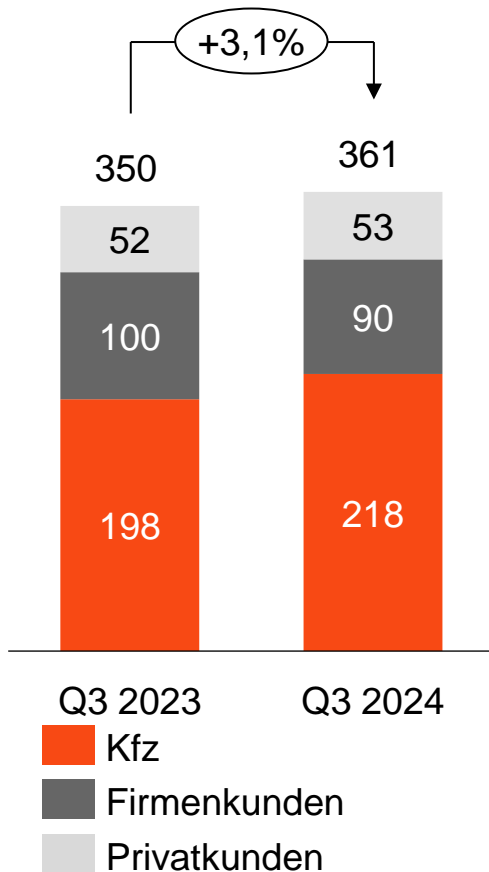


- **New Business:** + EUR 35 mn newly concluded insurance contracts increase CSM
- **Unlocking:** + EUR 41 mn at WL, there was an overall increase in the risk adjustment (increase due to termination of the WL subordinated bond, decrease due to lower mass default risk). In contrast, the CSM at WL fell. CSM at WK increased due to slightly falling interest rates and further prophet development. ARA also with higher CSM Unlocking.
- **Release:** - EUR 77 mn the CSM release represents the collection in the income statement

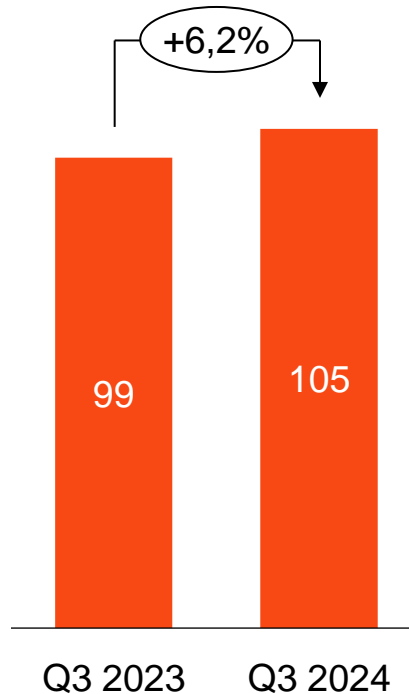


# Segment Property/Casualty Insurance – segment result significantly below previous year

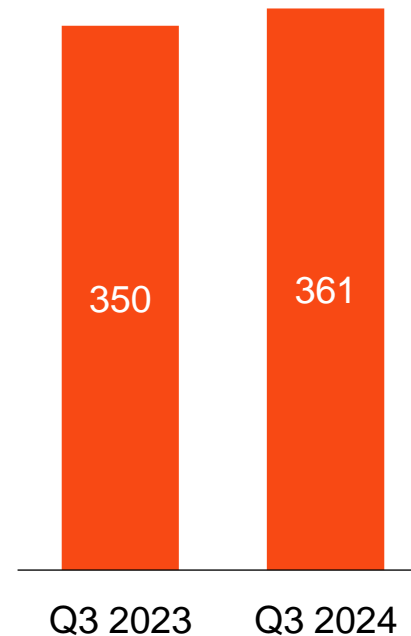
## Gross premiums written<sup>2</sup> in EUR millions



## Combined Ratio<sup>1,2</sup> (gross) in %



## Annual Portfolio Contribution<sup>2</sup> in Mio. EUR



- Slight increase in new and replacement business, measured in terms of the annual portfolio premium. The automotive sector grew significantly and the private clients sector also recorded a slight increase. The corporate clients segment was below the previous year's level.
- Following the significant storm damage in the current financial year, the combined ratio (gross) in accordance with IFRS 17 deteriorated in the first nine months of 2024.
- The growth in the annual portfolio contribution in new and replacement business continued.

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## Forecast for the 2024 financial year

Against the backdrop of extraordinary burdens from natural disasters, we have adjusted our expectations for the 2024 financial year and published an ad hoc announcement on July 25th, 2024.

We continue to expect consolidated net income to be significantly below the previous year, but are maintaining our forecast for W&W AG's earnings in accordance with the German Commercial Code (HGB).

The forecast is subject to the provision that there are no capital market distortions, economic downturns or further major loss events in the remainder of the year.

# Agenda

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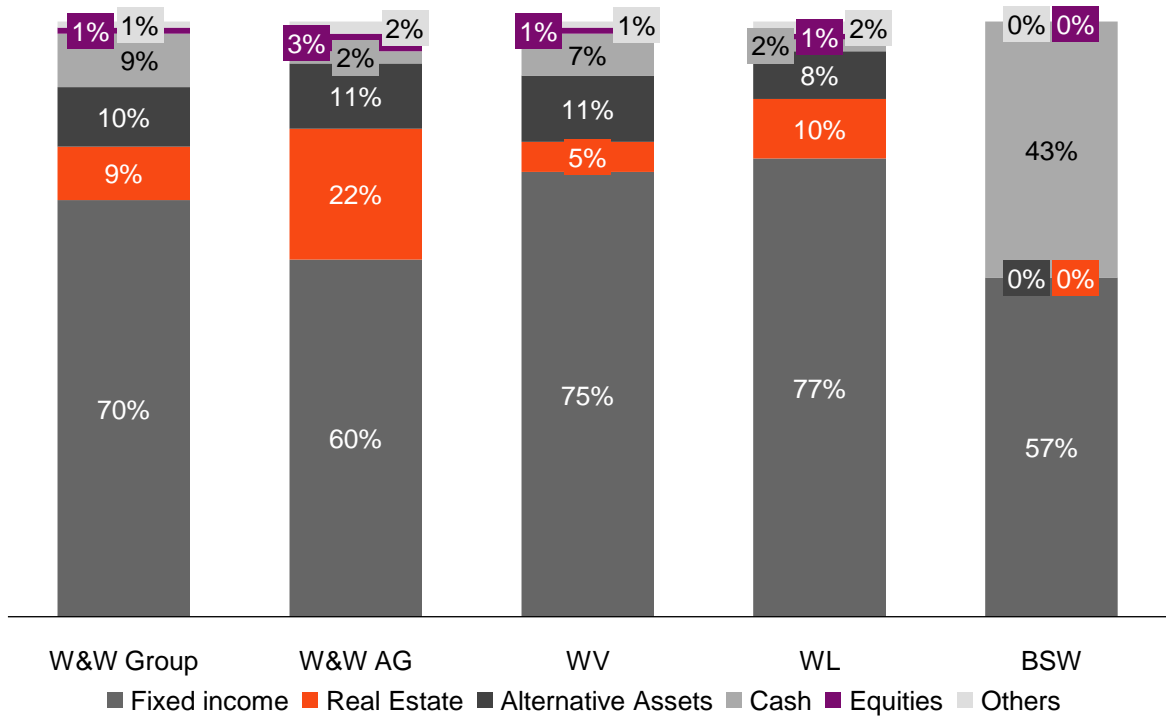
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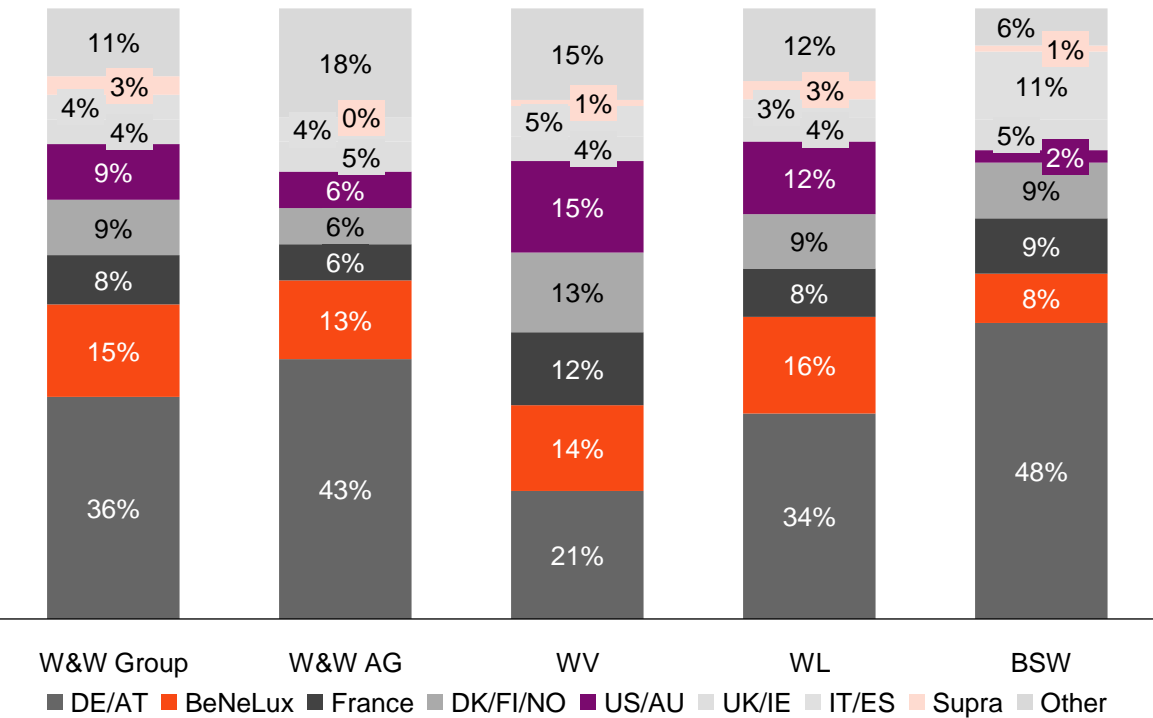


# Investment of the W&W Group and the individual companies as of 30 Sep 2024

Investment by asset class

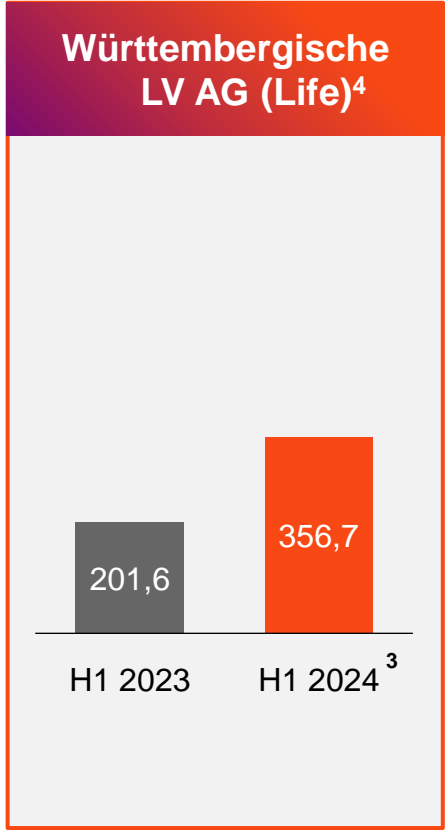
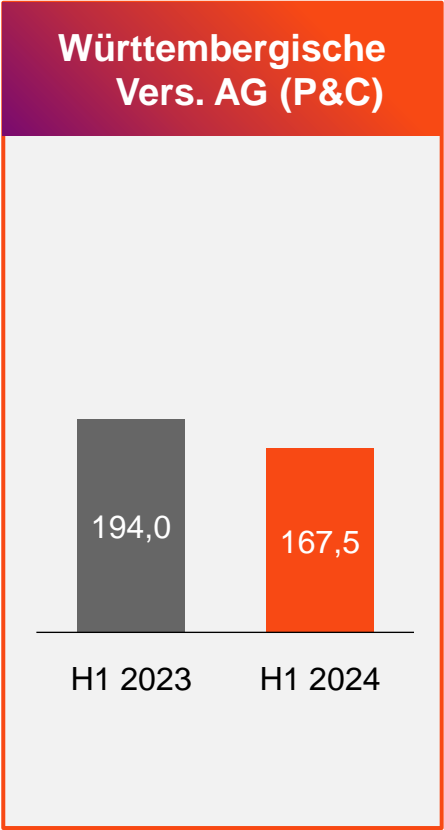
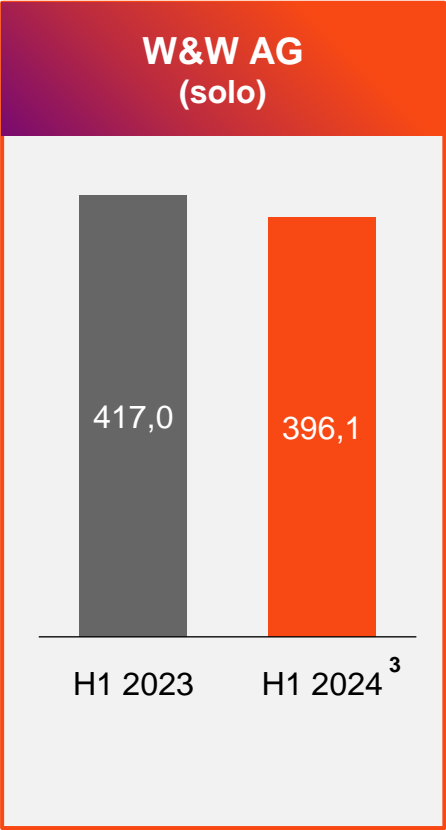
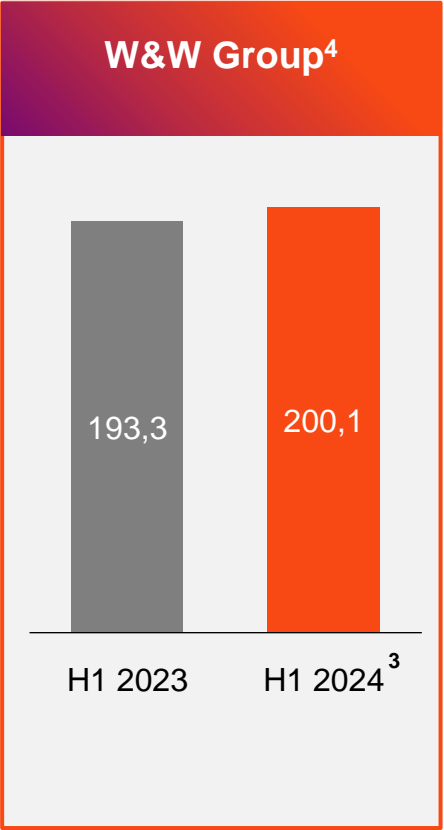


Investment by geography

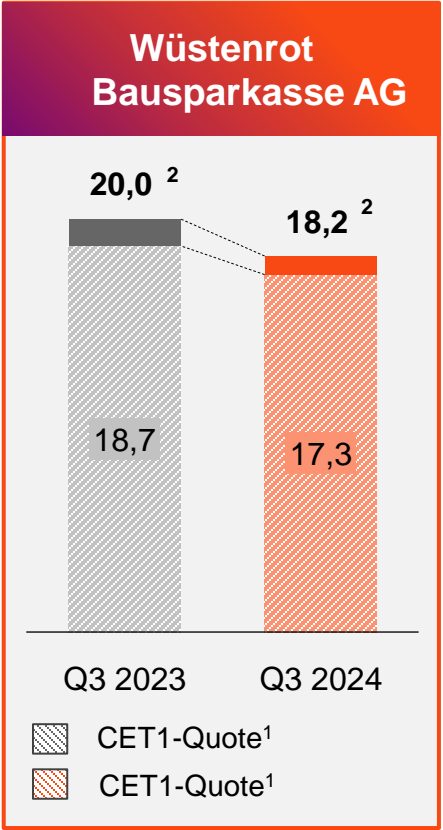


# Overview regulatory capital of group key entities

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



## Capital ratios Bausparkasse in %



Notes: 1) Common Equity Tier 1 capital. 2) Total capital ratio. 3) H1 2024 ratio adjusted and Q1 2024 ratio adjusted retrospectively (W&W Group 198,5%, W&W AG 411,8%, WL 290,2%). 4) Without transitionals.

## Be sure to keep in touch with us

25-27 Nov 2024

Eigenkapitalforum, Frankfurt am Main

28 Mar 2025

Annual Reports of W&W Group  
31 December 2024

15 May 2025

Quarterly Statement W&W AG  
31 March 2025

22 May 2025

Virtual Annual General Meeting W&W AG

14 Aug 2025

Interim Report W&W AG  
30 June 2025

14 Nov 2025

Quarterly Statement W&W AG  
30 September 2025

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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.

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