Annual Report 2024

Wüstenrot & Württembergische AG

w&w gruppe

This is a translation of the German Annual Report. In case of any divergences, the German original is legally binding.

Wüstenrot & Württembergische AG

Overview of key figures of W&W Group (according to IFRS)

Consolidated balance sheet		31.12.2024	31.12.2023
Total assets	in € billion	72.3	68.6[1]
Capital investments	in € billion	39.9	38.9
Senior debenture and registered bonds	in € billion	3.8	4.1
Senior fixed-income securities	in € billion	19.2	18.9
Building loans	in € billion	28.4	26.7
Liabilities to customers	in € billion	27.5	23.5
Technical provisions	in € billion	32.3	31.9
Equity	in € billion	4.9	5.0
Equity per share (equity without minority interests, number of shares without treasury shares)	in €	52.29	52.57

1 Previous year's figure adjusted; see section „Changes in accordance with IAS 8".

Consolidated income statement		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Total net financial result	in € million	476	582
Technical result	in € million	-16	122
Earnings before income taxes from continued operations	in € million	27	202
Consolidated net income	in € million	36	141
Total comprehensive income	in € million	23	135
Earnings per share	in €	0.36	1.48

1 Previous year's figure adjusted; see section 'Changes in accordance with IAS 8'.

Other disclosures	31.12.2024	31.12.2023
Average annual number of employees	7,565	7,485

Key sales figures		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Housing segment			
New business volume (new lending and home loan savings business)	in € million	15,676	21,529
Life and Health insurance segment			
Total premiums in new life insurance business	in € million	3,242	3,468
Gross premiums written health insurance	in € million	327	316
Gross premiums written life insurance	in € million	1,742	1,868
of which regular premiums	in € million	1,374	1,396
of which single premiums	in € million	368	472
Property/Casualty insurance segment			
Annual contribution to the portfolio (new and replacement business)	in € million	436	424
Gross premiums written	in € million	2,812	2,619

W&W AG (according to the German Commercial Corde)

		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Net income	in € million	135	132
Dividend per share[1]	in €	0.65	0.65
Share price at year-end	in €	11.64	13.34
Market capitalisation at year-end	in € million	1,090	1,250

1 Subject to approval by the Annual General Meeting.

Financial calendar

Annual General Meeting

Annual General Meeting	Thursday, 22 May 2025

Financial reports

2024 Annual Report	Friday, 28 March 2025
Interim management statement as at 31 March	Thursday, 15 May 2025
Interim management report as at 30 June	Thursday, 14 August 2025
Interim management statement as at 30 September	Friday, 14 November 2025

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Letter to shareholders W&W AG

Jürgen A. Junker, Chairman of the Executive Board

"Strong foundation keeps operations and strategy on track"

Dear shareholders,

despite the weak economic environment in Germany and considerable burdens due to unusually high losses in our core region, the operations of the W&W Group, your company, remained entirely on track in 2024. We were able to increase the size of key portfolios within our business lines, and new business also continued to develop well for the most part. New lending business in the Housing segment was particularly pleasing. Meanwhile, new business in health insurance and the premium trend in property/casualty insurance are likewise positive developments that should be emphasised. New home loan and savings business normalised as expected following interest-driven record figures.

Overall, the strengths built up over the past few years in terms of substance, customer service, flexibility, and innovation in products and processes had a positive impact.

As announced, high costs had a negative impact on the development of our company last year. The severe storms in the second and third quarters in Southwest Germany, in particular, cancelled out our conservative claims and earnings planning. The frequency and extent of such damage is unprecedented. In addition, ongoing claims inflation, particularly in the motor vehicle sector, drove up the costs per claim considerably. We reacted quickly and responded successfully to these developments in the Insurance division.

In 2024, the Housing segment felt the effects of the ongoing slump in new residential construction. The number of residential building permits and completions continues to fall far short of actual demand. In addition, there are distortions in the interest rate structure, which have a negative impact on the income statement.

As a result, the consolidated net profit for the year under IFRS accounting at €36 million was significantly below the previous year's figure of €141 million. The individual financial statements of W&W AG according to HGB accounting, on the other hand, increased by €3 million to €135 million. We are able to maintain the dividend, which is based on the financial statements of W&W AG prepared in accordance with the HGB (German Commercial Code), at a constant level.

Stability and reliability are important to us, both for our customers and for our shareholders. The Executive Board and Supervisory Board will therefore propose to the Annual General Meeting on 22 May 2025 that an unchanged dividend of €0.65 per share be paid for the past financial year.

This good annual result was made possible above all by the commitment of our employees, who live and breathe our aspiration to become a little better every day, and to place the satisfaction of our customers at the centre of everything we do. I would like to express my sincere thanks to them for their significant contributions to the success of our business.

As is always the case, all factors that we can influence ourselves at the W&W Group are developing well. We have our costs under control, our products are successful on the market, and our strategic and operational development is progressing successfully. Unforeseeable natural disasters, such as those we experienced in 2024 and fully recognised in the balance sheet, are part of the nature of our business. It is our job as an insurer to stand by our customers in situations that are often existential for them. The situation is somewhat different with the considerable cost increases in some claims settlements. In the end, it is the policyholders who suffer, as premium adjustments are inevitable throughout the industry. However, we are not prepared to stand idly by and watch this development; we are actively counteracting it.

In 2024, we offered our customers attractive and competitive products in home loan and savings and construction financing, taking profitability and risk into account. The desire to become a homeowner remains high. Demand was driven by the existing property market, by purchases, and by modernisations and renovations, particularly in terms of energy efficiency. New construction remained at a low level due to rising construction costs, excessive regulations, and long approval procedures.

Dear shareholders,

the current financial year is once again presenting our industry with challenges. The German economy is not expected to recover after the weak 2024 financial year. And it remains to be seen whether citizens and companies will be able to expect more clarity from the political arena in 2025, and thus more certainty in their decisions on personal provision and wealth creation.

We at the W&W Group are cautiously optimistic about 2025. Despite the recent high losses, we are starting the new year with an unencumbered balance sheet and strong sales. We trust in our operational strength, our solid foundation, and the resilience that we have built up in recent years. We utilise these strengths to acquire new customers, maintain existing customer relationships, and thus further expand our market position. Our innovative strength and ability to meet the changing needs of our around 6.5 million customers remain crucial. We rely on an effective mix of personalised advice and digital transformation, in which we simplify and accelerate products and processes where it makes sense to do so, without neglecting personal support. We can only remain successful in the long term if we constantly reimagine our business with our customers in mind. One example of this is the multi-award-winning digital insurer Adam Riese, which was launched in 2017 and is now trusted by nearly 400,000 customers.

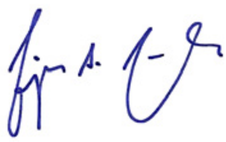
Our strategic goals will only be achievable if skilled and committed employees continue to work towards them in the future. It is therefore all the more pleasing that the W&W Group continues to have a high level of employee satisfaction, which is also reflected in a comparatively low employee turnover rate. Our most recent employee survey showed very high approval ratings. This is pleasing and a good basis for the future.

Dear shareholders,

for the current financial year, we have adjusted our planning for claims development in response to the heavy burdens of recent years. We expect macroeconomic development to remain very subdued and interest rates to remain volatile. In this environment, cost awareness and cost efficiency remain important criteria in everything we do. We have also countered the external burdens by adjusting premiums as a result of claims inflation and with a number of other measures. For 2025, we expect a genuine and swift relaunch of housing construction policy following the formation of a new government, which will further boost business in the sector.

On the condition that there is no turbulence on the capital and financial markets, and in the absence of any other significant events for the W&W Group, we are planning a consolidated net profit significantly above the previous year for 2025. In the medium term, we are still aiming for a profit of €220 to €250 million – a range that we have already achieved and even exceeded in previous years. In the separate financial statements of W&W AG, we aim to further increase net income each year in 2025 and subsequent years and thus continue our reliable dividend policy. The strategic and operational opportunities for the W&W Group are significant. In times of economic uncertainty and overburdened social security systems, the importance of private provision and asset accumulation is constantly growing. The W&W Group is well positioned. I look forward to working with my colleagues on our boards and the more than 12,000 people who work for us in the back office and as part of our mobile sales force, as well as with numerous partners, to further advance the W&W Group.

Sincerely yours,



Jürgen A. Junker,
Chairman of the Executive Board

Our Management Board

Together to the future

The W&W Group has separated its activities into two divisions: Housing and Insurance. At Group level management and service entities as well as overall digitalization topics are managed. The Executive Board of W&W AG and the heads of the divisions form the Management Board, which serves as the central steering entity of the W&W Group.

Jürgen A. Junker

CEO of the
W&W Executive Board
Corporate Legal
Audit
Communication
Strategy
Human Resources
Data, Processes and AI

Bernd Hertweck

Head of
Housing Division,
Chairman of the Executive Board of
Wüstenrot Bausparkasse AG

Alexander Mayer

CFO/CRO of the
W&W Executive Board
Accounting
Controlling
Risk management
Compliance

Zeliha Hanning

Head of
Insurance Division,
Chairwoman of the Executive Board of
Württembergische Versicherung AG
and Member of the Executive Board of
Württembergische
Lebensversicherung AG

Jürgen Steffan

CRO of the
W&W Executive Board
(until 30 June 2024)
Human Resources
Controlling
Risk management
Compliance

Jacques Wasserfall

Head of
Insurance Division,
Chairman of the Executive Board of
Württembergische
Lebensversicherung AG and of the
Executive Board of
Württembergische
Krankenversicherung AG

Jens Wieland

CIO of the
W&W Executive Board
IT
Capital Investments

Our Supervisory Board

Dr. Michael Gutjahr

Chairman
Former Member of the Executive Board
Wüstenrot & Württembergische AG
Wüstenrot Bausparkasse AG
Württembergische Versicherung AG
Württembergische Lebensversicherung AG

Frank Weber[1]

Deputy Chairman
Chairman of the Works Council
Württembergische Versicherung AG/Württembergische Lebensversicherung AG, Karlsruhe site
Chairman of the Group Works Council

Hartmut Bader[1]

Chairman of the Works Council
Wüstenrot & Württembergische AG/Württembergische Lebensversicherung AG, Kornwestheim site
Chairman of the General Works Council
Wüstenrot & Württembergische AG/Württembergische Lebensversicherung AG

Jutta Eberle[1]

Insurance Employee
Württembergische Versicherung AG

Dr. Frank Ellenbürger

Auditor and tax consultant

Prof. Dr. Nadine Gatzert

Chair of Insurance Economics and Risk management at the Erlangen-Nürnberg Friedrich-Alexander-university

Bernd Mader[1]

Head of Customer service and Operations
Württembergische Versicherung AG

Andreas Rothbauer[1]

Chairman of the General Works Council
Wüstenrot Bausparkasse AG

Petra Sadowski[1]

Trade union secretary of
Vereinte Dienstleistungsgewerkschaft ver.di
Stuttgart district

Dr. Wolfgang Salzberger

Chief Financial Officer (CFO) and
Member of the Board ATON GmbH

Jutta Stöcker

Former Member of the Executive Board
RheinLand-Versicherungsgruppe

Edith Weymayr

Chairwoman of the Executive Board
Landeskreditbank Baden-Württemberg - Förderbank
(L-Bank)

1 Employee representatives.

Solidarity is the key

In the W&W Group, we practise trusting and cooperative collaboration – for the benefit of our customers. Our employees help each other, learn from each other and are open to new ideas. At the W&W campus in Kornwestheim, this togetherness and mutual support is tangible.

Arousing enthusiasm

Satisfied customers are what drives us. With a high level of commitment, a wide range of products, strong brands and personal advice, we fulfil their desire for individual solutions with the greatest possible security.

Combined management report
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Wüstenrot & Württembergische AG Combined management report

Group fundamentals

Business model

Overview of the Group and Wüstenrot & Württembergische AG (W&W AG)

The W&W Group came into existence in 1999 as a result of the merger of the two long-standing companies Wüstenrot and Württembergische. Today, it develops and provides the four components of modern financial planning: financial security, residential property ownership, risk protection and savings and investment. It combines the Housing and Insurance divisions with the Group's digital initiatives and brands such as Adam Riese, thus offering customers the financial planning solution that suits them best. In doing so, the W&W Group focuses on omni-channel sales, ranging from its own mobile sales force to cooperation partners and sales agents, broker activities and digital initiatives. The W&W Group, based in Kornwestheim, operates almost exclusively in Germany.

In the **Housing** division, the focus is on the home loan savings business of Wüstenrot Bausparkasse AG, along with the construction financing that it offers. Other areas include the property development business of Wüstenrot Haus- und Städtebau GmbH and real estate brokerage by Wüstenrot Immobilien GmbH.

Wüstenrot Bausparkasse AG acquired start:bausparkasse AG from BAWAG P.S.K. with effect from 1 July 2024. In the course of the financial year, start:bausparkasse AG was merged with Wüstenrot Bausparkasse AG with retroactive effect from 1 January 2024. In connection with the purchase, Wüstenrot Bausparkasse AG began a new sales cooperation with the German branch of SÜDWESTBANK BAWAG AG (Südwestbank) in the area of new home loan savings and construction financing business. Sales impulses for continued business development are expected in this area as a result.

In the **Insurance** division, the W&W Group offers its customers a broad range of life, health and property/casualty insurance products. The main companies are Württembergische Versicherung AG, Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG.

In 2023, Württembergische Versicherung AG concluded a purchase agreement together with R+V Service Holding GmbH and Provinzial Beteiligungsgesellschaft mbH to acquire 25% of the shares in the claims service provider riparo GmbH. The transaction was completed in the first quarter of 2024. With this investment, Württembergische is safeguarding claims management services in the vehicle repair segment for the future.

The Executive Board of Württembergische Lebensversicherung AG called the subordinated bearer bond of €250 million issued in May 2014 effective 15 July 2024. This eliminates the obligation to publish additional IFRS consolidated financial statements by utilising the exemption pursuant to Section 291 (2) HGB.

The listed company **Wüstenrot & Württembergische AG** is the Group's strategic management holding company. It coordinates all activities, sets standards and manages capital. As an individual entity, its operations are almost exclusively restricted to reinsuring the insurance policies written by the Group. It also renders services for the Group as a whole.

W&W Chief Risk Officer and Chief Human Resources Officer Jürgen Steffan stepped down from the Executive Board of W&W AG as at 30 June 2024. This resulted in changes to the Executive Board's allocation of responsibilities from 1 July 2024. In addition to his previous activities, W&W CEO Jürgen A. Junker took over responsibility for Human Resources from Jürgen Steffan and is therefore also Chief Human Resources Officer. W&W Chief Financial Officer Alexander Mayer has taken over the Risk, Compliance, Group Controlling/Cost Controlling and Group Board Risk units from Jürgen Steffan. Chief Operating Officer and Chief Information Officer Jens Wieland will be assigned responsibility for financial management/asset allocation and reinsurance from Alexander Mayer's previous area of responsibility. Jürgen A. Junker has also been responsible for setting up the AI Competence Centre since 1 July 2024.

The **Management Board** is the central steering body of the W&W Group. It concerns itself with, among other things, Group governance and with setting and developing the business strategy. As at 31 December 2024, in addition to the members of the Executive Board of W&W AG, it also included the business division heads Bernd Hertweck (Housing), Zeliha Hanning (Property and Casualty Insurance) and Jacques Wasserfall (Life and Health Insurance). Operational and company-specific issues of the individual companies are handled at the divisional level.

W&W Besser!

The W&W Group strives to sustainably increase its enterprise value. To achieve this, we are positioning ourselves as a company that makes it possible to obtain financial planning from a single source.

Four new strategic dimensions have strengthened corporate management since 2024:

- Finance - Expand income, actively manage costs at market level,
- Market & clientele - growth via the market in profitable products, acquiring and retaining customers,
- Processes & technology - increasing productivity and efficiency, convincing users,
- Employees - Attracting, developing and inspiring employees.

Various strategic projects and measures were successfully implemented in 2024:

- A new structure – integrated financial and risk management at Group level – was created in the finance department. The aim is to meet the challenges in the financial sector, such as the ongoing new supervisory and regulatory requirements, even more efficiently in future.

- The W&W Group's digital transformation lays the foundation for the future and focuses in particular on the digitalisation of products and processes. The focus here is on the renewal of existing systems, which we use to create the conditions for the largely automated processing of products, the flexible integration of cooperation partners and the further professionalisation of product development. Since July 2024, the commitment to artificial intelligence (AI) has been strengthened, and a new "Data, Processes and AI" department has been established.

- The W&W Group responded to the constantly growing and changing threat situation posed by viruses, hackers and malware with the Cybershield programme, which bundles important cyber protection measures. In 2024, optimised virus protection was introduced across the Group, which automatically isolates affected devices.

The **Housing** division with its brand identity "Housing means Wüstenrot" represents home loan savings, construction financing, residential housing construction and property brokerage. It is therefore the point of contact for customers on all aspects of housing.

- The major bausparen@wüstenrot (b@w) project is currently in its second and final phase. In addition to the introduction of a modern SAP-based core banking system, many other applications are to be converted to a new IT architecture in the project so that the host used to date can be completely replaced. Numerous business processes as well as the portfolios of Aachener Bausparkasse AG and start:bausparkasse AG will be transferred to the new applications and the corresponding portfolio management systems will be replaced. The aim of the new building society platform is a faster and more flexible response to changing market requirements as well as a sustainable reduction in

W&W Besser!

costs.

- Wüstenrot Bausparkasse AG strengthened its position as a "co-operative home loan and savings bank". With the acquisition of the German start:bausparkasse AG, which took effect on 1 July 2024, it gained a new regionally significant sales cooperation with Südwestbank. In addition, a new strategic cooperation agreement was concluded with ING Germany.

- In the Housing division, the range of services in the field of energy-efficient renovations was expanded to include Wüstenrot Energieberatung GmbH, a subsidiary of Wüstenrot Haus- und Städtebau GmbH. With its expertise in the energy-related evaluation and development of properties, it aims to make an important contribution to energy-efficient modernisation and sustainable living.

Further implementation successes were also achieved in the **Insurance** division:

- The long-standing mobile sales force workplace (AAP) is giving way to the sales workplace (VAP). The new VAP offers a more flexible, more powerful platform that is tailored to the needs of sales in the digital age.

- The further development of the customer portal enables more digital and sustainable customer communication.

- Since the 2024 financial year, an AI assistant has been helping Württembergische's customer service team filter calls and direct them to the right place.

- As part of the IT transformation, the remaining two policy management systems at Württembergische Lebensversicherung AG will be merged into the modern policy management system msg.Life Factory. In November 2024, around 300,000 insurance policies were successfully transferred from the old portfolio management system in a first step. The merger into a modern standard application, msg.Life Factory, should enable significantly leaner, more cost-efficient business operations in future.

The W&W Besser! initiative will also be continued in 2025 in order to continue to consistently focus products, services and processes throughout the W&W Group on customer benefits.

Product mix

Our approximately 6.5 million customers value the service quality, expertise and close personal service provided by our employees, both in the office and in the field. Our range of products is directed towards retail and well as commercial customers. Customers receive financial planning for all phases of life and risk cover from a single source.

In the 2024 financial year, **Wüstenrot Bausparkasse AG** continued to align its product range with market developments and trends.

It offers a wide range of home loan savings and financing products (e.g. building loans and mortgages) for short-term energy-efficient refurbishment projects as well as for the construction or purchase of sustainable properties and for long-term planned energy-efficient refurbishment projects (e.g., Climate Flex home loans, Climate Classic home loans and Climate Turbo home loans). New KfW programmes were added to the product range in 2024. In this way, the home loan and savings bank supports customers in the purchase of property with subsequent energy-efficient renovations.

In the home loan savings and construction financing business, Wüstenrot Bausparkasse AG also offers home savings with a climate bonus.

Wüstenrot Bausparkasse AG was honoured last year. The German Institute for Service Quality (DISQ), together with the news channel n-tv and FMH-Finanzberatung, presented Wüstenrot with the Finanz-Award 2024 as the "Best Home Loan and Savings Bank" in the standard products category.

In order to be able to offer its customers high-quality products that are geared to their individual needs, **Württembergische Versicherung AG** services a broad product portfolio covering virtually all business lines of property and personal accident insurance.

In the 2024 financial year, the Motor business segment again had a high proportion of premium car policies. Both car policy product lines – Premium and Compact – were further developed in 2024. The contributions were adjusted to the market conditions.

A new policy for personalliability insurance was introduced in the Retail Customers business segment in 2024.

In the Corporate Clients business segment, the number of contracts concluded for the commercial core product "Corporate Policy" and in the industrial sectors increased further. For the ninth time in a row, FOCUS-MONEY honoured Württembergische Versicherung AG as the fairest corporate insurer. We were able to consolidate and further expand our position in the market as a partner to SMEs.

Württembergische Lebensversicherung AG offers a wide range of products for private and occupational pension schemes and risk protection.

In 2024, the Genius annuity insurance was relaunched. It opens up the possibility of changing the guarantee level on a monthly basis. The bAVKomfort policy option offers corporate customers a standardised pension option. Fixed policy parameters reduce complexity.

The new Genius pension plan was named 'Product of the Month' by the FOCUS MONEY insurance professional in August 2024. The flexibility of the product was particularly emphasised.

In addition, Württembergische Lebensversicherung AG offers the immediate annuity with 100% premium refund and the Genius Alternative Investments product option. With Genius Alternative Investments, the premiums are channelled into the alternative investment fund W&W Private Capital, which invests in non-exchange-traded, future-oriented capital investments.

In addition to comprehensive health insurance, **Württembergische Krankenversicherung AG** offers a broad portfolio of products in supplemental health insurance and supplemental long-term care insurance.

The product range was further modernised in 2024 with the introduction of the "Mein Vitalbudget" policy line. Württembergische Krankenversicherung AG is thus one of the first companies on the market to offer the budget policies familiar from company health insurance for retail customers as well. In addition, health check-ups, which are already an established standard in company health insurance and comprehensive health insurance, were also introduced for policyholders in the new budget policies for retail customers via the cooperation partner Corporate Health.

In 2024, numerous Württembergische Krankenversicherung AG products were honoured by rating agencies and trade journals, including Vitalbudget, which received the Assekuranz Award in the "Health Innovation" category.

Sales channel mix

Thanks to our extensive network of our own mobile sales force, partner and broker sales organisations and our online sales, we can reach millions of people throughout Germany as a financial planning group. We rely above all on our expertise and the reliability of personal advice. Our mobile sales force, the main pillar in our sales organisation, consists of the two tied-agents sales forces at Wüstenrot and Württembergische. On the broker market, we collaborate with independent brokers.

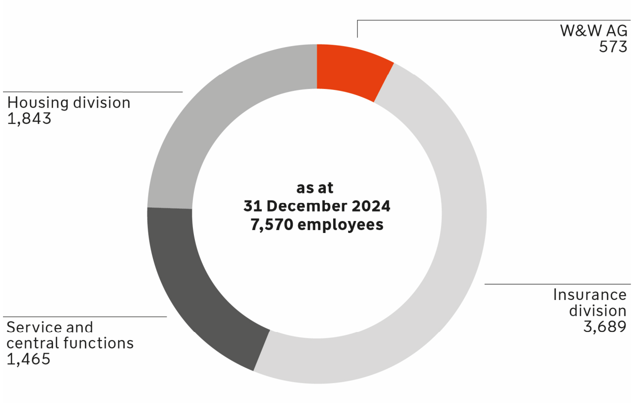
In addition, we collaborate closely with numerous partners from the banking and insurance sector, and they have made a significant contribution to our business success. Wüstenrot partners for home loan savings products include three large private banking groups – Commerzbank, HypoVereinsbank (Member of UniCredit) and Santander. Exclusive sales agreements exist with Allianz, the ERGO Group, Gothaer, HUK-COBURG, LVM, Nürnberger Versicherung and Oldenburgische Landesbank, among others. We supplement our sales concept with collaborations with other banks, such as ING, and brokers, various mobile sales forces, ver.di-Service GmbH and dbb vorsorgewerk GmbH. Collaboration with banks is also an important element of the sales strategy of Württembergische. It cooperates with numerous partners such as BW-Bank, BBBank and Frankfurter and Heidelberger Volksbank.

We augment traditional sales channels by exploiting the various opportunities afforded by digitalisation. These include the digital residential platform "Wüstenrot-Wohnwelt" and the online brand "Adam Riese".

Employees

As at 31 December 2024, the W&W Group had 7,570 (previous year: 7,532) [1] permanent employees, calculated by number of employment contracts, excluding trainees and students at the Cooperative State University (DH). At the end of the year, a total of 276 (previous year: 256) trainees and DH students were employed.

Employees in W&W Group



The W&W Group's HR strategy in the financial year pursued the goals of "attracting, developing and inspiring employees". In view of demographic developments and the shortage of skilled labour, the W&W Group is also facing increasing challenges when it comes to filling vacancies. To counter this, the W&W Group once again took part in various university fairs. A wide range of new measures were also implemented. For example, a series of recruitment training courses for managers was launched. A shortened application form "Fast Track Apply" was also introduced. Active sourcing and job-related social media campaigns also support employee recruitment. By expanding the employee referral programme with a software-supported solution, the workforce is now even more involved in the recruitment process.

A Group-wide student trainee and intern retention programme was introduced in 2024 to strengthen employee loyalty. In addition, a networking meeting was once again held on campus for all trainees in the 2024 cohort with the aim of promoting their loyalty and networking.

In addition, the Life Phase+ programme was launched with the aim of promoting the performance and further development of experienced employees and increasing their loyalty even after they reach the standard retirement age.

The W&W Group continued to offer extensive training programmes in order to meet the growing demand for qualifications due to regulatory requirements in the financial sector.

As part of its human resources strategy, the W&W Group pursues the goal of inspiring its employees personally through active behaviour. Overall, the W&W Group aims to ensure a very high level of employee satisfaction. The 2024 survey again achieved very good results for employee satisfaction. In particular, the W&W Group was awarded the title "Top Employer Germany 2024" by the Top Employers Institute for its HR work.

We would like to express our special thanks to our employees and mobile sales force for their dedication, expertise, exceptional commitment and loyalty in the 2024 financial year. We would also like to thank the employee representatives and their committees, the representatives of the mobile sales force organisations and the executive representative committees for their close cooperation.

[1] Previous year's figure adjusted

Intangible resources in the W&W Group

For the first time, the W&W Group is reporting on the most important intangible resources without a physical presence, on which the business model is fundamentally dependent and which represent sources of value creation for the Group. As a basis, we follow the categorisation of the German Accounting Standards Committee (GASC) and consider the areas of human capital, relationship capital and knowledge and structural capital.

Intangible resources

Categories	Subcategories
Human capital	
Relationship capital	Customer capital
	Supplier capital
	Investor capital
Knowledge and structural capital	Innovation capital
	Process capital
	Location capital

The most important intangible resources are presented below:

Human capital is a crucial intangible resource for the W&W Group. The business model of the W&W Group with its Housing and Insurance divisions is highly complex and is therefore highly dependent on human capital.

The human capital of the W&W Group comprises the skills, knowledge, experience and motivation of our employees. This human capital is one of the most important sources of added value for our Group, because well-trained, motivated and committed employees help increase the efficiency and productivity of the W&W Group. They contribute to the development of new ideas and innovations, for example finding answers to our customers' individual financial planning requirements. In the W&W Group, a large number of activities are also carried out through teamwork. Sharing knowledge and skills and networking strengthens the knowledge base within the W&W Group. The W&W campus enables a flexible and hybrid working model that promotes networking and a stronger culture of innovation.

Our corporate values of community, openness, joy, sustainability, commitment, courage and added value characterise our collaboration and strengthen identification with the company and thus the loyalty, satisfaction and motivation of our employees.

These various aspects of human capital therefore make a significant contribution to strengthening the competitiveness of the W&W Group. Strong human capital promotes the quality of our products, services and processes. Investing in the development and promotion of human capital will continue to be a central component of our company's success.

As part of our relationship capital, our customers represent a significant intangible resource because they are the fundamental basis of the W&W Group's business model. The W&W Group offers customers a comprehensive range of information, advice and products for the core topics of housing and insurance. The satisfaction and long-term loyalty of our customers are essential for the success of our company. A solid customer base and a high recommendation rate are key sources of our added value.

Our various sales networks play a central role here. In particular, the tied agents of Wüstenrot and Württembergische make it possible to establish a strong connection to the customer. The personal support and high quality of advice also help to further increase customer satisfaction and provide important impetus for developing customised solutions for customers. In addition, the W&W Group works together with partner and broker sales organisations as well as our online sales in order to be the financial planning partner for various customer groups. Wüstenrot Bausparkasse AG is also continuously expanding its position as a leading co-operative home loan and savings bank through a large number of partners from the banking and insurance sectors as well as from the public sector. This opens up additional opportunities for acquiring new customers.

The W&W Group can offer suitable products in all four building blocks of modern financial planning thanks to its holistic offering in the Housing and Insurance divisions: financial security, residential property ownership, risk protection and savings and investment. The cross-selling opportunities offer further sales opportunities and also strengthen customer loyalty.

As part of the relationship capital, the W&W Group's brands are also an important intangible resource. They create trust, credibility and loyalty among our customers. The W&W Group has strong brands – Wüstenrot and

Württembergische, both of which have long been recognised names in the German market. Adam Riese has also been part of the W&W Group and our digital brand since 2017.

Wüstenrot with its brand identity "Housing means Wüstenrot" positions itself as a point of contact for all matters residential. Württembergische with its brand identity "Your pillar of strength" embodies the values of the company, in particular reliability and personal advice. Both brands support our advisors in ensuring that customers feel connected, remain loyal and recommend us to others. The Adam Riese digital brand with the brand identity "Only what counts" epitomises the corporate concept of simplicity and customer focus. Here, too, the focus is on proximity to the customer.

We have established networks with cooperation partners for customers as an accompanying intangible resource of relationship capital. This provides customers with additional information or services. We seek to use these networks to offer our customers added value and strengthen customer loyalty. These networks also open up opportunities for acquiring new customers and for follow-up business.

A stable shareholder structure is an intangible resource in the investor capital category as part of relationship capital, as it creates trust and stability in the company. It can protect a company from unwanted takeovers and enables management to pursue long-term strategies. For the W&W Group, the non-profit Wüstenrot Foundation, as the owner of Wüstenrot Holding AG and WS Holding AG, represents this stable majority shareholder. Non-profit shareholders can be an advantage for a listed company, as they take social responsibility into account in their investment decisions. The Wüstenrot Foundation gives the W&W Group stability and credibility, particularly with regard to sustainable practices and social responsibility.

In addition, processes are an important intangible resource in the W&W Group as part of our knowledge and structural capital. They ensure efficiency, quality and customer satisfaction. In this context, the investments made primarily in acquired hardware and software should be mentioned, e.g. the modernisation of existing systems in the Housing and Insurance divisions and the SAP S/4HANA platform introduced across the Group to optimise business processes, particularly financial reporting. Our online customer portals also enable smooth digital customer interaction. Process mining is used to analyse processes with a focus on the finance function, providing quick insights into how the company actually works compared to industry benchmarks. By constantly improving the efficiency and effectiveness of the W&W Group's processes in this way, the quality of the data is also improved. Well-coordinated processes are crucial to the success of the W&W Group by promoting the flow of information, rapid decision-making and a customer-oriented organisation.

The W&W campus has united the Group's companies in one location since 2023. This means that the W&W campus also represents an intangible resource in the category of location capital as part of knowledge and structural capital. It promotes networking, interaction and the exchange of knowledge between employees. This strengthens the establishment of a common corporate culture. The shared campus also facilitates communication, which optimises the efficiency of internal processes.

Overall, all of the intangible resources listed here are key sources of added value for achieving the objectives of the W&W Group's business model. The better the development of these intangible resources, the more successful the W&W Group is.

Commitment to sustainability

Responsible action and social commitment have a long tradition in the W&W Group and are an integral part of our corporate culture. It is based on an understanding of long-term, stability-focused corporate governance that in turn has its roots in the foundation ideals of W&W AG's main shareholder. To underpin our position on sustainability, we have followed a sustainability strategy since 2021 with the following six fields of action: Customer and product, capital investments and refinancing, own operations, employees, company and organisation. Targets and measures have been defined for all fields of action. The sustainability strategy is based on ESG (environment, social and governance) criteria and is reviewed and adjusted each year as part of the strategy process.-

The ESG rating agency ISS has given the W&W Group's sustainability activities a "Prime" rating in its sustainability rating. This rating underscores our level of ambition and is an external confirmation of the consistent implementation of our sustainability strategy. We have voluntarily joined initiatives such as the Principles for Sustainable Insurance (PSI) or the Principles for Responsible Investment (PRI) and are committed to increasingly implementing and continuously developing sustainable principles in our business activities. The W&W Group has further supplemented the measures it takes to promote diversity by signing the "Charta der Vielfalt".

At the European level, there are various regulatory initiatives promoting transparency and disclosure of sustainability-related information. The resulting requirements are incorporated into sustainability projects across the W&W Group. Since the 2023 financial year, we have been reporting for the W&W Group on how and to what extent our activities are linked to economic activities that can be classified as environmentally sustainable (taxonomy alignment). In addition, the W&W Group will apply the European Sustainability Reporting Standards (ESRS) from the 2024 financial year, which were implemented for the W&W Group in a Group project. The W&W Group and W&W AG are required by the CSR Directive Implementation Act to publish a non-financial statement or Group declaration. Since the 2024 financial year, these have been included in the combined management report under the heading Group Sustainability Report.

Regulatory requirements

The W&W Group consists of two subgroups of companies that are consolidated for regulatory reporting purposes, namely the financial conglomerate and the Solvency II Group. Therefore, the W&W Group is subject to a variety of regulatory requirements and is supervised nationally. Due to exceeding a balance sheet total of €30 billion in 2022, Wüstenrot Bausparkasse AG was classified as a Significant Institution (SI) and has been directly supervised by the European Banking Authority at the ECB since 1 January 2024.

The review of the reporting requirements under Solvency II (Solvency II review) leads to adjustments in the quantitative and qualitative requirements for the insurance companies and our insurance group. Among other things, this will extend the reporting obligations for sustainability-related aspects. Amendments to the Solvency II Directive were published in the Official Journal of the EU on 8 January 2025. Application is scheduled to begin on 30 January 2027. Transposition into national law is currently under way. At the same time, the European Commission will draw up a proposal to amend the Delegated Regulation. In addition, the European Insurance and Occupational Pensions Authority (EIOPA) is preparing technical implementation standards and guidelines.

For the quantitative reports in the financial conglomerate, in which W&W AG is integrated as a supplier unit, the new requirements of Implementing Regulation (EU) 2022/2454 regarding risk concentrations and intra-group transactions were implemented in the financial year.

As at the reporting date, the coverage ratios in the financial conglomerate and in the Solvency II group were likely well above 100%. For detailed remarks, please see the chapter "Regulatory solvency" in the notes.

Reporting segments

The segment information was prepared in accordance with IFRS 8. We report on the Housing, Life and Health Insurance and Property/Casualty Insurance segments. All other activities are summarised under "All other segments". The products and services offered by the individual segments are broken down in detail in the segment reporting chapter in the notes.

Business management system

The W&W Group's integrated management system is aligned with our business strategy. A business plan for three years is prepared on this basis and submitted to the Supervisory Board. The plan approved by the Supervisory Board for the following financial year is then used to establish the main management parameters in the form of quantitative targets. These are then used to derive the key performance indicators.

We review our operational plan with several extrapolations during the financial year. Management activities are performed throughout the year using a “management cockpit” that tracks targets on a monthly basis. Countermeasures are taken as necessary whenever actual performance departs from the targets.

The following key performance indicators are defined for the adequate management of the W&W Group:

At the Group level, consolidated net income (IFRS) and general administrative expenses (gross, i.e. before allocation to the technical result) continue to be used as the most important performance indicators. For the segments, the segment result after taxes and administrative expenses (gross) continue to be used as performance indicators. General administrative expenses include internal eliminations with other segments within the Group. These key figures appear in the W&W Group’s consolidated financial statements. In addition, the key performance indicator of new customers for the Group continues to be used as the most important performance indicator across all segments. We define new customers as natural persons or legal entities who interact with us as contract holders, policyholders or insured persons for the first time in the reporting period.

We also report net new business by total home loan savings contracts and new construction financing business (approvals) in the Housing segment and new business by total premium in the Life and Health Insurance segment as further performance indicators. For the Property/Casualty Insurance segment, we report on new and replacement business (by annual contribution to the portfolio).

The risk management system plays an important role within the management system of the W&W Group. The requirements of the risk strategy must be adhered to in the pursuit of corporate objectives. This is discussed separately in the risk reporting section of the Opportunity and Risk Report. With our IT strategy, we are also pursuing the goal of achieving a sustainable alignment of information technology in order to provide the best possible support for our projects and business processes at an appropriate cost.

W&W AG manages the W&W Group in its capacity as strategic management holding company. The key performance indicator that is used as the basis for calculating dividend payments to our shareholders is net income for the year (as defined by the German Commercial Code (HGB)). A portion of net income is allocated to retained earnings, which serves to strengthen the equity of the W&W AG.

Ratings

In the year under review, **Standard & Poor's (S&P)** again confirmed the ratings of the W&W Group with a stable outlook. Thus the core companies of the W&W Group continue to have a rating of A-, while the holding company Wüstenrot & Württembergische AG, as before, has a BBB+ rating.

The short-term rating of Wüstenrot Bausparkasse AG is unchanged at A-1.

Ratings Standard & Poor's

	Financial Strength	Issuer Credit Rating
W&W AG	BBB+ outlook stable	BBB+ outlook stable
Württembergische Versicherung AG	A– outlook stable	A– outlook stable
Württembergische Lebensversicherung AG	A– outlook stable	A– outlook stable
Wüstenrot Bausparkasse AG		A– outlook stable

The Mortgage Pfandbriefe issued by Wüstenrot Bausparkasse AG maintain their top rating of AAA with a stable outlook. The subordinated bonds of Wüstenrot Bausparkasse AG issued on the stock exchange continue to be rated "BBB". The subordinated bond of Wüstenrot & Württembergische AG also continues to be rated "BBB-". The subordinated bond issued on the stock exchange by Württembergische Lebensversicherung AG was called effective 15 July 2024.

Stock

Stock price performance

In the first half of the year, the W&W share price moved within a range of just under €13 to €14 and thus exhibited calm development. At the end of July, an adjustment to the business forecast led to a decline in the share price, causing W&W stock to fall to an interim low of €11.62 at the beginning of August. After a temporary recovery, it ended the year at €11.64 in the fourth quarter. Based on a closing price of €13.34 at the end of 2023, the share price fell by 12.7% in calendar year 2024. Taking into account the dividend payment of €0.65, the overall performance for the reporting period was -7.9%, which is below the benchmark indices Prime Insurance and Prime Banks. In addition to the relatively low liquidity of W&W shares compared to other stocks due to the low free float, the reduced earnings expectations communicated at an early stage also had a noticeable effect. W&W stock was reincluded in the SDAX with effect from 28 November 2024.

Further information and all basic data about W&W stock can be found on the company's website at ww-ag.com under "Investor Relations".

Key data relating to W&W stock

		2024	2023	2022
Number of shares	Number	93,749,720	93,749,720	93,749,720
of which treasury shares	Number	101,879	34,335	34,632
Market capitalisation as at 31.12.	in € million	1,090.1	1,250.2	1,447.0
Dividend per share	in €	0.65[1]	0.65	0.65
Dividend yield	in %	5.58	4.87	4.21
High/low for the year	in €	13.90/ 11.50	17.70/ 12.90	19.58/ 13.44
Closing price	in €	11.64	13.34	15.44
Average daily trading volume	Number	38,246	24,448	25,237

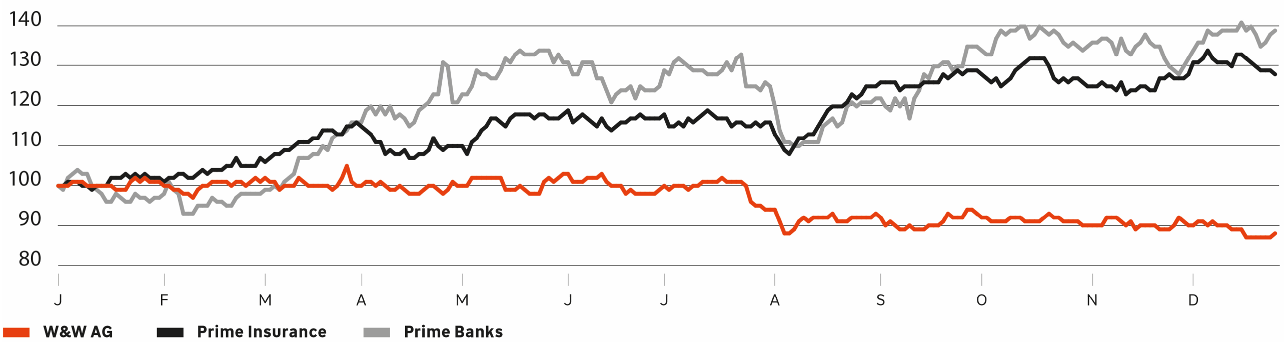
1 Proposed dividend.

The W&W AG shareholder structure remained stable over the course of the the year under review. The non-profit Wüstenrot Foundation, Gemeinschaft der Freunde Deutscher Eigenheimverein e. V., Ludwigsburg, holds an indirect interest in W&W AG totalling 67.38% via two holding companies. Of this, 27.47% is held by WS Holding AG, Stuttgart, and 39.91% by Wüstenrot Holding AG, Ludwigsburg. The other major shareholder of W&W AG is FS BW Holding GmbH, Munich, with more than 10% of the shares. Of the issued shares, 0.11% are non-voting treasury shares.

6.9% (previous year: 7.9%) of the total issued shares of W&W AG are attributable to foreign shareholders.

W&W share price compared to Prime Insurance and Prime Banks

2024 indexed



Dividend policy

W&W AG strives for a stable and reliable dividend for its shareholders. Accordingly, the Executive Board will propose to the Annual General Meeting an unchanged dividend of €0.65 per share for the financial year just ended. Based on the share price at the end of 2024, this corresponds to a dividend yield of 5.58% (previous year: 4.87%).

Employee shares

In April 2024 W&W AG once again issued employee shares across the whole Group. Eligible employees received a €5 discount on the XETRA closing price on 25 March 2024 for a maximum of 40 shares. By continuing this solid tradition, our company is seeking to further expand the shareholder value orientation among staff and boost employer attractiveness and employee loyalty. As in previous years, almost 30% of eligible employees took advantage of the offer. More extensive information can be found in the notes. Employees will again be offered shares in 2025.

Analyst recommendations

W&W AG is regularly monitored and evaluated by financial analysts. The current analyst recommendations for W&W stock, as well as the target prices that analysts assign to the stock, can be reviewed on the website at ww-ag.com. The current average upside potential from the price targets for W&W shares of banks and securities firms is €17.67.

Analyst recommendations

	Date	Recommendation / target price
Institution		
LBBW	15.11.2024	HOLD / €14.00
Bankhaus Metzler	19.08.2024	BUY / €18.00
Montega	18.11.2024	BUY / €21.00

Investor Relations (IR)

In the the year under review, W&W AG continued its intensive dialogue with institutional investors, private investors and financial analysts . The digital activities established in Investor Relations in the course of digitalisation were further expanded. Communication with international investors through roadshows and capital market conferences was continued on an ongoing basis, for example as part of participation in the Equity Forum in Frankfurt am Main. In addition, the IR team issues a regular newsletter with information about current topics.

W&W AG presented current business figures in the form of conference calls and an annual press conference. The 2024 Annual General Meeting was once again held in virtual form.

The next Annual General Meeting will also be held virtually on 22 May 2025 at 10 a.m.

Growing together

Despite our size as a financial group, we have been able to maintain a family atmosphere that also plays a central role in our relationship with our customers – characterised by respect and mutual appreciation.

Economic report

Business environment

Macroeconomic environment

Economic output in Germany fell slightly in 2024 again. According to preliminary calculations, real gross domestic product (GDP) was 0.2% lower than in the previous year. Several factors weighed on the economy: The German industrial sector recorded a marked decline in production, and corporate investment also developed negatively.

Inflation continued to fall in 2024. The main reason for this decline was a favourable base effect in energy prices. The core inflation rate fell further from 3.5% to 3.1% and remained above the ECB's target of 2%.

Capital markets

Bond markets

The German bond market developed in two phases in 2024: Yields rose in the first months of the year from January to the end of May. For example, the interest rate on ten-year German government bonds, which stood at 2.02% at the end of 2023, had risen to around 2.7% by the end of May. The yield on two-year German government bonds rose from 2.4% at the beginning of the year to around 3.1% by the end of May. The trend in short-term yields reversed over the remainder of the year. Increasingly disappointing economic data, an increasingly dynamic decline in the (overall-) inflation rate and the first key interest rate cut in June then caused yields to fall for the most part. At the end of the year, the two-year yield was 2.08%, 32 basis points lower than at the end of the previous year. The yield on ten-year German government bonds fluctuated somewhat more in this second phase, closing at 2.37% and thus 34 basis points higher than at the end of the previous year.

Equity markets

After an excellent 2023 for the leading global stock market indices with double-digit price gains, 2024 was another strong year for equities. Share prices rose because inflation rates fell faster than expected, central banks held out the prospect of key interest rate cuts and implemented them and economic growth in the USA surprised on the upside. The hype surrounding technology stocks also contributed to stock market barometers such as the S&P 500, the Dow Jones Industrial, the Nasdaq 100, the STOXX 600 and the DAX hitting new all-time highs. Even the persistently tense geopolitical situation and fears of recession were unable to halt the upward trend in share prices. Overall, the Euro STOXX 50 rose by 8.3% in the reporting period, while the German benchmark index DAX rose by as much as 18.9%.

Industry trends

The overall economic environment and developments on the capital markets were also reflected in the industry trends. In addition, the financial services sector was characterised by increasing regulation.

Based on figures from the Association of Private Home Loan and Savings Banks, net new home loan savings business by total home loan savings contracts in the sector fell by 21% to around €78 billion in 2024 (previous year: around €99 billion). Following the abrupt rise in interest rates in 2022 and the resulting boom in new home loan savings business, this decline is due to a normalisation of new home loan savings business at the level prior to the interest rate turnaround.

New business in private residential financing developed positively in 2024. According to the Deutsche Bundesbank, providers disbursed around €198 billion (previous year: around €161 billion) in housing loans to private households. This corresponds to an increase of 23%. The recovery of the market was favoured by lower interest rates, falling property prices, a declining inflation rate and rising real incomes.

Wüstenrot Bausparkasse AG ranks second among home loan and savings banks in terms of new business concluded.

Based on the preliminary industry figures for 2024 published by the German Insurance Association (GDV), the life insurance industry recorded an increase in new regular premiums of 2.7% to €6.6 billion in 2024 (previous year:

€6.4 billion). New single-premium business also increased by 10.0% to €27.0 billion (previous year: €24.5 billion). New premiums for life insurers therefore rose by 8.4% in 2024 to €33.6 billion (previous year €31.0 billion). Total premiums for new business increased 3.5% to €181.5 billion (previous year: €175.4 billion).

Gross premiums written by life insurers rose in the reporting period, primarily due to the higher single premium business, by 2.9% to €91.7 billion (previous year: €89.1 billion).

Württembergische Lebensversicherung AG recently came in 10th among its peer group of German life insurers based on gross premiums written. Measured in terms of premiums written, the market share of Württembergische Lebensversicherung AG fell to 1.8% (previous year: 2.0%).

According to preliminary calculations by the GDV, premium income in the property/casualty insurance market rose by around 7.9% in accordance with the German Commercial Code (HGB) and totalled €92.3 billion (previous year: €85.5 billion). Claims expenses increased by 4.6%, following an increase of 13.1% in the same period of the previous year. This led to a technical profit of around €3.3 billion (previous year: €1.0 billion). Both the overall loss ratio for the financial year of around 77% (previous year: 79.0%) as well as the combined ratio (combined loss- and cost ratio) for the sector at around 96% (previous year: 98.8%) were lower than in the previous year. Württembergische Versicherung AG also achieved strong growth of 7.1% in terms of gross premiums written, just below market growth. In each of the profitable lines of business for Württembergische Versicherung AG - general liability, household contents, accident and legal expenses - growth was well above the corresponding market growth.

Württembergische Versicherung AG is currently ranked ninth among property and casualty insurers based on gross premiums written in domestic direct business reported by the GDV.

Development of business and position of the Group (IFRS)

Development of business

In addition to weak economic development, the financial year was characterised by the sometimes massive damage caused by storms in the W&W Group's regional core insurance area. In particular, the so-called "Orinoco" natural disaster and various regional storms led to a significant decline in the W&W Group's consolidated net profit in IFRS accounting. In addition, the inverse yield curve throughout 2024 had a negative impact on earnings in the Housing segment. It amounted to €36 million (previous year: €141 million).

Composition of consolidated net profit

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Housing segment	16	55
Life and Health Insurance segment	44	41
Property/Casualty Insurance segment	-91	8
All other segments/reconciliation	67	37
Consolidated net profit after taxes	**36**	**141**

The main portfolio sizes were expanded compared to the previous year. The portfolio of building loans increased from € 26.7 billion to € 28.4 billion. In the Residential Property segment, the portfolio of redeemed home loan and savings business (home loan and savings amount) rose to €130.0 billion (previous year: €125.5 billion). Insurance revenue (underwriting income) in accordance with IFRS 17 also increased. In the Life and Health Insurance segment, it rose by 6.2% to €1,303 million (previous year: €1,227 million) and in the Property/Casualty Insurance segment by 7.2% to €2,767 million (previous year: €2,581 million).

Selected Group key figures

	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	Change
	in € million	in € million	in %
Building loan portfolio	28,401	26,707	+6.3
Home loan savings business (total home loan savings contracts) in the portfolio	130,017	125,548	+3.6
Insurance revenue Life and Health Insurance segment	1,303	1,227	+6.2
Insurance revenue Property/ Casualty Insurance segment	2,767	2,581	+7.2

Financial performance

Total comprehensive income

Consolidated income statement

In the 2024 financial year, consolidated net profit after taxes amounted to €36 million (previous year: €141 million). Earnings per share totalled €0.36 (previous year: €1.48).

The financial result (gross) rose to €1,803 million (previous year: €1,676 million). In accordance with the IFRS 17 accounting standard, a significant portion of the consolidated financial result is attributable to insurance contracts with direct profit participation in life and health insurance. After the corresponding policyholder participation, the financial result totalled €476 million (previous year: €582 million). This was due to the following earnings components:

- Current net income increased to €1,396 million (previous year: €1,320 million). The rise in interest rates led to higher net interest income. In particular, interest income from building loans and bonds increased. This was offset by an increase in interest expenses on deposits.

- The net expense for risk provision was stable at -€27 million (previous year: -€25 million).

- The net measurement gain increased to €472 million (previous year: €283 million). Equities, investment funds and capital investments for unit-linked life insurance policies continued to perform well. There was also an increase in net currency income. Further, the development of value among derivatives contributed to the higher net measurement gain.

- The net expense for disposals amounted to -€38 million (previous year: net income of €98 million). In addition to a lower transaction volume, realisations in the course of liquidity management were responsible for the earnings trend.

The technical result (net) decreased significantly to -€16 million (previous year: €122 million). In Property/Casualty Insurance, high claims relating to natural disasters and general claims inflation led to a sharp decline in results. In the Life and Health Insurance segment, the technical result was at the previous year's level.

The net commission expense improved to -€12 million (previous year: -€43 million). This is mainly due to lower new home loan savings business.

Administrative expenses (gross), i.e. before allocation to the technical result, totalled €1,163 million (previous year: €1,149 million). Personnel expenses remained at the previous year's level. Operating expenses were able to be reduced. Among other things, consulting and advertising expenses declined. Our IT investments, on the other hand, increased. This resulted in an impairment, which led to higher write-downs in the current financial year. General administrative expenses (net) totalled €506 million (previous year: €519 million).

Net other operating income totalled €85 million (previous year: €60 million). The increase in the current year is mainly due to the negative difference (badwill) from the acquisition of start:bausparkasse AG being recognised in the income statement. The previous year's figure included higher income from the disposal of properties.

Tax income totalled €9 million after a tax expense of -€61 million in the previous year. The negative tax rate resulted, in particular, from the first-time consolidation of start:bausparkasse AG.

Consolidated statement of comprehensive income

Consolidated total comprehensive income for the 2024 financial year was €23 million (previous year: €135 million). It is made up of consolidated net profit plus other comprehensive income (OCI).

OCI totalled -€13 million (previous year: -€6 million). Due to the largely constant interest rates, there were only minor changes in the market value of fixed-income securities and registered securities. Their unrealised result with an impact on OCI amounted to -€83 million (previous year: €915 million). This was offset by the technical liabilities/provisions under IFRS 17. The unrealised result from this was €65 million (previous year: -€848 million). Actuarial gains and losses from defined benefit plans for retirement provision totalled €6 million 6 (previous year: -€75 million). In the same period of the previous year, interest rates had fallen slightly, leading to gains on capital investments and losses on provisions.

As a supplement to the consolidated income statement, OCI is used to show the gains and losses recognised directly in equity that result from accounting in accordance with IFRS 9 and IFRS 17, among others. It essentially reflects the interest rate sensitivity of the assets side of our balance sheet and of underwriting on the liabilities side.

Housing segment

New business

New business for housing purposes, such as immediate financing, modernisation and the accumulation of equity (total of gross new business and new construction financing business including brokering for third parties) at €15,676 million (previous year: €21,529 million) was, as expected, below the very strong prior-year figure.

Gross new business by total home loan savings contracts at €10,990 million (previous year: €17,615 million) and net new business at €10,333 million (previous year: €16,734 million) were below the record figures of the same period of the previous year, which had benefited from the sharp rise in mortgage interest rates. Demand for home loan savings has thus normalised at the level seen before the rise in interest rates.

Despite the persistently difficult economic conditions, the volume of new construction financing business increased to €4,686 million (previous year: €3,914 million). This enabled us to further consolidate our market position.

New business key figures

	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	Change
	in € million	in € million	in %
New business volume	**15,676**	**21,529**	**-27.2**
New construction financing business (including brokering for third parties)	4,686	3,914	+19.7
New home loan savings business (gross)	10,990	17,615	-37.6

Financial performance

Segment net income after taxes fell to €16 million (previous year: €55 million).

Net financial income fell to €299 million (previous year: €453 million). This was due to the following factors:

- Current net financial income increased to €281 million (previous year: €273 million). The previous year was characterised by income in the high eight-figure range from the reversal of the additional liabilities for the acquired customer contracts of the home loan savings pool recognised as part of the purchase price allocation of the former Aachener Bausparkasse AG. In contrast, lower expenses for interest bonus payments and the provisions recognised for this had a positive effect on net interest income in the reporting period. Excluding these special effects, current net income increased compared to the previous year, as current interest income from mortgage lending business rose more significantly than interest expenses for deposits.

- The net expense for risk provision increased, mainly as a result of higher additions to the risk provision in mortgage lending business, to -€31 million (previous year: -€24 million).

- The net measurement gain totalled €12 million (previous year: €13 million). Lower measurement gains on fixed-income securities were offset by a higher net income from hedges.

- Net income from disposals fell to €37 million (previous year: €191 million). In the context of asset/liability management, higher income was achieved than in the previous year.

The net commission expense improved, mainly due to the decline in new home loan savings business (gross) to -€10 million (previous year: -€38 million).

General administrative expenses decreased to €338 million (previous year: €347 million). This was due to lower material costs, partly as a result of the abolition of the bank levy and lower contributions to the deposit guarantee scheme. Personnel expenses remained at the previous year's level.

Net other operating income increased to €62 million (previous year: €12 million). This includes the negative difference from the acquisition of start:bausparkasse AG.

The improvement in the tax result to €3 million (previous year: -€25 million) resulted, in particular, from the first-time inclusion of start:bausparkasse AG.

Life and Health Insurance segment

New business/premium development

Total premiums in new life insurance business reached € 3,242 million (previous year: € 3,468 million). In occupational pension schemes (bAV), total premiums amounted to €1,094 (previous year: €1 146 million).

In health insurance, annual new premiums rose to €11.6 million (previous year: €10.1 million). New business grew particularly in company health insurance.

New business key figures

	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	Change
	in € million	in € million	in %
Total premiums in new life insurance business	**3,242**	**3,468**	**-6.5**
Total premiums in new business (not including occupational pension schemes)	2,148	2,322	-7.5
Total premiums in new business for occupational pension schemes	1,094	1,146	-4.6
Annual new health insurance premiums	**11.6**	**10.1**	**+14.9**

Financial performance

Segment net income after taxes increased to €44 million (previous year: €41 million).

The financial result (gross) rose to €1,311 million (previous year: €1,096 million). Due to the IFRS 17 accounting standard, a significant portion of the financial result is attributable to insurance contracts with direct profit participation in personal insurance. After the corresponding policyholder participation, the financial result totalled -€2 (previous year: -€4) million. This was due to the following earnings components:

- The current net financial income was recognised at €963 million (previous year: €911 million). This was primarily due to the increase in interest income from reinvestments as a result of the higher interest rate level. Income from alternative investments and rents also increased.

- The net measurement gain increased to €417 million (previous year: €269 million). Measurement gains from equities and investment funds increased. The performance of derivatives also improved. There was also an increase in net currency income. Measurement gains from fixed-income securities were lower than in the previous year. The capital investments for unit-linked life insurance once again benefited from the positive trend on the stock market.

- Net income from disposals improved slightly to -€76 million (previous year: -€83 million).

The technical result at €102 million (previous year: €101 million) was at the previous year's level. Insurance revenue (technical income) increased to €1,303 million (previous year: €1,227 million), while technical expenses were at €1,187 million (previous year: €1,109 million). The technical result fell slightly in life insurance, but increased in health insurance.

General administrative expenses (gross), i.e. before corresponding policyholder participation, fell to €254 million (previous year: €261 million). Material expenses, in particular, were able to be reduced. Personnel expenses came in at the level of the previous year. After policyholder participation, general administrative expenses (net) totalled €39 million (previous year: €35 million).

Property/Casualty Insurance segment

New business/premium development

New business, measured in terms of the annual contribution to the portfolio, increased to € 436 million (previous year: €424 million). The Motor segment grew significantly. Both brand new business and replacement business increased compared to the previous year. As expected, corporate and retail customer business was below the previous year's level.

New business key figures

	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	Change
	in € million	in € million	in %
Annual contribution to the portfolio (new and replacement business)	**436**	**424**	**+2.9**
Motor	264	238	+10.7
Corporate customers	106	117	-9.5
Retail customers	66	68	-2.9

Financial performance

The segment result after taxes was -€91 million (previous year: €8 million).

Net financial income increased to €48 million (previous year: €46 million). It comprises the following components:

- The current net financial income increased to €87 million (previous year: €79 million). This was primarily due to the increase in interest income as a result of higher interest rates. The increase in interest income more than compensated for the increase in interest expenses and the decline in distributions.
- The net measurement gain totalled €18 million (previous year: €1 million). This is due to a generally positive trend on the capital market. Measurement gains were realised, particularly in alternative investments and investment funds.
- Net income from disposals totalled €1 million (previous year: -€7 million).
- The net insurance finance expense increased to -€55 million (previous year: -€27 million). Expenses from the compounding of interest on technical provisions increased due to the higher interest rate level.

The technical result (net) fell to -€118 million (previous year: €21 million). Overall, there was pleasing growth in the insurance portfolio as a result of new and replacement business and premium adjustments. As a result, insurance revenue (technical income) rose to €2,767 million (previous year: €2,581 million). Claims expenses (gross), on the other hand, increased due to both inflation and the massive damage caused by storms in the summer months. In particular, the "Orinoco" natural hazard event and various regional storms caused high accumulation losses. The reinsurance result fell to -€43 million (previous year: €2 million). In the previous year, there was a high level of relief provided for major claims, while the accumulation burdens in the current reporting period were not compensated to the same extent by reinsurance. Overall, this led to a considerable decline in the technical result. The combined ratio (gross) in accordance with IFRS 17 was 102.7% (previous year: 99.3%). The combined ratio (net) in accordance with IFRS 17 was 104.3% (previous year: 99.3%).

General administrative expenses (gross) totalled €500 million (previous year: €463 million). Material expenses increased, in particular. This was due to increased investments in IT infrastructure and an impairment recognised in this context. In contrast, marketing expenses fell. After allocation to the technical result, general administrative expenses (net) totalled €58 million (previous year: €59 million).

All other segments

"All other segments" covers the divisions that cannot be allocated to any other segment. These essentially include W&W AG, including its subsidiaries Wüstenrot Immobilien GmbH, W&W Asset Management GmbH, Wüstenrot Haus- und Städtebau GmbH, W&W brandpool GmbH and the Group's internal service providers.

After taxes, segment net income totalled €129 million (previous year: €98 million).

Net financial income increased to €159 million (previous year: €118 million). The following components were factors in this development:

- The current net financial income increased as a result of higher interest income at €103 million (previous year: €95 million).

- The net measurement gain increased to €56 million (previous year: €27 million). This includes a positive effect on earnings due to the change from the equity method to the fair value measurement of V-Bank AG.

Net commission income fell to €40 million (previous year: €44 million).

Administrative expenses fell to €76 million (previous year: €92 million). The reasons for this development were lower depreciation on property for own use and lower consultancy costs. Personnel expenses were about the same year on year.

Net other operating income fell to €5 million (previous year: €24 million). In the previous year, there was a higher result from construction projects at Wüstenrot Haus- und Städtebau GmbH.

Net assets

Asset structure

The W&W Group's total assets amounted to € 72.3 billion (previous year: € 68.6 billion). The assets side essentially consists of building loans and capital investments.

Building loans increased to €28.4 billion (previous year: € 26.7 billion). This upturn is due primarily to the higher number of advance and bridge financing loans.

Capital investments totalled €39.9 billion (previous year: €38.9 billion). Due to the relatively constant interest rates over the course of the year, there were only minor changes in the market value of the portfolio securities in the 2024 financial year. The positive development on the stock markets led to increases in market value, particularly for capital investments for unit-linked life insurance policies.

Financial position

Capital structure

The business model of the W&W Group as a financial services group means that the liabilities side is dominated by technical liabilities and liabilities to customers.

Technical liabilities (technical provisions) totalled €32.3 billion (previous year: €31.9 billion). Of this, €28.1 billion (previous year: €28.2 billion) was attributable to life insurance, € 2.6 billion (previous year: €2.3 billion) to property/casualty insurance and €1.6 billion (previous year: €1.4 billion) to health insurance.

The liabilities were mainly liabilities to customers of €27.5 billion (previous year: €23.5 billion). This development is due to higher overnight and term deposits, which increased to €7.7 billion (previous year: €3.9 billion). The deposits from home loan savings business and savings deposits totalled €19.8 billion (previous year: €19.6 billion). Securitised liabilities amounted to €3.4 billion (previous year: €2.8 billion). In the 2024 financial year, Wüstenrot Bausparkasse AG issued a Mortgage Pfandbrief with a nominal volume of €500 million.

The carrying amount of the subordinated capital was €406 million (previous year: €642 million). It was issued by W&W AG and Wüstenrot Bausparkasse AG. On 15 July 2024, the subordinated bond issued by Württembergische Lebensversicherung AG in May 2014 with a total nominal amount of €250 million was called and redeemed at the nominal amount plus accrued interest.

Consolidated equity

As at 31 December 2024, the equity of the W&W Group totalled €4,930 million compared to €4,961 million as at 31 December 2023. Consolidated net profit and the results recognised in equity increased equity by a total of €23 million. In addition, there were further effects of €8 million. The dividend payment reduced equity by €62 million.

Liquidity

The W&W Group had sufficient liquidity at all times in the year under review. Cash pooling has been implemented as part of liquidity management to optimise cash flows in the W&W Group. For more information on liquidity management, please see the risk report.

In the cash flow statement, there was a cash inflow from operating activities of €333 million (previous year: -€108 million) and for investing activities including investments in capital assets a cash outflow of -€66 million (previous year: €54 million). Financing activities led to a cash outflow of -€333 million (previous year: -€98 million). Overall, there was a net change in cash and cash equivalents in the the year under review of -€66 million (previous year: -€152 million). Further information is provided in the cash flow statement in the notes.

Capital expenditures

The W&W Group invested in non-current assets primarily in the Life and Health Insurance segment. They related mainly to investment property. The property subsidiary Wüstenrot Haus- und Städtebau GmbH also invested in this area.

Investments were also made primarily in hardware and software.

Research and development was performed above all in connection with software development for our own purposes.

Customer development in the Group

The number of new customers increased to 500.3 thousand (previous year: 489.5 thousand). This is due to the pleasant growth in the Housing division. Among other things, the anniversary promotion for "Top Tagesgeld" ("Top Overnight Money") had a positive effect.

The number of customers totalled 6,488 thousand (previous year: 6,515 thousand). An increase in the number of customers was achieved in the Housing division. There was a decline in the Insurance division, which was to be expected following a sharp reduction in sales of moped/e-scooter insurance.

Overall view

The following comparison of the Group's business performance in the the year under review with the estimates from last year's annual report shows that exceptional loss events, particularly in natural disasters insurance, had a negative impact on consolidated net profit.

At the same time, new business developed favourably for the most part: We were able to significantly increase new construction financing business (approvals) in the Housing segment in the financial year. New and replacement business (by annual contribution to the portfolio) in the Property/Casualty Insurance segment was also slightly above the previous year's level.

Comparison of business performance with forecast

Group

We adjusted our expectations for the 2024 financial year on 25 July 2024 in light of the extraordinary burdens from natural disasters. We now expect IFRS consolidated net profit to be significantly below the previous year's figure of €141 million. In the year under review, we achieved consolidated net profit of €36 million in line with our updated forecast.

As expected, general administrative expenses (gross) in the the year under review were on par with the previous year.

In line with our strategic objective, we acquired over 450 thousand new customers in the the year under review. The forecast made in the previous year was met.

Housing segment

At around €16 million, segment net income after taxes in 2024 was significantly lower than in the previous year, as expected, mainly due to lower income from transactions in connection with managing the interest rate book.

General administrative expenses in the Housing segment were slightly below 2023 in the year under review. In the updated forecast from the second quarter of 2024, we assumed a level on par with the previous year. This is mainly due to lower project and general service charges from the service companies.

We had forecast new construction financing business (approvals) to be significantly above the 2023 level. This expectation was met. In line with our updated forecast from the second quarter of 2024, we recorded a significant year-on-year decline in net new business by total home loan savings contracts.

Life and Health Insurance segment

In the Life and Health Insurance segment, segment net income after taxes was moderately higher than in the previous year at around €44 million. The result is therefore within the forecast corridor of €30 to €50 million.

General administrative expenses (gross) in the Life and Health Insurance segment were slightly below the previous year's level and therefore better than expected in the year under review due to lower sales costs and lower costs for service billing. In our planning, we assumed a slight increase.

For the 2024 financial year, we had forecast new business by total premium at the previous year's level. Due to the lower level of new business, both single and regular premium, total premiums in 2024 were moderately lower than in the previous year.

Property/Casualty Insurance segment

The segment result after taxes in the 2024 financial year was around -€ 91 million and therefore significantly below the previous year's level, in line with our updated forecast in the second quarter of 2024.

General administrative expenses (gross) in the year under review were moderately higher than in 2023 due to increased investments in IT infrastructure and an impairment recognised in this context. In our original forecast, we assumed a figure at the previous year's level.

In 2024, we achieved a figure slightly above the previous year's level for new and replacement business (by annual contribution to the portfolio). In particular, new and replacement business in motor insurance increased significantly more than expected. Premium increases also contributed to this. In the updated forecast from the second quarter of 2024, we assumed development at the previous year's level.

Development of business and position of W&W AG (HGB)

Unlike the consolidated financial statements, the annual financial statements of Wüstenrot & Württembergische AG are not prepared in accordance with International Financial Reporting Standards (IFRS), but instead in accordance with the provisions of the German Commercial Code (HGB) and the additional provisions of the German Stock Corporation Act (AktG).

The annual financial statements (HGB) of W&W AG and the combined management report are published simultaneously in the electronic German Federal Gazette (Bundesanzeiger).

Development of business

W&W AG closed the 2024 financial year successfully with net income for the year in accordance with the HGB of €135 million (previous year: €132 million). Net income was characterised by dividends and profit transfers from subsidiaries.

Financial performance

Net income

W&W AG's net income for the year 2024 in accordance with the German Commercial Code (HGB) was €135 million (previous year: €132 million). The Executive Board and Supervisory Board resolved in advance to appropriate €56 million (previous year: €52 million) to retained earnings to strengthen equity. After a profit carryforward from 2023 of €1 million, the unappropriated surplus totalled €80 million (previous year: €80 million). This result makes it possible to propose at the Annual General Meeting 2024 the payment of a dividend of €0.65 (previous year: €0.65) per share, the appropriation of €18 million (previous year: €18 million) to retained earnings and a profit carryforward of €1 million.

Net capital investment income

The net capital investment income 2024 of W&W AG decreased to €232 million (previous year: €239 million). Profit transfers from our subsidiaries fell from €117 million to €78 million in the year under review.

Reinsurance/technical result

The insurance business of W&W AG is significantly affected by the business ceded by the Group subsidiary Württembergische Versicherung AG.

Prior to additions to the claims equalisation provision, net technical income amounted to €2 million, which was €29 million more than the previous year's value.

Gross premiums written increased by 3.3% in the year under review to €601 million (previous year: €582 million), as the premium income of Württembergische Versicherung AG and thus volume of reinsurance ceded increased. Net premiums earned grew by 9.6% to €383 million (previous year: €349 million).

Gross expenses for insurance benefits fell from €443 million to €379 million due to the decline in claims expenses for the financial year. As a result of reinsurance, net expenses for insurance benefits rose to €257 million (previous year: €263 million). The net loss ratio fell to 67.1 (previous year: 75.2). Expenses for insurance business for own account increased from €111 million in the previous year to €121 million. Per the requirements, €2 million had to be released from the claims equalisation reserve (previous year: release of €28 million). The claims equalisation reserve amounted to €75 million (previous year: €77 million). This corresponds to 19.6% (previous year: 22.0%) of net premiums earned. After release from the claims equalisation reserve, the technical profit was €4 million (previous year: €1 million).

Lines

Gross premiums increased from €303 million to €306 million in the fire and other property insurance lines. A release from the claims equalisation reserve of €0 million (previous year: withdrawal of €2 million) resulted in a technical loss of €14 million (previous year: €15 million).

In the motor lines, gross premiums increased to €168 million (previous year: €153 million). The loss after allocation to the claims equalisation reserve of €1 million (previous year: withdrawal of €24 million) totalled €8 million (previous year: €6 million).

In the liability segment, gross premiums increased to €60 million (previous year: €59 million). After the release from the claims equalisation reserve in the amount of €1 million (previous year: €1 million), a profit was realised of €14 million (previous year: €15 million).

In the accident line, gross premiums grew to €25 million (previous year: €24 million). The profit after the claims equalisation reserve was €6 million (previous year: €5 million).

At €6 million (previous year: €6 million), the premiums in transport and aviation hull insurance remained almost unchanged compared to the previous year. The technical result after the claims equalisation reserve resulted in a profit of €1 million (previous year: €1 million).

In the other insurance lines (mainly legal expenses insurance), gross premiums increased slightly to €37 million (previous year: €36 million). The technical result after the claims equalisation reserve resulted in a profit of €4 million (previous year: €1 million).

Taxes

Taxes on income totalled €39 million (previous year: €42 million). The slight reduction in tax expenses is dueto slightly higher tax relief effects.

Net assets and capital structure

Asset structure

W&W AG's total assets increased by €43 million in the financial year to €4,480 million (previous year: €4,437 million). Capital investments make up most of the assets. Receivables are another large item.

The liabilities side mainly comprises equity, other provisions and technical provisions as well as a subordinated liability (bond).

Equity

W&W AG, as the holding company, manages the equity of the W&W Group.- As a rule, the equity of the subsidiaries meets or exceeds regulatory requirements.

The equity of W&W AG totalled €2,276 million (previous year: €2,204 million) as at 31 December 2024. On the one hand, equity increased due to the net income for the year of €135 million and the sale of treasury shares as part of the employee share programme in 2024 of €1 million. On the other hand, the dividend payment of €61 million for the financial year 2023 and the purchase of treasury shares totalling €2 million had an offsetting effect. Overall, equity therefore increased by €72 million.

Retained earnings included in equity also increased. In accordance with the resolution adopted by the Annual General Meeting, €18 million from the unappropriated surplus from the 2023 financial year and €56 million from net income for 2024 were allocated to retained earnings.

Capital investments

W&W AG pursues a sustainable, conservative capital investment policy focused on high-quality borrowers. There were no bad-debt losses in the financial year.

The carrying amount of the capital investments increased by €118 million to €4,235 million (previous year €4,117 million). This mainly includes shares in affiliated companies and participating interests of €1,609 millions (previous year: €1,450 million) and equities, units or shares in investment funds and other variable-yield securities of €964 million (previous year: €939 million).

Valuation reserves

Valuation reserves are formed if the fair value of an asset is higher than the value at which it is carried in the balance sheet (carrying amount). The valuation reserves of W&W AG's capital investments totalled €1,890 million (previous year: €2 024 million). They consisted of €1,897 million (previous year: €2,029 million) in shares in affiliated companies, with€68 million (previous year: €62 million) in funds and with -€6 million (previous year: -€10 million) in registered bonds and promissory note loans. The hidden liabilities of the assets recognised in accordance with Section 341b (2) HGB totalled -€82 million (previous year: -€85 million). They are related to the increase in interest rates and are not considered permanent.

Pension provisions

Pension provisions of €1,173 million (previous year: €1,179million), together with technical provisions of €523 million (previous year: €522 million), constituted a large share of W&W AG’s liabilities. In addition to W&W AG's own pension provisions, this item includes the pension provisions for eight (previous year: eight) subsidiaries. W&W AG assumed joint liability for the pension commitments of these subsidiaries, and it made an internal agreement with them to meet these pension obligations.

Financial position

W&W AG always had sufficient liquidity in the year under review. The company obtains liquidity from reinsurance business and from financing activities. As part of intensified liquidity management, a cash pooling system was implemented between the Wüstenrot & Württembergische AG, Württembergische Versicherung AG and the Württembergische Lebensversicherung AG in the 2023 financial year in an effort to optimise cash flow in the W&W Group. In addition, W&W AG, Württembergische Krankenversicherung AG and Allgemeine Rentenversicherung Pensionskasse AG concluded a joint cash pool agreement in the 2024 financial year. For more information on liquidity management, please see the risk report.

Overall view

The following comparison of the business development of W&W AG in the year under review with the estimates from last year's annual report shows stable development of W&W AG despite the continuing high level of uncertainty in the overall economic environment and the volatility on the capital markets.

Comparison of business performance with forecast (HGB)

Due to its structure as a holding company, W&W AG's net income for the year in accordance with the HGB is mainly determined by dividends and profit transfers from subsidiaries. In the the year under review, we also achieved a slightly higher result than in the previous year due to an increase in the original net capital investment income. In our original forecast, we assumed a figure on a par with the previous year.

Creating connections

The close cooperation across all levels strengthens us as a group of companies and helps us to overcome challenges together – so that we can offer our customers the best products and optimal solutions.

Opportunity and risk report

Opportunity report

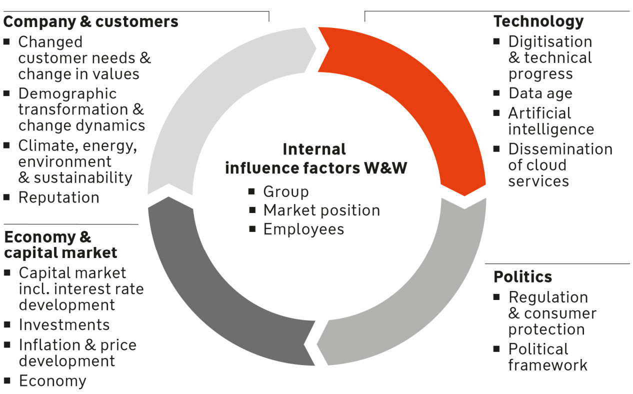
Recognising and exploiting opportunities is a fundamental prerequisite for the successful further development of the W&W Group . We thus aim to systematically identify, analyse and evaluate opportunities and initiate suitable measures to capitalise on them.

We start with firmly established strategy, planning and control processes. For this purpose, we evaluate market and environmental trends and examine the orientation of our product portfolio, cost drivers and other critical success factors. The opportunities derived from this are discussed in the management's strategy meetings and then incorporated into strategic planning.

We also have suitable governance and control structures in place in order to evaluate and pursue opportunities on the basis of their potential, the required investments and the risk profile.

In the following, we concentrate on the main opportunities and distinguish between opportunities arising from developments outside the company's control and opportunities resulting from our specific strengths as the W&W Group.

External and internal influence factors for W&W



Unless otherwise stated, the opportunities described herein affect all segments to varying degrees. Where opportunities are likely to occur, we have included them in our business plans, our forecast and the medium-term prospects.

External influence factors

Company and customers

Opportunities from changed customer needs and changes in values

Changes are emerging in the behaviour of retail and commercial customers Values such as sustainability, digitisation and security are becoming increasingly important.

At the W&W Group, our aim is to provide people with financial planning from a single source. For us, this also includes offering our customers simple, transparent, individualised and flexible products, as well as networking across all interaction channels.

The need for financial security offers tremendous business opportunities. Comprehensive customer journeys are expected, with consistent messaging and communication across many channels. We adapt strategically to the changed financial planning market with our sustainable, comprehensive advisory approach – which includes the four pillars of financial security, residential property ownership, risk protection and savings and investment – as well as with our target group concepts and solutions.

Hybrid working, video conferencing and digital offerings have become the "new normal". Communication between customers, sales teams and companies is increasingly taking place using digital technology. At the same time, customers increasingly expect tailored offers and communications. The dissemination and use of digital media enables more intensive and targeted customer contact, along with the opportunity for corresponding sales potentials. We act on these opportunities by combining our personalised advisory approach with new digital resources. In the age of the internet, social media and the prevalent use of smartphones, speed is vital to achieving customer satisfaction and is thus increasingly becoming a critical success factor. Customers want to be able to contact us regardless of office hours or distance via their preferred medium and manage their affairs independently via self-service. Self services offer opportunities for improved efficiency through automation.

Increased working from home has also changed customer behaviour and led to a greater awareness of the quality of one's own home. The desire to own a home has intensified. In addition, the trend toward sustainable living is intensifying. This offers opportunities for us to serve not only as a reliable partner for all types of financing needs but also, and in particular, as a provider of digital advice in the online world and expertise in the physical world. For example, the Housing division offers financing for energy-related refurbishments and modernisations.

Opportunities from rapid change and demographic shifts

Demographic shifts and a changing society offer new growth opportunities. The connectivity megatrend, in particular, is dominating social change and transforming society, the economy and culture.

Increased life expectancy means that people are staying active for longer. In the long run, the government pension alone will not be sufficient to finance this self-determined, independent lifestyle. Independence, mobility and remaining active in old age are increasingly financed with a private source of capital. In our view, society is demanding more flexibility and individualisation in products, advice and communication due to changing lifestyles.

Against this backdrop, new target group-oriented offers are needed. Our Group Human Resources department at the W&W Group places a strategic focus on the topic of "age diversity in companies", among other things. Our customers benefit from mixed-age teams who know the different needs of the target groups and incorporate this into product development and advice.

Our expertise in the financial planning and investment sector also opens up great market potential for our services, advisory approaches and target group concepts. By developing new products with alternative guarantees or additional flexibility and using all manner of communication media, we are adapting to these changes.

Due to its security and stability, life insurance remains an important building block for retirement provision. For Württembergische Lebensversicherung AG, the broadly diversified product range in the area of life insurance and annuities offers corresponding opportunities. Our diverse, flexible private health insurance benefits also support the increased demand for health services and preventive measures due to rising life expectancy.

However, demographic change also offers Wüstenrot Bausparkasse AG opportunities for growth due to the generational change that can be observed in existing properties. Modern living concepts such as multi-generational living, building with friends or building groups and living in shared flats are also becoming increasingly popular. Another major need will arise in the area of age-appropriate living space. Capacities are already almost exhausted. For the W&W Group, the Housing division offers corresponding construction financing options, and target group concepts for age-appropriate and energy-efficient refurbishment or modernisation projects.

Opportunities relating to climate, energy, environment and sustainability

The consequences of climate change are now being felt in Germany and, in view of the intensity and increasing number of natural disasters, are becoming more noticeable every year.

As a member of the German Insurance Association (GDV), the W&W Group also supports the sustainability positioning of German insurers. Climate neutrality, sustainability and environmental protection are important decision-making criteria both for us as a company and for our current and future customers. By focussing on the topic of sustainability, both the Insurance and Housing divisions want to reach this constantly growing target group.

The building industry will play a key role in reaching the political objectives for reducing CO2 emissions, particularly in the residential property sector. In addition to the focus on energy-efficient new buildings, the promotion of energy-efficient refurbishment and modernisation of existing buildings is a particular focus of climate policy and thus opens up growth potential. The W&W Group offers various solutions with the "Climate Housing Loan" and the home loan savings contract with a climate bonus. In addition, a comprehensive package of service offers and information is available to current and potential customers on the topic of sustainable, climate-friendly building/renovating and on government subsidies. For our customers, we are successively expanding our Wüstenrot energy advice service using existing networks and partnerships, such as dena and DEN, in order to meet the growing demand for advice on energy and renovation.

Opportunities through reputation

Corporate social responsibility (a company’s responsibility towards society in the sense of doing business sustainably) is becoming increasingly important in the eyes of society. The positioning and communication of a company as an attractive employer is also becoming increasingly important. At the same time, a socio-cultural shift is becoming apparent in the world of work. Against this backdrop, it is important for the W&W Group to emphasise new factors such as work-life balance or forms of work and the working environment in addition to monetary remuneration.

The W&W Group also projects its attractiveness as an employer to the outside world. The campus in Kornwestheim offers a modern office environment that allows flexible and hybrid working. In addition, the energy efficiency of the buildings meets today’s high standards. The company sees sustainability as a particular opportunity, both in its role as an employer and in relation to competitors.

In addition, a company's positioning with regard to sustainable corporate governance, environmental management and ethics is increasingly influencing its reputation. Accordingly, the W&W-Group is expanding and further developing its standards and guidelines for responsible corporate governance. This positioning is also important with regard to the challenges on the labour market in the course of recruiting skilled workers.

It should also be emphasised that our products regularly garner top marks, which also strengthens the reputation of our brand. This increases the attractiveness of the W&W Group for our customers.

Economy & market

Opportunities from the capital market including interest rate trends

The European Central Bank (ECB) responded to the diminishing risk of inflation in the eurozone by cutting its key interest rate for the third time since the summer of 2024. The ECB's renewed interest rate cut is an important step towards greater momentum in the residential property market, particularly among private home and owner-occupier buyers.

Given the current property prices and uncertain future financing costs, building up equity for the purchase of residential property remains of great importance. Home loan savings contracts therefore remain important in the Housing division. For our customers, they are an instrument for hedging interest rates and building up equity.

Opportunities through investments

Our digital transformation lays the foundation for a future-proof W&W Group, particularly in the digitisation of products and processes. Our main focus here is on continuously investing heavily in the transformation of our IT systems, which we use to create the fundamental prerequisites for the automated processing of products, the flexible integration of cooperation partners and the professionalisation of product development. This significantly reduces product development time, which means that changing customer requirements can be met more quickly.

Opportunities from inflation and price trends

Our customers will continue to face high levels of uncertainty in 2025, especially due to issues relating to inflation and overall economic development.

Even though Germany's leading economic institutes generally expect prices to ease further, the issue of financial security remains at the centre of society's attention. Lack of insurance cover can be a considerable financial burden, especially in times of economic volatility. For the W&W Group, this means that there are particular opportunities in the area of loss prevention and minimisation. In this way, we as an insurance company can manage the risk of inflation and offer customers financial security.

Opportunities from the economy

According to the Bundesbank, the weakness of the German economy will continue. The insurance industry is also in a difficult situation and cost pressure is increasing. In these challenging times of recession, there are opportunities for insurers to scrutinise their business models and sales structures and, above all, to position themselves on the market with new and innovative products.

In this process, it is especially important for companies to be aware of the market situation and the competition and keep an eye on them. Targeted market and competitor analyses help to identify trends and strategic fields of action at an early stage, allowing the company to respond to such changes in a targeted manner. We identify our internal strengths and external opportunities on the market through analyses conducted as part of our strategy and planning process, enabling us to exploit the potential we have identified in a targeted manner. Against the economic backdrop, wage increases and interest rate cuts are currently providing a tailwind for Württembergische Lebensversicherung AG, in particular. In particular, the ECB's turnaround in interest rates should make the conditions of Württembergische Lebensversicherung AG more attractive again.

Politics

Opportunities from increasing regulation and consumer protection

Compliance with growing regulation in connection with the quality of advice and support can be used to strengthen customer relationships and engage in deeper dialogue with customers. Increasing consumer protection and data protection regulations build trust in the industry as a whole and therefore in us as a provider.

Increasing cyber attacks make it more necessary than ever for financial organisations to prepare for incidents and introduce appropriate measures to strengthen cyber resilience. With the DORA Regulation (Digital Operational Resilience Act), the European Union has created a financial sector-wide regulation for the effective and comprehensive management of cyber security risks and risks from information and communication technologies on the financial markets.

The mandatory inclusion of the topic of sustainability in our advisory services as part of the expansion of the Markets in Financial Instruments Directive II (MIFID II) and Insurance Distribution Directive (IDD) can strengthen the focus on our corresponding product range in pension provision and direct fund investments.

Opportunities from general political conditions

The state subsidy for building residential property was expanded by increasing the housing construction premium and adjusting the income limits, which in turn increased the attractiveness of home loan savings products. The political environment therefore is advantageous for the sales opportunities for Wüstenrot Bausparkasse's home loan savings products.

The same applies to state subsidies for energy-efficient renovations, new builds and conversions. Customers who prioritise high energy efficiency and the use of renewable energies when building or renovating a property currently benefit in particular from government subsidies for energy-related upgrade work. In particular, the amendment to the German Building Energy Act, which came into force in January 2024, promotes the switch to renewable energies. This in turn strengthens the value retention of the properties for our customers and offers us growth opportunities in the area of financing.

Other subsidies, such as in the area of multi-generational housing or age-appropriate remodelling, open up additional opportunities for the W&W Group in the Housing division for corresponding construction financing options.

Technology

Opportunities from digitisation and technical progress

The spread and use of digital technologies is progressing. IT is one of the key success factors in the digital age and plays an essential role in how business models change and develop. Technical advances facilitate, among other things, the increasing automation of processes. The resultant productivity advances – and therefore cost-cutting potential – can be used to increase income, but also to free up capital for investments in topics of relevance for the future.

Collaborative networks make it possible to better serve the needs of our customers. Important elements for this, for example with regard to all matters involving the home, are ImmobilienScout 24 and Bosch Smart Home.

Digital networking can also dramatically reduce response times, which in the event of a claim in the Insurance division, for instance, makes it possible to limit consequential damages or even to avoid them altogether. Because we have expanded digital processes in the broker market, our digital brand Adam Riese is more connected and can offer more efficient and effective processes.

The digitisation of interaction with customers, such as via smartphone apps, is changing the access channels available to customers. In-house platforms, such as the W&W

customer portal as an app for private smartphones or the implementation of video counselling via "FinTrust", represent an extraordinary help and simplification for customers in many areas in the processing of concerns and benefit settlements. This also includes the new "Baufi-Portal" (Interhyp Standard), which has already integrated the first AI solutions and is gradually being expanded. These digital tools are intended to enable the W&W Group to improve its customer focus and increase customer satisfaction and facilitate processes and workflows in day-to-day business.

Cyber security insurance also offers significant sales opportunities in the context of increasing digitisation and associated cyber crime.

Opportunities in the data age

Effective data management is an essential requirement for companies in the financial services industry to ensure that they remain competitive in the age of digitisation and can address customers individually. Professional data analysis in the form of predictive analytics and data analytics offers major opportunities for companies. As the W&W Group, we also utilise our potential and use intelligent solutions for customer interaction and data analytics in this regard. The responsible and targeted use of customer data enables us to create ever more personalised products so that we can approach our customers in a more targeted way. For example, specific evaluations and analyses allow us to identify patterns and make forecasts. With additional information, we can better assess risks and avoid claims. Moreover, additional sales opportunities arise through the legally permitted use of data.

By using solutions for digital customer communications such as FinTrust and Flexperto, our customers can take advantage of digital yet personalised advisory meetings. This saves our employees time that they would have spent travelling, enabling them to arrange more appointments.

Opportunities from artificial intelligence

The use of digital services based on artificial intelligence (AI) in the form of chatbots, for example, enables the W&W Group to intensify customer contact. By responding immediately to enquiries, our employees are relieved of routine tasks and are therefore able to respond more closely to customer needs. Internal processes within the W&W Group itself are also being optimised through the use of AI.

The W&W Group is stepping up its commitment in this area and has set up a new "Data, Processes and AI" department. The main task of the new department is the strategic development of competencies in the areas of AI, data and processes, the implementation of AI applications with the divisions and IT as well as the central development of training programmes and competence profiles for employees with regard to new technologies.

Our assisting AI solution can, for example, recognise customer enquiries over the phone and direct them to the right place. Reports are sent directly to the responsible department without having to go through customer service. Converting the call into a self-service is even more efficient: The caller then receives a link by text message, e.g. to the digital claims report, and can process the request directly online. Furthermore, innovative AI-based systems can be used to better assess individual risks and effectively detect fraud. For example, artificial intelligence can also lead to improved assessment in creditworthiness checks and property valuations. Through the targeted and early use of AI, robotics and APIs (application programming interfaces) in the service areas, the W&W Group has the opportunity to leverage efficiency potential and automate processes to a greater extent.

At Adam Riese GmbH, the W&W Group's digital brand in the insurance sector, the risk assessment for dog owner liability, for example, is AI-supported.

Opportunities from the growing use of cloud services

The growing use of cloud services and software-as-a-service applications can be observed across all industries. The innovation cycles for such cloud services are becoming shorter and shorter. Issues such as cloud security and cloud compliance require particular attention. Opportunities for the W&W Group with regard to cloud services are particularly evident in the opportunity to save costs, security in the use of the application, the availability of the data or the fact that programs are always up to date.

Internal influence factors

Opportunities through the Group

W&W AG sees itself as a strategic management holding company managing the interests of the entire W&W Group. It coordinates all activities, sets standards and manages capital. Through the holding structure, we create synergies, pool expertise and enable the individual Group companies to focus on their market activities for customers.

Because of its diversification, our business model – with its Housing and Insurance divisions – provides us with good opportunities to operate successfully on the market on a long-term basis.

In light of demographic trends, the comprehensive range of products that we offer as a financial planning group promises brisk customer demand in the future. Through the combination of the two venerable brands Wüstenrot and Württembergische, we have substantial customer potential within our Group. This offers us earnings opportunities, including through the further expansion of cross-selling.

With its broad range of products across a variety of business segments, our business model has a natural diversification: Our property and casualty insurance companies, for example, are far less dependent on the development of interest rates than the home loan and savings bank and also require less capital. All stakeholder groups benefit from the diversification effect. The aim is to price our products so that we can offer customers lower risk premiums for the same level of security. For our shareholders, diversification reduces the part of the equity that is tied up through the assumption of risk and stabilises the income and risk profile.

Opportunities through market position

Through our various sales channels with their different strengths, and owing to our good brand awareness, we are able to address a large, broad customer pool of millions of people in our core market of Germany.

We are able to sell our financial planning products in a targeted manner through a wide range of sales channels. Our strategic aim is to meet the needs of our customers. When designing our products, we always focus on what they want. We also have opportunities through further optimisation of our sales channels. These consist, in particular, of the rigorous digitisation of customer contact points and relieving employees of routine administrative tasks.

Our digital brand Adam Riese is an online insurer that can tap into a customer base separate from our business at Württembergische Versicherung AG.

Other important factors in gaining new customers are stepping up cooperations and ensuring high customer satisfaction.

Opportunities through our employees

For the W&W Group as a service company, the recruitment and retention of qualified employees is a key element in securing its future viability and competitiveness. The W&W Group's comprehensive employer benefits strengthen its attractiveness as an employer. For example, the "Beruf+" employer benefit offers a variety of programmes and services relating to health management, mobility, family, qualification and agile, networked and flexible working, particularly digitally and at the new W&W campus.

In addition, an internal employee referral program was introduced. The W&W Group also offers various retention and networking opportunities specifically for its trainees and working students from the Cooperative State University (DH).

Responsible conduct and social commitment have a long tradition in the W&W Group and are an integral part of our corporate culture.

In order to be perceived by our employees as an attractive employer, we promote flexible working conditions in particular and, as a signatory to the Diversity Charter, are committed to greater diversity and appreciation in the workplace. In addition, the W&W Group remains a strong supporter of the region and continues to be committed to climate protection and social and cultural initiatives.

Risk report

Risk management system in the W&W Group-

In accordance with the regulatory provisions, the W&W Group forms a financial conglomerate that is subject to the Financial Conglomerates Supervision Act. Additionally, the Solvency II group (insurance group) and the insurance companies are subject to the regulations in Solvency II. This results in special requirements for risk management and controlling. Wüstenrot & Württembergische AG (W&W AG) is the superordinate undertaking of the financial conglomerate and the Solvency II group. As the superordinate undertaking, W&W AG is responsible for defining and further developing uniform risk management standards throughout the Group and monitoring compliance with those standards.

The W&W Group makes use of a comprehensive risk management and controlling system that consistently combines the systems and methods of the individual companies, which are geared to the particular business requirements. It comprises the entirety of all organisational regulations and measures for the (early) identification of risks and for dealing with the risks of business activities. Risk controlling is a part of risk management and includes the assessment, evaluation, monitoring and reporting of the risks encountered by the entities assuming them. It also monitors risk governance measures.

The appropriateness and effectiveness of the risk management system is reviewed internally at W&W. In particular, Internal Audit also examines the appropriateness and effectiveness of the internal control system and processes in all areas. As part of the audits of the annual financial statements, the risk early warning system at individual company level and the appropriateness and effectiveness of risk management at Bausparkasse and W&W financial conglomerate level are audited. The principles and organisation of risk management are unchanged compared to the previous year. Changes in the allocation of responsibilities of the Executive Board are presented in the section "Overview of the Group and Wüstenrot & Württembergische AG (W&W AG)". . As a result of the changes to the Executive Board of W&W AG, Group Risk Management was transferred from the "Risk and Compliance" department to the independent "Risk Management" department.

For information on the enhancements planned for 2025, please see the chapter "Enhancements and planned measures".

Goals and strategies

The W&W Group's risk management system pursues the following overarching objectives:

- Creation of **transparency** with respect to risks,
- Use of appropriate tools for **risk governance**,
- Assurance and monitoring of **capital adequacy**,
- Creation of a basis for **risk- and value-oriented** corporate governance,
- Promotion and establishment of a Group-wide **risk culture**.

Another task of risk management is to protect the reputation of the W&W Group with its two core brands, "Wüstenrot" and "Württembergische", and the digital brand "Adam Riese". The reputation of the W&W Group as a stable, reliable and trustworthy partner of our customers constitutes a key factor for our sustainable success.

The integrated risk strategy represents the strategic framework of the risk management system of the W&W Group, the Solvency II Group and W&W AG. Within this framework, the risk appetite resulting from the risk profile, the overarching risk objectives and the use of harmonised standards, methods, procedures and instruments are defined in line with the business strategy. The risk strategy is based on the principles for safeguarding the long-term existence of the company and takes into account the type, scope, complexity and risk content of the business conducted by the individual companies within the W&W Group. The aim is to maintain an appropriate balance between taking advantage of business opportunities and incurring risks, while ensuring the effectiveness of the Group-wide risk management system. The guidelines formulated in the integrated risk strategy are intended to help safeguard the company's long-term ability to act and promote a Group-wide risk culture. The risk strategy of the W&W-Group is reviewed, adopted by the Executive Board of W&W AG and discussed by the Supervisory Board at least once a year.

The Group Risk Policy contains the organisational framework for risk management and is a prerequisite for an effective risk management system within the W&W Group. This framework is intended to ensure that the standard of quality is comparable across all business areas and that risk management is highly consistent on all levels of the W&W Group. As a key component of the common risk culture, the Group Risk Policy and the processes and systems defined in it promote the requisite risk awareness. Key components of the Group-wide risk culture are a management culture with a role model function, open communication and critical dialogue, employee accountability and appropriate incentive structures. The members of the Executive Board and the managers of the W&W Group fundamentally shape the risk culture of the W&W Group through their management style and approach to risk.

The individual companies of the financial conglomerate are integrated into the scope of risk consolidation and the Group-wide risk management system according to the statutory and regulatory provisions. The scale and intensity of risk management activities vary depending on the risk content of the business conducted and on its nature, scale and complexity. The implementation of a risk classification procedure (risk classes 1-5) enables a risk-oriented structure of the risk management system in accordance with the principle of proportionality. The following companies form the core of the scope of risk consolidation and are directly included in the risk management system at Group level:

Risk class 1:
- Wüstenrot & Württembergische AG,
- Wüstenrot Bausparkasse AG,
- Württembergische Lebensversicherung AG,
- Württembergische Versicherung AG.

Risk class 2:
- Württembergische Krankenversicherung AG,
- Allgemeine Rentenanstalt Pensionskasse AG,
- W&W Asset Management GmbH,
- W&W Informatik GmbH,
- W&W Service GmbH,
- Wüstenrot Haus- und Städtebau GmbH.

The inclusion of companies in risk classes 3 to 5 in the management system of the W&W Group is undertaken pursuant to the proportionality principle and is ensured directly by the risk controlling of the respective parent company.-

Capital management in the W&W Group-

Risk capital is held in the individual companies and in W&W AG to cover losses in the event that assumed risks should occur. Risk management is responsible for managing and monitoring the ratio of risk capital to risk capital requirements (risk-bearing capacity). Risk is managed from two perspectives:
- The regulatory risk-bearing capacity looks at the ratio of regulatory recognised capital to the regulatory solvency requirements. Statutory and supervisory requirements relating to capital resources, risk-bearing capacity and other regulatory indicators apply for the financial conglomerate, the Solvency II Group and W&W AG as an individual company.
- As part of the economic risk-bearing capacity, an economic risk capital requirement is determined based on an economic risk-bearing capacity model and compared with the available economic capital.

To ensure adequate risk-bearing capacity, internal target and minimum ratios have been defined for both regulatory and economic risk-bearing capacity.

Regulatory risk-bearing capacity

The following mainly shows the ratios as at 31 December 2023, as the ratios as at 31 December 2024 are generally not published until the second quarter of 2025. The regulatory capital requirements for the 2024 financial year are met on the basis of the quarterly calculations.

- The total capital ratio of Wüstenrot Bausparkasse AG was 18.3% as at 31 December 2024 (previous year: 20.0%).
- The regulatory Solvency II coverage ratios of the insurance companies as at 31 December 2023 were 411.4% at W&W AG, 544.4% at Württembergische Lebensversicherung AG and 188.1% at Württembergische Versicherung AG. Württembergische Lebensversicherung AG had received approval from BaFin for the application of a provision transitional and a volatility adjustment and also utilised these. The provision transitional was recalculated at the request of BaFin as at 1 January 2024. This recalculation resulted in an amount to be recognised of zero.
- The regulatory coverage ratio of the Solvency II Group was 248.5% as at 31 December 2023.
- The coverage ratio for the financial conglomerate of the W&W Group was 236.2% as at 31 December 2023 with the provision transitional.

In its risk strategy, the W&W Group has defined internal target solvency ratios for the Solvency II Group, the financial conglomerate and W&W AG, among others, that exceed the current statutory requirements. The minimum target ratio for the Solvency II Group and for the financial conglomerate is 160%, for W&W AG 365%.

Internal calculations based on the data for 2024 and on the basis of the planning horizon show that the regulatory requirements for the capital adequacy of the financial conglomerate and the Solvency II Group as well as W&W AG will also be met in the future under the assumptions on which the planning is based.

Economic risk-bearing capacity

We have developed a Group-wide economic risk-bearing capacity model to quantitatively assess the overall risk profile of the W&W Group. Based on the calculations of this risk-bearing capacity model, the available risk capital is allocated, and corresponding limits are derived.

The limit process in the W&W Group is based on an iterative bottom-up and top-down process. In consultation with the individual companies, W&W AG determines the maximum risk capital requirements at the individual company level and at the risk area level. Following approval of the limits at the Executive Board level, their operational implementation takes place in the risk management cycle. The assessed risk capital requirements are compared with the derived limits in order to ensure that the risk taken does not exceed the designated capital components.

Responsibility for implementation and limit monitoring lies with the respective decentralised risk controlling units and, from a Group perspective, with the Risk Management department. The risk strategy defines an economic risk-bearing capacity ratio of over 145% as a target for the W&W Group and over 125% for W&W AG.

The risk position presented below is based on the data used by company management for economic risk governance and internal risk reporting. Material risks, which are determined by means of a standardised approach, are aggregated to form the risk capital requirements and compared with the financial funds available for risk coverage. As at the reporting date of 31 December 2024, the total risk capital requirement of the W&W Group after diversification amounted to €3,566 million (previous year: €3,222 million). The total risk capital requirement is covered by a risk cover amount of €7,526 million (previous year: €6,772 million). The coverage ratio (ratio of risk cover funds to risk capital requirements) is 211% (previous year: 210%) and thus above the target figure.

In accordance with the risk classification, at least the individual companies in risk class 1 are included in the economic risk-bearing capacity model in the form of a sub-model. For the other W&W individual companies, risk-bearing capacity is monitored on the basis of the simplified approaches defined in the Group Risk Policy for the respective risk class. If W&W individual companies are not included in the risk-bearing capacity model in the form of a sub-model, risks are monitored within the participation risk of the respective company at the parent company.

Diversification

The assumption and management of risks is a key aspect of the W&W Group's business model. The risk profiles for the home loan and savings bank, for the property and casualty insurance companies and for the life and health insurance companies differ considerably. Since the risks assumed by these companies usually do not occur at the same time, the risk capital requirements of the Group are lower than the sum of the risk capital requirements of the individual companies. In terms of confidence-based modelling, the economic risk-bearing capacity model at the Group level takes into account only diversification effects that arise between the individual companies within the individual risk areas. The resulting reduction in the economic risk capital requirement at Group level as at 31 December 2024 totalled 16.0% (previous year: 17.0%).

Accordingly, diversification is of strategic importance for the W&W Group due to our business model and the resulting risk profile.

Learning from each other

We find different backgrounds and different perspectives enriching. In this way, we can learn from each other, grow together and respond better to the diverse needs of our customers.

Risk governance/risk bodies

Our risk governance aims at managing our risks throughout the Group and at the level of the individual undertaking. At the same time, it is intended to ensure that our overall risk profile corresponds to the objectives of the risk strategy.

For further information on our Corporate Governance, please see the section "Corporate governance statement".

Within the organisational and operational structure, the individual areas of responsibility for all of the following bodies, committees and functions are defined, as well as their interfaces and reporting lines among one another, thus ensuring the regular and timely flow of information across all levels of the W&W Group.-

In its role as the control body overseeing the Executive Board, the Supervisory Board of W&W AG also monitors the appropriateness and effectiveness of the risk management system, as well as implementation of the risk strategy, including risk appetite. For this purpose, it is regularly updated on the risk situation. Certain types of transactions require approval by the Supervisory Board or its Risk and Audit Committee.

The Risk and Audit Committee of W&W AG and the corresponding committees of Wüstenrot Bausparkasse AG, Württembergische Versicherung AG and Württembergische Lebensversicherung AG are regularly presented with information required pursuant to the bylaws, including risk reports with a description of the current risk situation and the measures that have been initiated to manage it.

The Executive Board of W&W AG bears joint responsibility for the proper business organisation of the W&W-Group and is the highest decision-making body in risk matters of W&W AG and the W&W Group. This includes ensuring that the risk management system established Group-wide is effectively and appropriately implemented, maintained and enhanced. This also includes developing, promoting and integrating an appropriate risk culture. The Chief Risk Officer (CRO) is responsible for risk management on the Executive Board of W&W AG.

As the central body for the coordination of risk management, the Group Board Risk supports the Executive Board of W&W AG and the Management Board in risk issues. The body meets once a month and, where necessary, on an ad hoc basis. The Group Board Risk monitors the risk profile of the W&W Group, its appropriate capitalisation and its liquidity. Moreover, it advises on Group-wide risk organisation standards and on the deployment of uniform risk management methods and tools, and it proposes these to the Group's executive boards for approval or adopts them within the scope of its powers.

The Insurance Risk Board monitors the risk profile in the Insurance business division. The BSW Risk Board coordinates risk management at the level of Wüstenrot Bausparkasse AG.

Group-wide committees have been set up to handle certain risk topics in detail:

- A Group Liquidity Committee has been established for Group-wide liquidity management. It is responsible for managing and monitoring liquidity Group-wide.
- The Group Compliance Committee bundles, analyses, discusses and evaluates compliance-relevant issues across the Group.
- The Group Credit Committee works Group-wide for the purpose of efficiently processing proposals for loan decisions in the institutional area.
- The Group ICT Risk & Security Committee is responsible for the Group-wide management of information security and information and communication technology risk management.

Within our business organisation, key functions or essential functions are implemented that are structured according to the concept of the three lines.

- The first line is formed by the business units responsible for decentralised operational risk management. Within the scope of their competencies, these units deliberately decide to assume or avoid risks. In this context, they must observe centrally determined standards, risk limits and risk lines as well as the adopted risk strategies. Compliance with these competencies and standards is monitored by means of internal controls.
- The risk management function (RMF), the compliance function and the actuarial function are located in the second line.
  In particular, the RMF is responsible for the operational implementation of risk management and reports to the Executive Board on the overall risk profile, among other things. The Risk Management department at W&W AG is responsible for risk management at the level of the W&W-Group and W&W AG. A divisional head of the risk management department acts as the key function holder RMF at the level of the W&W-Group and W&W AG. The risk management function is involved in all risk-relevant decisions. In order to fulfil its duties, it has a complete and unrestricted right to information at all

levels of the W&W Group and W&W AG, which is ensured by appropriate information and reporting channels as well as escalation and decision-making processes. In addition, the subsidiaries each have their own risk management units. They perform the tasks of the RMF at the level of the respective subsidiaries and liaise closely with the RMF at Group level.
The compliance function is responsible for adequate legal monitoring and the effectiveness of the compliance with internal and external regulations. It reports regularly to the Executive Board of W&W AG and the Group Board Risk on compliance-relevant issues and risks. The Compliance function is supported in the operational fulfilment of its duties by the Compliance and Money Laundering department at W&W AG.
The actuarial function is responsible, among other things, for the correct calculation of technical provisions and supports the respective RMF in risk assessment. The actuarial function at W&W AG is exercised by the head of the Actuarial Services and Property and Casualty Reinsurance department of Württembergische Versicherung AG. For the Solvency II Group, it is performed at the level of W&W AG in a dual-functional role by the Head of Risk Management Life and Health Insurance section at Württembergische Versicherung AG.
- Internal Audit represents the third line of defence. It independently reviews the appropriateness and effectiveness of the internal control system and the effectiveness of corporate processes, including the first two lines mentioned above. The duties of Internal Audit at the Group level and at W&W AG are performed by the Group Audit department at W&W AG. The head of this unit acts as the responsible function holder. Corresponding audit functions have been established at the level of the individual companies.

Persons or divisions charged with exercising these functions must be able to perform their duties objectively, fairly and independently. For this reason, they are set up as strictly separate from risk-taking units (functional separation to avoid conflicts of interest). This principle is observed even at the Executive Board level through stringent bylaws and assignment of responsibilities.

Risk management process

The risk management process in the W&W Group is based on the closed control loop described in the integrated risk strategy as well as in the following.

Risk identification

Risks are systematically identified in the course of the annual risk inventory and during reviews of the risk situation throughout the year, as warranted by events. The risks are differentiated into immaterial and material risks using defined threshold values. Also evaluated is the extent to which individual risks can take on a material character through interaction or accumulation (risk concentrations). By involving various company units, the risk inventory makes a significant contribution to promoting an appropriate risk culture. The systematic recording of loss events provides indications of new or changing risks in the area of operational risk and therefore also contributes to risk identification.

Risk assessment

This process step includes all methods, processes and systems that serve to adequately assess identified risks Risks are largely assessed by means of a stochastic procedure using the value-at-risk standard. If this procedure cannot be used for certain risk areas, analytical computational procedures or regulatory standard procedures are applied, as well as expert estimates.

The measurement of risks from an economic perspective is based on the respective statutory or regulatory security levels in relation to a one-year risk horizon, both at Group level and at the level of the individual W&W companies:
- For the individual W&W companies subject to insurance supervisory law in accordance with the Solvency II Directive, including W&W AG, this corresponds to a confidence level of 99.5%.
- For Wüstenrot Bausparkasse AG, this corresponds to a security level of 99.9%.
- In all other individual companies with an economic risk-bearing capacity model, at a minimum the requirements of the designated supervisory authority regarding the confidence level of internal risk modelling must be taken as a basis.

- For the W&W Group, risks are recognised at a confidence level of 99.5%. The target and minimum ratios for economic risk-bearing capacity at the Group level are derived from the capital requirements that result from compliance with the aforementioned confidence levels at the associated individual companies. Accordingly, an overall confidence level in excess of 99.5% is achieved.

In addition, risks are assessed from a supervisory (normative) perspective using regulatory risk parameters.

We regularly conduct sensitivity analyses in connection with stress scenarios for specific risk areas and across risk areas. Indicator analyses, such as (early-warning) risk indicators, augment the range of tools used to evaluate risk.

Risk-taking and risk governance

We define risk governance as the operational implementation of risk strategies in the risk-bearing business units. The decision to assume risk is made within the scope of business strategy and risk strategy requirements by the decision-making body in each individual company. Based on the risk strategy, the respective specialist sections at our individual operating companies manage their own risk positions. Thresholds, signal systems, and limit and line systems are used to support risk governance. If the specified thresholds are exceeded, predefined actions or escalation processes are initiated.

The risk-taking unit is primarily responsible for managing and controlling the risks it assumes. It decides on products, transactions and first-line risk management measures. It must be ensured that the assumed risks fit into the risk profile specified by the risk strategy of the W&W Group or one of its individual companies and that the risk-bearing capacity and specified risk limits and risk lines are adhered to.

The key performance indicators at Group level are consolidated net profit and business segment-specific key indicators. In order to link earnings and risk management, we carry out scenario analyses for the key performance indicators as part of the planning and extrapolation process. In addition to the IFRS consolidated net profit, the HGB results of the individual companies are also relevant for management purposes.

The sufficiency of risk capitalisation is evaluated on several dimensions, which as a rule are equally weighted but highlight different objectives and aspects:

- The economic perspective assesses risk coverage capacity, i.e. permanent assurance of the company's substance in order to protect customers and first-rank creditors against losses from an economic standpoint.
- The regulatory perspective considers compliance with the minimum regulatory requirements for risk capitalisation in order to be able to continue business operations as planned.

In addition, in accordance with the requirements for managing the balance sheet and the income statement, specific risk models oriented toward them are applied at the level of the individual companies.

While the economic risk-bearing capacity concept and the balance sheet risk models are developed and parameterised internally, the regulatory procedure follows externally prescribed systems.

Risk monitoring

Risk indicators are used to recognise risks at an early stage and reveal changes in the risk situation. Financial and risk indicators (e.g. risk-bearing capacity ratios, limit utilisation), regulatory indicators (e.g. capital ratios, liquidity coverage ratio) and market indicators (e.g. share prices, credit spreads) are used as indicators at Group and individual company level.

Material, quantifiable risks are controlled by means of limits and lines. Limits are set at most in the amount that permits compliance with the respective minimum ratios for economic risk-bearing capacity even where the limits are maxed out. By creating a corresponding limit and line system, risk concentrations in particular are limited both at the level of the individual company and at the level of the financial conglomerate.

The monitoring of risks, which is independent of the assumption of risks, primarily takes place at the level of the individual undertaking. If the risks are also material at Group level or if material risks arise across the Group, these are also monitored at Group level. Monitoring activities are used to develop recommendations for action, which lead to corrective intervention being taken early on with respect to the objectives set forth in the business and risk strategy and are subject to corresponding measures controlling.

Risk reporting

Using established reporting processes, regular and timely reports are generated about the risk position of various groups or individual companies.

In this regard, the flow of information concerning the risk situation of the individual companies in the W&W Group is accomplished through internal risk reporting, risk inventory and calculation of risk-bearing capacity. The resulting findings of the Group companies are transmitted to RMF, which is responsible for the W&W Group, where they are aggregated and analysed with regard to their impact on the W&W Group.

The core elements of the risk reporting system are the quarterly risk reports of W&W AG and the W&W Group to the Group Board Risk, the Executive Board and the Supervisory Board. In particular, these reports present the amount of available equity, the regulatory and economic risk-bearing capacity, compliance with limits and lines, significant risk concentrations, the results of the stress tests, significant developments in the risk early warning indicators and the risk management measures already taken and those still to be taken. The risk reports are presented to the Group Board Risk and discussed with regard to risk assessment. On this basis, action recommendations and measures are established where necessary for the W&W Group, which are then implemented and tracked by the responsible risk management units.

Depending on its criticality, significant information from a risk perspective is immediately forwarded to the Group Board Risk, the Executive Board and the Supervisory Board as part of an internal ad hoc risk report . Processes and reporting procedures have been set up for this purpose at Group and individual company level. Quantitative criteria are used as thresholds, which as a rule are in line with internal and supervisory parameters. In addition, ad hoc risk reporting can be carried out if qualitatively significant events occur.

Risk landscape and risk profile of the W&W Group

To present our risks transparently, we uniformly group similar risks throughout the Group into risk areas. These are

- Market price risks,
- Counterparty credit risks,
- Underwriting risks,
- Operational risks,
- Business risks and
- Liquidity risks.

All reportable segments are exposed to the above-described risk areas. The sole exception is our home loan and savings bank, which does not show any underwriting risks specific to its business model. We separately draw attention to any segment-specific risks and risk management methods within the risk areas.

The risk profile of the quantified risk areas determined according to our methods for measuring economic risk-bearing capacity (see section “Economic risk-bearing capacity”) was distributed as follows as at 31 December 2024:

- Market price risks currently account for the largest share of total risk capital requirement at 48.2% (previous year: 50.1%), in an amount of €3,566 million (previous year: €3,222 million). These include interest rate, credit spread and equity risks as the most significant types of risk.
- Underwriting risks account for 26.6% (previous year: 25.9%).
- Due to the exposures in our capital investment portfolios and our customer credit activities, counterparty credit risksalso represent a significant risk area, accounting for 14.7% (previous year: 14.5%).
- Operational risks at 8.1% (previous year: 7.6%) and business risks (incl. home loan savings pool) at 2.4% (previous year: 1.9%) are of minor importance.

We take business risks into consideration in our calculation of risk-bearing capacity by applying a discount when determining the capital available for risk coverage. There is no risk capital backing for liquidity risks in the economic risk-bearing capacity model. They are managed as part of liquidity management.

The risks taken in 2024 were in line with the risk strategy. The risk limit was consistently complied with at the Group level. The risk limits were adjusted during the year. The limit for market price risks was reduced and increased for counterparty risks and operational risks.

Rather than constituting a separate risk type, **sustainability risks** are considered in the relevant risk types. Sustainability risks may materialise from internal and external risk drivers or triggering events in the areas of the climate, the environment, social affairs, politics, corporate governance and compliance, which, in the individual risk areas, may have a negative impact on the net assets, financial position or financial performance of the W&W Group.

In the areas of climate and environment, risk management takes account of physical risks (occurring not only due to extreme weather events and their consequences, but also in connection with long-term changes to climatic and environmental conditions) and transition risks (arising in connection with conversion to a low-carbon economy) as well as their mutual interdependencies. In the W&W Group's risk management, sustainability risks are addressed along the established risk management process.- In particular, this includes the risk strategy framework, risk identification and assessment within the risk inventory, risk taking and monitoring within the defined strategic framework and risk reporting.

In accordance with the definition of the risk strategy, sustainability risks must be anchored in the organisation and actions of the W&W-Group and the associated individual companies in such a way as to avoid any manifestations that could threaten the existence of the company and to deal with sustainability risks in a forward-looking manner.

Sustainability risks are identified and assessed as part of the risk inventory process. On the one hand, the scope of the relevant ESG-drivers (environmental, social and governance) is reviewed and the relevance of sustainability aspects for the individual risk areas and risk types is assessed as part of a risk analysis. Of particular importance in this context are those ESG events that affect the risk areas of capital investments (mainly transitory risks) and underwriting risks (mainly physical risks). Violations of our sustainability strategy can also lead to reputational risks.

Sustainability risks are taken into account in the economic risk-bearing capacity model at the level of W&W AG, Württembergische Lebensversicherung AG, Württembergische Krankenversicherung AG, Württembergische Versicherung AG, Wüstenrot Bausparkasse AG and the W&W Group. In accordance with the business model, Württembergische Versicherung AG is particularly exposed to physical risks within the underwriting risks. The share of transitory risks in the total risk capital requirement is comparatively low.

The evaluation of sustainability risks is supplemented by an examination of climate change scenarios that illustrate the effect of transition risks and physical risks. This is based on various plausible scenarios derived from scientific findings and an appropriately long observation period.

The responsibility of the three lines involved in risk acceptance and risk management also extends to the inclusion and consideration of the relevant sustainability aspects. The requirements of the risk strategy must be taken into account, e.g. exclusion criteria and the PSI, PRI, the Supply Chain Due Diligence Act and the Diversity Charter.

Sustainability aspects must also be adequately taken into account, especially in strategic asset allocation (SAA) as a framework for capital investment. This includes, among other things, driving forward the continuous expansion of the capital investment portfolio with sustainable instruments and continuously reducing the portfolio's CO_2-emissions in order to achieve the long-term goal of climate neutrality for the portfolio. In addition, the investment restrictions defined with regard to sustainability must be observed.

In the customer lending business, climate-related risks are managed and limited using various parameters in property valuation and credit assessments. In addition, the development of expertise in energy-efficient modernisation anchored in the sustainability strategy supports our customers in reducing their ESG risks as part of our advisory services.

Physical risks from extreme weather events and natural disasters are limited in the area of underwriting risks through underwriting guidelines and reinsurance agreements, among other things.

In addition, physical risks within our internal work processes can lead to failures in our infrastructure or system availability, for example, or to an increased workload in operations. The established management instruments in the individual risk types of operational risk are used to manage the risks arising from sustainability aspects.

To limit reputational risks from sustainability aspects, in particular, the W&W Group's sustainability strategy-sets out measures for dealing with sustainability in the individual areas of action.

Early warning indicators of risk, which also include sustainability-related risk early warning indicators in particular, are used for risk monitoring. These include key actuarial figures, compliance with sustainability-related capital investment restrictions and the objectives of the sustainability strategy.

Sustainability risks are taken into account in risk reporting.

Emerging risks can arise because of changing basic conditions, such as those of an economic, geopolitical, social, technological or environmental nature. These represent new, forward-looking developments, the effects of which are still subject to a high degree of uncertainty. For our companies, technological trends (digitisation and technical progress, the data age, artificial intelligence, cloud services and cybercrime), social developments (changing customer behaviour and changing values as well as climate, energy, environment and sustainability) and economic developments (investments, inflation and the economy) pose particular challenges. In the risk management process, emerging risks are observed with the aim of identifying the strategic risks that result from them in a timely manner (early risk warning) and of taking them into consideration in setting the company's business strategy. As part of the risk identification process, emerging risks are assessed in terms of their relevance for the W&W Group on the basis of external information sources and internal expert assessments.

The accumulation of similar or different risks can lead to **risk concentrations**. Because of the business model of the W&W Group and its individual companies, potential risk concentrations may result, in particular, from capital investments and from the economic and regional structure of customer business (customer lending business, insurance business). However, owing to regulatory requirements and internal rating requirements, the W&W Group is heavily invested, in sectoral terms, in government bonds and financial services companies and, in regional terms, in Europe, which is typical for the industry. Accordingly, in addition to the credit risk associated with the relevant counterparty, the W&W Group in particular bears the systemic risk of the financial sector and the specific counterparties belonging to it. Other concentrations exist through positions that we intentionally take in certain asset classes (equities, participating interests, bonds) through strategic asset allocation.

As a financial conglomerate, the W&W Group is influenced to an extensive degree by a variety of external factors (e.g. interest rate changes, economic cycle, changed customer behaviour, digitisation, regulatory pressure, industry reputation). The risk concentrations here intentionally form a part of the business strategy.

Operational risk concentrations may arise in connection with outsourcing (a single comprehensive mandate or several equivalent mandates), through process dependencies of IT systems and through an accumulation of projects, particularly large projects.

For each risk area, we measure intra-risk concentrations implicitly through risk quantification and accompanying stress tests. In this regard, concentrations of market price risk are limited in connection with strategic asset allocation through the observance of specific mix ratios across various asset classes. Concentrations of counterparty credit risk are limited through a risk line system that restricts the volume of investment in specific debtor groups. We present the effects of interest rate trends and inflation in the individual risk areas and in the overall environmental risk.

In describing the risks depicted below, we follow the methodology established by our internal risk reporting regulations. Due to the fact that the figures are stated in € million or percentages with one decimal place, rounding differences may occur in the addition due to commercial rounding rules.

Market price risks

Risk definition

We define market price risks as potential losses resulting from the uncertainty concerning the future development (size, volatility and structure) of market risk factors. Such market risk factors include interest rates, equity prices, currency exchange rates, commodities prices, real estate prices and corporate assets, as well as risk premiums (credit spreads) for a given credit risk. In the W&W Group, all risk types (except for commodity risk) forming part of market price risk are considered to be material and are detailed below.

Risk management methods and risk controlling

Strategic asset allocation forms the basis of our capital investment policy and thus is one of the most significant factors that influence our risk situation in the market price risk area. The companies of the W&W Group emphasise an appropriate mix and spread of asset classes as well as broad diversification by sector, region and investment style. With our capital investments, we pursue an investment policy that is in line with the principles of sufficient profitability, liquidity and security. The two main objectives are to maintain sufficient liquidity and to ensure the required minimum return.

The respective executive boards specify the strategic asset allocation at the level of the individual company. Operational management of the various asset classes (equities, bonds, alternative investments, real estate and currencies) is handled by the front-office units.

The property portfolio management unit develops investment concepts for the “real estate” asset class. The Alternative Investments section is responsible for investments in the area of private equity, private debt, renewable energies and infrastructure. Our strategic participation activities are supervised by Group Controlling. The decentralised and central risk controlling units each act as independent monitoring units for capital investment risks, including by means of operational limit monitoring.

We quantify the risks from interest rate changes both on the assets side and on the liabilities side using economic models. The companies included in our economic risk-bearing capacity model at the Group level measure market price risk economically, i.e. they take future discounted cash flows and market values into consideration on the basis of a value-at-risk model. For this purpose, the assets and liabilities are measured in the risk-bearing capacity model of the respective individual companies on the basis of simulated capital market scenarios. Each individual company can draw on economic values in 10,000 capital market scenarios, both for the relevant overall portfolio and for the sub-portfolios that are exposed to risks associated with interest rates, spreads, stock prices, real estate and participating interests. These scenarios are used to calculate the value at risk for each individual company with respect to market price risks, as well as risks associated with interest rates, spreads, stock prices, real estate and participating interests. Correlations between the risk types are implicitly taken into consideration in simulated scenarios. Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG are included in this regard on the basis of scenarios derived from the standard formula scenarios under Solvency II. Foreign currency risks are taken into consideration in the asset classes in which they are incurred. In the case of bonds/cash flows, exchange rate fluctuations that are closely tied to trends in foreign currency interest rates are monitored simultaneously along with interest rate fluctuations and are fully allocated to interest rate risk. Currency fluctuations of equities listed in foreign currency are duly taken into consideration in evaluating equity risks. We supplement our stochastic modelling with sensitivity analyses that pinpoint the value changes of the portfolios in connection with market fluctuations.

From the Group perspective, we regularly run economic stress scenarios in order to identify credit spread and interest rate sensitivities and simulate trends on the equity and property markets under changed assumptions.

As part of asset liability management, asset and liability positions are managed and monitored in such a way that they correspond to the company’s risk profile. We counter interest rate risk with active duration management and an adapted product and pricing policy, among other things.

In terms of strategic and tactical asset allocation, the companies of the W&W Group made use of derivative financial instruments in 2024.- In particular, equity, interest rate and foreign currency risks are hedged with appropriate hedging strategies via derivatives (e.g. equity options, futures, interest rate swaps and forward exchange transactions). The hedging relationships are explained in Note 39.

We continually monitor trends on the capital markets in order to be able to promptly adjust our positioning and our hedging. This also applies to inflation and interest rate trends.

New capital investment products undergo a new product process before they are launched, in particular to ensure that they are properly recognised in the accounting and risk controlling systems.

The individual W&W companies manage market price risks against the backdrop of the current capital market environment by means of the following measures:

- Ongoing monitoring of geopolitical uncertainties with regard to their implications for the capital markets, in particular interest rate trends,
- Structural shifts in the securities portfolio (e.g. investment in other maturities, new market segments),
- Use of interest rate-related hedging instruments (e.g. swaps and swaptions) and hedging instruments for equities (e.g. options and futures) and currencies (e.g. forward exchange transactions),
- Active duration management of capital investments,
- Review and, if necessary, use of new capital investment products,
- Creation and regular review of additional interest reserves and safety margins in life insurance,
- Close management of credit spread risks, including intensive dialogue with the fund management,
- Stringent selection process in the area of subordinated bonds,
- Selective underwriting policy for the acquisition of land and properties,
- Continuation of the transformation strategy, i.e. development and sales promotion of new products with alternative forms of guarantee and a risk-oriented focus; targeted risk-based sales management via value-oriented considerations,
- Adjustment of participation contracts

Risk situation

The risk profile of the market price risk area determined according to our economic risk-bearing capacity model was distributed as follows as at 31 December 2024 interest rate risk at 20.1% (previous year: 17.0%), equity risk at 10.8% (previous year: 12.0%), credit spread risk at 9.8% (previous year: 12.3%), participation risk at 4.6% (previous year: 6.0%) and real estate risk with a share of 2.9% (previous year: 2.8%) of the total risk capital requirement of the W&W Group. In 2024 market price risks were in line with the risk strategy. The risk limit for market price risk was consistently adhered to at Group level.

We provide information on interest rate and share price trends in the “Capital Markets” section of the Economic Report.

Interest rate risk

Interest rate risk comprises the risk of changes in the value of assets and/or liabilities held in interest-bearing securities due to a shift and/or rotation of the market interest rate curves. The risk arises from different maturity structures and interest rate sensitivities on the assets and liabilities side (ALM mismatch / interest rate guarantee risk). In the W&W Group, Wüstenrot Bausparkasse AG and Württembergische Lebensversicherung AG, in particular, are exposed to interest rate risks in the form of interest rate change risks and interest guarantee risks.

In the event of a future rise in interest rates, hidden liabilities would increasingly build up on the assets side from the perspective of HGB accounting and write-downs would become necessary. Furthermore, customers could make greater use of their option rights, which would result in the realisation of hidden liabilities. In accordance with IFRS, financial instruments would increasingly result in valuation losses or be recognised in other comprehensive income (OCI). In the medium to long term, however, the scenario would reduce the asset-liability mismatch, as new investments and reinvestments would again be possible at a higher interest rate.

In the HGB perspective, capital investments were reclassified as fixed assets in previous years in view of rising interest rates (Section 341b HGB). This narrows the scope for future earnings management.

In contrast, a future fall in interest rates would have a positive short-term effect on earnings in accordance with IFRS due to the fair value measurement of the financial instruments measured at fair value or would reduce hidden liabilities or build up asset reserves under HGB. At the same time, medium to long-term risks would arise from the obligations entered into, as new investments and reinvestments would only be possible at a lower interest rate, which would lead to additional risks from the widening of the asset-liability mismatch, meaning that reserves may have to be realised in future to satisfy customer claims.

The exposure and the effects of possible interest rate change scenarios on the Group's earnings and equity are presented and explained in the notes to the consolidated financial statements at Note 48.

Due to the turnaround in interest rates over the past three years, the previously challenging financing situation of building up the additional interest reserve/interest reinforcement in the HGB balance sheet of Allgemeine Rentenanstalt Pensionskasse AG has eased under the secondary condition of regulatory solvency to the extent that a lower allocation to the additional interest reserve/interest reinforcement is necessary. A return to a phase of low interest rates would exacerbate the situation again. If the current interest rate level is maintained, the basis for calculating interest is also appropriate in the long term. At Württembergische Lebensversicherung AG, we expect a further release of the additional interest reserve and interest reinforcement due to the expiry of older policy generations.

Credit spread risk

Credit spread risk means the risk that the value of receivables will change because of a change to the applicable credit spread for the respective issuer or counterparty – despite an unchanged credit rating over time. The credit spread refers to the risk premium in the form of a higher rate of interest for a security exposed to credit risk in relation to a comparable non-risk security. Consequently, only those credit spread changes that do not lead to a change (migration including default) in the rating are analysed.

Credit spreads were less volatile in the course of 2024 than in the previous year, but developed unevenly. The swap spreads of key euro core countries widened (e.g. Germany from -0.5 basis points as at 29 December 2023 to 0 basis points as at 30 December 2024), whereas the Itraxx Senior Financials 5Y, for example, fell to 63.8 basis points as at 30 December 2024 (previous year: 67.0 basis points). Due to the structure of our investment portfolio – predominantly investment in fixed-income securities – the credit spread risk is of great significance within the market price risks .

From the perspective of HGB accounting, widening credit spreads can lead to hidden liabilities and necessitate write-downs. In accordance with IFRS, financial instruments would increasingly result in valuation losses or be recognised in other comprehensive income (OCI).

In conjunction with the risk controlling methods in credit risk (e.g. risk lines), credit spread risks are stringently managed, including through intensive coordination of investment projects in the areas of emerging markets and high yields.

Participation risk

Participation risk comprises the risk of changes in the value of assets held in affiliated companies and participating interests. Within the W&W Group, significant participating interests are held by W&W AG, Württembergische Lebensversicherung AG and Württembergische Versicherung AG as individual companies.

As part of our strategic asset allocation, we are increasingly investing in alternative investments in private equity and private debt investments as well as infrastructure, bringing our exposure at market value to €3,702 million (previous year: €3,446 million). Alternative investments are recognised in the economic risk-bearing capacity model according to their risk profile in interest rate, credit spread and equity risk. The valuations of the alternative investments were positive in the private equity and infrastructure sectors. Valuation declines are also offset by countervailing valuation increases. Valuations were also stable in the private debt segment. A sharp downturn in the economy or a rise in interest rates/inflation can lead to a fall in the valuation of alternative investments.

When long-term equity participation risks materialise, measurement losses can lead to write-downs of participating interests being recognised as a loss, the non-payment of dividends or the need to make contributions to earnings.

Depending on the size and significance of our participating interests, we influence the business and risk policy of our participating interests through our representation on the supervisory bodies, among other things. These participating interests are subject to controlling. Among other things, this comprises the annual planning of dividends, medium-term economic planning, projections during the year and monthly target/actual comparisons for material participating interests. Additionally, separate processes for risk governance and risk controlling are in place for private equities and alternative investments. In this way, impending participation risks can be responded to at an early stage.

Equity risk

Equity risk comprises the risk of changes in the value of assets held in equities, equity funds and equity-like securities (including equity securities within alternative investments). Of the companies of the W&W Group, significant equity portfolios are held by Württembergische Versicherung AG, Württembergische Lebensversicherung AG and W&W AG. Sudden and sharp price falls on the stock markets can impair the risk-bearing capacity of Group companies investing in shares in the form of HGB write-downs recognised through profit or loss or IFRS valuation losses.

The share exposure and the effects of possible price change scenarios on the Group's earnings and equity are presented and explained in the notes to the consolidated financial statements at Note 48.

Foreign currency risk
Foreign currency risk comprises the risk of changes in the value of assets or liabilities held in foreign currencies (non-euro currencies).

Foreign currency risks can result from open net FX positions in globally aligned investment funds, as well as from foreign currency bonds and equity instruments held by our insurance companies (mainly Württembergische Lebensversicherung AG and Württembergische Versicherung AG). In accordance with our strategic orientation, our foreign currency exposure is concentrated in Danish krones and U.S. dollars. Within the scope of individual fund mandates, we also have minor exposure in other currencies.

We hold the material foreign currency portfolios on the assets side for the purpose of currency-congruent coverage of technical liabilities. In order to limit foreign currency risks, we invest primarily in capital investment products within the eurozone and use forward exchange transactions, for example, for hedging purposes. As part of active foreign currency management, the insurance companies systematically make use of income opportunities through open foreign currency positions.

The currency exposure and the effects of possible exchange rate scenarios on the Group's earnings and equity are presented and explained in the notes to the consolidated financial statements at Note 48.

Real estate risk
Real estate risk comprises the risk of changes in the value of assets held in properties and property funds.

The W&W Group holds property portfolios with a fair value of €3,491 million (previous year: €3,519 million).. Our diversified property portfolios are an integral part of our capital investment portfolio. Planning for the redevelopment of the Feuersee site in Stuttgart and the former W&W site in Ludwigsburg is currently under way. One focus of our property investments is on direct investments in the Germany, Austria and Switzerland region and property funds with stable expected performance and high fungibility. With regard to various general conditions, such as another rapid rise in interest rates or renewed strong inflation, negative effects on the performance of our property portfolio cannot be ruled out. Increasing requirements with regard to ESG aspects may also have a negative impact on property values in the future.

The measurement losses/gains on investment property measured at fair value totalled -€64 million in the financial year (previous year: -€15 million). The situation on the property market, particularly for commercial/office properties, remains stressed. Further devaluations, particularly of commercial properties, cannot be ruled out in this environment.

With regard to the loan portfolios of Wüstenrot Bausparkasse AG, the calculation of the mortgage lending value continues to be conservative, so that even in the event of a further decline in property prices, sufficient collateralisation is generally assumed. However, negative effects on the real estate loan portfolios and property portfolios of other banks could have an impact on their earnings situation and thus worsen the valuation of the bonds of banks held by the W&W Group.

Against the background of increased construction and financing costs and the general economic situation, the property projects developed by the W&W Group itself are exposed to cost and earnings risks, particularly if sales fail to materialise or can only be made at a discount.

Commodity risk
As part of a comprehensive risk hierarchy, commodity risks, if any, are monitored and analysed. As at the reporting date, there were no material exposures in commodities.

Counterparty credit risks

Risk definition

We define credit risks as potential losses that may result from the default or deterioration in the creditworthiness of borrowers, capital investments or other debtors as well as from the deterioration of collateral. Counterparty credit risks can arise from the default or changed rating of securities (counterparty credit risk associated with capital investments), from the default of business partners in customer lending business (counterparty credit risk associated with customer lending business) and from the default on receivables due from our counterparties in reinsurance (other counterparty credit risk).

Risk management methods and risk controlling

We limit counterparty credit risks through the careful selection of issuers and reinsurance partners, as well as broadly diversified investments. In this context, we take into consideration the capital investment rules applicable to the respective business area. Most of the contractual partners and securities have good credit ratings in the investment grade range. In customer lending business, we largely focus on construction financing loans for retail customers, which are secured with in-rem collateral. Our strategic focus on residential construction loans excludes individual loans that endanger the portfolio. Counterparty credit risks are strategically and structurally managed by the risk committees of the divisions on the basis of the requirements specified in the risk strategy.

The front office in the treasury of the Housing division and the financial controlling section of the Insurance division are responsible for the operational management of our capital investment activities. The responsible risk controlling areas operate as independent monitoring units.

With regard to our home loan savings bank and our insurance companies, we not only monitor counterparty credit risk from capital investment activities at an individual level but also evaluate them at the portfolio level with our credit portfolio model. This a based on a credit-value-at-risk approach that is standard in the industry. Risk capital requirements are calculated as value at risk applying one-year default and migration probabilities. The loss distribution is generated with Monte Carlo simulations. The stochastic model is based on market data and takes default probabilities as well as the probability of migrations between different credit rating classes into consideration. As a governance toolkit, our continually enhanced credit portfolio model enables us to dynamically adapt credit lines to rating changes.

In order to assess counterparty-related risks from capital investments and to define limits and lines, the W&W-Group uses, among other things, the assessments of international rating agencies, which are checked for plausibility and supplemented by its own creditworthiness analyses. The lines are subject to regular review. Risk limitation serves to limit risks to a maximum permissible level that corresponds to the risk appetite. It is carried out by allocating risk coverage capital to risk areas. In order to prevent risk concentrations from forming with respect to individual capital investment counterparties, a limit is set at the level of issuer groups (borrower units). A Group-wide risk line system is used for this purpose.

The utilisation of limits and lines is monitored by the decentralised risk controlling units and by the Risk Management department.

In order to minimise counterparty credit risks from trading transactions, cash collateral is normally required. The foundation consists of master agreements with the respective counterparties, which are based on such market standards as the German Master Agreement for Financial Futures.

In customer lending business, operational risk governance is handled by the lending units and the back offices of our subsidiaries. We control and manage counterparty credit risks from customer lending business through careful credit review and scoring procedures, clear approval guidelines, loans secured with in-rem collateral, various monitored and limited (early-warning) risk indicators and a system that automatically determines any impairments.

The customer loan portfolios of Wüstenrot Bausparkasse AG are valued using a credit value-at-risk model customary in the industry. The default, migration and realisation risk are also taken into account. The present value loss distribution is generated using Monte Carlo simulations. The stochastic model is based on market data and includes both default probabilities and transition probabilities (migrations) between different credit rating classes.

In the customer lending business, the risk provision for Wüstenrot Bausparkasse AG is calculated at the individual contract level using the parameters of probability of default, loss given default and loan amount at the time of default and is based on the expected credit loss. All changes in the customer loan portfolio with respect to credit rating or collateral structure thus directly result in a change to the risk provisions.

Collateral management is an integral element of the loan management process for the individual companies in the W&W Group that make loans. Our loan risk controlling units apply strict standards for the quality of accepted collateral. Property collateral is mainly furnished in the form of land charges (Grundpfandrechte), which are similar to mortgages. In addition, we use guaranties and financial collateral.

In order to manage the reinsurance default risk, reinsurance partners are selected on the basis of their creditworthiness. The reinsurance default risk is also diversified by spreading it across different reinsurers with good credit ratings.

In the counterparty credit risk area, we regularly run stress scenarios at the Group level. On the basis of these, we analyse the effects of changed parameter assumptions and simulated defaults of material counterparties and reinsurance partners.

Impending defaults relating to customer transactions, capital investments or reinsurance business are taken into account by means of appropriate impairments. The methodology for recognising risk provisions and impairments and their development in 2024 are presented in the notes to the consolidated financial statements in Note 49 “Credit risks”.

Risk situation

The risk profile of the risk area counterparty risks, determined according to our economic risk-bearing capacity model, was distributed as follows as at 31 December 2024: risks from capital investments at 11.0% (previous year: 11.2%), counterparty risks from customer lending business at 3.0% (previous year: 2.5%), other credit risk at 0.7% (previous year: 0.8%) of the total risk capital requirement of the W&W Group. In 2024 counterparty credit risks were in line with the risk strategy. The risk limit was consistently complied with at the Group level.

Against the backdrop of the existing economic risks, rating downgrades, deterioration in creditworthiness and loan defaults may occur more frequently in all areas of credit risk.

Counterparty credit risk associated with capital investments

Württembergische Lebensversicherung AG, Württembergische Krankenversicherung AG, Württembergische Versicherung AG, W&W AG and Wüstenrot Bausparkasse AG are particularly exposed to counterparty risks from capital investments. The credit rating structure of our interest-bearing investments is in line with our strategic orientation with 90.2% (previous year: 90.7%) of the investments in the investment grade area conservatively oriented. Owing to its business model, the W&W Group’s capital investment portfolio is strongly focused on government bonds, financials (especially bank stocks) and corporate bonds.- Counterparty credit risks that result from portfolio concentrations are reduced through a targeted selection of counterparties and by the risk line system, but they cannot, of course, be completely ruled out. The structure of the interest-bearing investments is shown in the following tables:

Interest-bearing investments - Rating (Moody's scale)

	2024		2023	
	Portfolio carrying amount	Share	Portfolio carrying amount	Share
	in € million	in %	in € million	in %
Aaa	9,714	35.5	8,553	32.3
Aa1	3,758	13.7	3,853	14.6
Aa2	1,250	4.6	1,287	4.9
Aa3	3,167	11.6	3,323	12.6
A1	966	3.5	992	3.7
A2	875	3.2	1,029	3.9
A3	1,758	6.4	1,592	6.0
Baa1	1,108	4.0	994	3.8
Baa2	1,266	4.6	1,392	5.3
Baa3	856	3.1	977	3.7
Non-investment grade	2,369	8.7	2,284	8.6
Non-rated	299	1.1	187	0.7
Total	**27,387**	**100.0**	**26,460**	**100.0**

The basis for the presentation of our counterparty exposures is the scope of consolidation in the balance sheet, i.e. interest-bearing investments in the direct portfolio and within fully consolidated funds.

The collateralisation structure of the W&W Group's interest-bearing investments at the segment level is shown in the following table:

Interest-bearing investments – collateralisation structure 2024

	Portfolio carrying amount				
	Public	Pfandbrief	Deposit guarantee or state liability	Uncovered	Total
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Housing	2,207	845	-526	3,238	5,764
Life and Health Insurance	8,194	3,646	1,801	4,830	18,471
Property/Casualty Insurance	674	563	247	496	1,980
All other segments	395	493	87	197	1,172
Total	**11,470**	**5,547**	**1,609**	**8,761**	**27,387**
Share, in %	41.9	20.3	5.9	32.0	100.0

The basis for the presentation of our counterparty exposures is the scope of consolidation in the balance sheet, i.e. interest-bearing investments in the direct portfolio and within fully consolidated funds.
The negative value of the deposit guarantee in the Housing segment is due to negative market values of a swap used to hedge customer deposits and the home loan savings pool.
The negative market value is offset by the positive values of customer deposits.

Interest-bearing investments – collateralisation structure 2023

	Portfolio carrying amount				
	Public	Pfandbrief	Deposit guarantee or state liability	Uncovered	Total
in € million	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
Housing	1,581	1,190	-835	2,375	4,311
Life and Health Insurance	8,464	3,895	1,818	4,760	18,937
Property/Casualty Insurance	791	523	279	414	2,007
All other segments	432	472	94	207	1,206
Total	**11,268**	**6,080**	**1,357**	**7,756**	**26,460**
Share, in %	42.6	23.0	5.1	29.3	100.0

The basis for the presentation of our counterparty exposures is the scope of consolidation in the balance sheet, i.e. interest-bearing investments in the direct portfolio and within fully consolidated funds.
The negative value of the deposit guarantee in the Housing segment is due to negative market values of a swap used to hedge customer deposits and the home loan savings pool.
The negative market value is offset by the positive values of customer deposits.

The structure of our entire government bond exposure by segment is as follows:

Public bonds by region 2024

	Portfolio carrying amount								Share of total exposure, in %
in € million	Domestic	Europe	Central/ South America	North America	Asia	Africa	Other	Total	
Housing	150	2,056	0	0	0	0	0	2,206	19.2
Life and Health Insurance	2,242	3,988	305	837	100	133	590	8,195	71.4
Property/Casualty Insurance	65	314	30	160	5	15	85	674	5.9
All other segments	112	170	21	29	4	11	48	395	3.4
Total	**2,569**	**6,528**	**356**	**1,026**	**109**	**159**	**723**	**11,470**	**100.0**
Share, in %	22.4	56.9	3.1	8.9	1.0	1.4	6.3	100.0	

This presentation of our counterparty credit exposures is based on the scope of consolidation for accounting purposes.
In addition to classic government bonds, it also takes into consideration bonds of states/regional governments, municipalities/municipal associations and other public authorities.
The presentation is broken down by economic zone (EEA, MERCOSUR, NAFTA, ASEAN, AU, Other).

Public bonds by region 2023

in € million	Domestic	Europe	Central/ South America	North America	Asia	Africa	Other	Portfolio carrying amount Total	Share of total exposure, in %
Housing	107	1,474	0	0	0	0	0	1,581	14.0
Life and Health Insurance	2,280	4,377	255	820	101	118	512	8,464	75.1
Property/Casualty Insurance	129	389	35	103	10	17	109	791	7.0
All other segments	133	193	19	29	5	8	45	432	3.8
Total	**2,649**	**6,433**	**309**	**952**	**116**	**143**	**666**	**11,268**	**100.0**
Share, in %	23.5	57.1	2.7	8.4	1.0	1.3	5.9	100.0	

This presentation of our counterparty credit exposures is based on the scope of consolidation for accounting purposes.
In addition to classic government bonds, it also takes into consideration bonds of states/regional governments, municipalities/municipal associations and other public authorities.
The presentation is broken down by economic zone (EEA, MERCOSUR, NAFTA, ASEAN, AU, Other).

In the area of emerging markets negative effects from country-specific or global economic developments cannot be ruled out. The exposure of interest-bearing investments in emerging markets at market value at the end of the financial year totalled €2,049 million (previous year: €1,977 million).

There are still increased creditworthiness-induced default risks on the financial markets for unsecured and subordinated exposures. Losses of interest and reductions in nominal value (haircuts) still cannot be ruled out. Our subordinated commitments (profit participation rights, silent partnerships and other subordinated receivables) account for €1,510 million (previous year: €1,462 million), which accounts for a relatively small proportion of the total volume of our capital investment portfolio.

Counterparty credit risk in customer lending business
The most significant counterparty risks for the W&W Group from customer loans are with a HGB carrying amount of €24,765 million (previous year: €23,079 million) held by Wüstenrot Bausparkasse AG. Of lesser importance are the mortgage portfolios of Württembergische Lebensversicherung AG, whose carrying amount in accordance with the German Commercial Code (HGB) at the end of the year was €727 million (previous year: €883 million).

Default status of customer loans (Wüstenrot Bausparkasse AG)

	Portfolio	Share	Portfolio	Share
		2024		2023
	in € million	in %	in € million	in %
Not in default	24,335	98.3	22,743	98.5
In default	430	1.7	336	1.5
Total	**24,765**	**100.0**	**23,079**	**100.0**

The loan loss provision ratio of Wüstenrot Bausparkasse AG in accordance with the German Commercial Code (net loan loss provisions in relation to the loan portfolio) was 0.11% at the end of the year (previous year: 0.05%), the loan loss ratio in accordance with HGB (loan loss in relation to the loan portfolio) was -0.01% (previous year -0.01%). The expected probability of default of the loan portfolio was 0.86% as at the reporting date (previous year: 0.83%). The average expected loss given default is 7.53% (previous year: 7.40%).

The receivables portfolio of Wüstenrot Bausparkasse AG in the customer lending business is made up of diversified loans (mainly small-volume business throughout Germany and Luxembourg), most of which (87.1%) are collateralised by mortgages on residential properties in Germany or Luxembourg. In terms of customer groups, the portfolio shows a predominant share of employees (89.3%) compared to self-employed (10.7%). The development of the real estate market and property prices also play an important role. Due to their importance for the value of the properties and the creditworthiness of the customers, we monitor them closely and take current developments adequately into account in our valuation.

For a supplementary analysis of counterparty risks from the customer business in accordance with IFRS accounting, please refer to Note 49.

Other counterparty credit risks

W&W AG and Württembergische Versicherung AG may be exposed to bad-debt risks vis-à-vis other contracting partners, particularly in connection with reinsurance. Bad-debt risks in reinsurance business (risk type “other counterparty credit risk”) were determined on the basis of the economic risk-bearing capacity model, and they remain constant at a low level.

Outstanding receivables from policyholders and insurance brokers that were due more than 90 days ago on the balance sheet date totalled €34 million (previous year: €95 million). The average default rate (HGB) over the past three years was 2.6% (previous year: 4.3%).

As at the reporting date, W&W AG and Württembergische Versicherung AG had receivables from reinsurance business totalling €344 million (previous year: €391 million), of which 97.3% (previous year: 97.9%) were due predominantly from companies with a rating of A or better. The unrated share totalled 2.6% (previous year: 2.0%). Overall, the change in receivables from reinsurance business compared to the previous year is due to the claims development.

Underwriting risks

Risk definition

Underwriting risk means potential losses that arise in connection with previously calculated premiums from the uncertainty concerning future trends in claims and costs from concluded insurance contracts. They thus cover all specific risks of the insurance business, in particular premium and reserve risks, cancellation risks and catastrophe risks in property/casualty insurance as well as biometric risks, cancellation risks, cost risks, audit risks and catastrophe risks in life and health insurance. Through external events (e.g. natural disasters), individual contractual risks can add up to accumulation risks. Underwriting risks only occur at insurance companies (insurers and reinsurers).

Risk management methods and risk controlling

In accordance with internal provisions, the companies of the W&W Group enter into insurance transactions only where the risks associated with them do not endanger the company as a going concern. Incidental risks that cannot be influenced are limited with suitable and adequate protective instruments (e.g. reinsurance).

The W&W Group conducts primary insurance business in life and health insurance and in property and casualty insurance for retail and corporate customers in its business-strategic core market of Germany. In doing so, it also relies on digital sales channels (e.g. the digital brand Adam Riese). Württembergische Versicherung AG is liable for the claims settlement of the business written up to and including 2007 from the former branch in the United Kingdom.

Industrial risks are underwritten only to a limited and clearly defined extent and are furthermore extensively reinsured, meaning that our portfolio is not jeopardised by large individual risks. For the purpose of expanding corporate customer business through integrated insurance programmes for German policyholders with primary domicile or primary risk in Germany, Württembergische Versicherung AG underwrites facultative indirect business and foreign insurance pools to a minor extent. Württembergische Versicherung AG no longer conducts other active reinsurance business.

With the exception of German market pools, W&W AG still does not underwrite any reinsurance outside the Group.

Risk management for personal and property/casualty insurance, which is also responsible for measuring underwriting risks, is closely interlinked with risk management at Group level and integrated into the W&W Group's risk management system through cross-company committees.

To measure underwriting risks, we use an economic model based on the value-at-risk approach at a confidence level of 99.5%.

At Württembergische Versicherung AG, underwriting risk is quantified on the basis of a stochastic approach. In property and casualty insurance, the calculation is performed with Monte Carlo simulations. In order to estimate disasters, the W&W Group makes use of simulation results provided by reinsurance companies and brokers that specialise in this area. W&W AG's underwriting risk is largely calculated on the basis of business that is assumed by Württembergische Versicherung AG and retained by W&W AG. At Württembergische Lebensversicherung AG, underwriting risk is quantified based on the stress scenarios provided for under Solvency II. In addition to biometric scenarios, a direct permanent increase and decrease in cancellation rates and a mass cancellation scenario are also considered.

The potential loss from underwriting risks is limited by means of defined risk limits. The limit utilisation is monitored continually.

As a rule, underwriting trends are continually analysed and monitored by controlling premiums, costs, claims and benefits.

The principles and objectives of the underwriting policy and the definition of permissible transactions and the associated responsibilities are documented in strategies and underwriting guidelines and are reviewed at least once a year. Our pricing and underwriting policy is risk- and income-oriented. It is supported with suitable incentive systems for the mobile sales force. Risks are underwritten according to defined guidelines and under consideration of business-line-specific maximum underwriting amounts. The risk of natural hazards iscountered, for example, by adjusting pricing in line with the latest risk assessments, adjusted contractual conditions for critical natural disaster zones and risk exclusions.

In addition to risk balancing through our sector and product mix, gross underwriting risk is limited by efficient claims management and a cautious loss reserve policy.

Adequate reinsurance protection for individual risks and for accumulation risks reduces the underwriting risks in property/casualty insurance business. The reinsurance programme is adjusted on a yearly basis under consideration of risk-bearing capacity. Higher reinsurance premiums and deductibles could result on the reinsurance market. This can lead to a tendency towards higher earnings volatility.

The run-off risks of the former branch in the United Kingdom were handled by Antares Global Management Limited under the close supervision and control of Württembergische Versicherung AG by means of a service agreement. We monitor run-off risks through our own management and involvement in significant business transactions, external run-off reviews and the continuous review of loss reserves.

W&W insurers create appropriate provisions for reported claims both on an individual and on a collective basis. The technical liabilities and the structure of our actuarial provisions are explained in the notes to the consolidated financial statements at 19. Further information on underwriting risks (property/casualty and life and health insurance business) can be found in the notes to the consolidated financial statements at Note 50.

Risk situation

The risk profile of the risk area underwriting risks, determined according to our economic risk-bearing capacity model, as at 31 December 2024, had a share of 26.6% (previous year: 25.9%) of the total risk capital requirement of the W&W Group. The main risk bearer is Württembergische Versicherung AG, followed by Württembergische Lebensversicherung AG and W&W AG. The underwriting risks in 2024 were in line with the risk strategy. The risk limit was consistently complied with at the Group level.

The underwriting risk arises primarily from property/casualty insurance, in particular from natural disaster risk. In the 2024 financial year, which was heavily characterised by extraordinary natural disasters, the net loss ratio was 68.4%(previous year: 76.3%). In the financial year, the cost of natural disasters totalled €282 million gross (previous year: €177 million) or net €250 million (previous year: €162 million) and thus rose markedly compared to the previous year. The underwriting risk in life insurance is closely related to the interest guarantee risk, which is described in the chapter "Market price risks". Concerning the presentation of the risks from our insurance portfolio, please also see the information in Note 50 "Underwriting risks" in the notes to the consolidated financial statements.

In the area of property/casualty insurance, underwriting risks arise primarily from the premium and reserve risk.

Premium risk
If costs and claims remain stable or increase, premiums may be inadequate if they fall or are not calculated in line with needs. A significant portion of the premium risk results from major losses, natural disasters, accumulation and catastrophic events. The principal source of accumulation risks are natural disasters, like storms, hail, flooding and, in rare cases, also earthquakes.

The long-term trends in net loss ratios (ratio of net expenses for insured events to net premiums earned) and net settlement ratios (ratio of net settlement results from provisions for outstanding insurance claims to initial loss provisions) for Württembergische Versicherung AG were as follows:

Claims and loss ratios for own account

in %	Loss ratios	Settlement ratios
2014	68.5	4.9
2015	65.8	6.8
2016	63.8	6.7
2017	63.6	6.6
2018	61.8	7.1
2019	63.3	6.3
2020	64.1	2.8
2021	62.6	7.8
2022	61.1	7.8
2023	76.3	3.9[1]
2024	68.4	9.3

1 Previous year's figure adjusted

In the past two years, the high inflation rates at Württembergische Versicherung AG have led to higher claims expenses, among other things. Württembergische Versicherung AG is maintaining its cautious premium calculation and defensive reserving policy. Nevertheless, a further rise in inflation may continue to burden the technical result.

W&W AG essentially acts as the reinsurer within the Group. We present the loss and settlement ratios in the section “Risk landscape and risk profile of W&W AG”.

Reserve risk
Reserve risk means the risk of inadequate loss reserves. The settlement of claims can fluctuate with respect to time and amount, meaning that the reserves set up for claims benefits may not be sufficient. The change in loss reserves can be seen from the run-off triangles presented in Note 50 to the consolidated financial statements. This overview shows that adequate loss reserves have always been created thus far. The settlement ratios can be found in the table presented above.

In recent years, the high inflation rates at Württembergische Versicherung AG have led to higher claims expenses, among other things. Württembergische Versicherung AG is maintaining its cautious premium calculation and defensive reserving policy. Nevertheless, a further rise in inflation may continue to burden the technical result.

In the area of life and health insurance, the biometric risk and the cancellation risk are particularly relevant in the underwriting risk.

Biometric risk
Biometric risks result from the deviation of expected biometric trends from actual biometric trends. They are affected by exogenous influences, such as life expectancy, mortality, probability of invalidity and medical advances. Risks arise both from short-term fluctuations and from longer-term change trends.

Cancellation risk
Cancellation risk means the detrimental change in the value of insurance liabilities as a result of changes in the amount or volatility of the cancellation, termination, renewal and redemption rates of insurance contracts. Scenarios are run to analyse a direct permanent increase of the cancellation rates, a permanent decline in cancellation rates and mass cancellation.

As a consequence of the high inflation, there could also be changes in the cancellation behaviour of policyholders. Württembergische Lebensversicherung AG continuously reviews its portfolios with regard to these possible developments, but has not yet been able to identify any effects of the rise in inflation on customer behaviour with regard to premium cancellations or lapses.

The cancellation rate of Württembergische Lebensversicherung AG measured in terms of the current annual premium rose to 4.9% in 2024 (previous year: 3.9%). Cancellations in the portfolio of Württembergische Versicherung AG rose from €266 million to €332 million in terms of premium income.

Operational risks

Risk definition
We define operational risk as losses that may be incurred as a result of the unsuitability or failure of internal processes, people and systems or externally driven events. This also covers legal and tax risks. Operational risks include the risk types legal risk, compliance risk, personnel risk, process risk, information risk, model risk and service provider risk.

Risk management methods and risk controlling
The Executive Board of the W&W Group specifies the strategy and parameters for managing operational risks.- Because risks take many forms, however, they cannot be completely avoided in certain cases. Our goal is therefore to minimise operational risks. We accept residual risks. Consistent processes, uniform standards and an implemented internal control system facilitate the effective management of operational risks. As a rule, operational risks are managed on a decentralised basis by the responsible organisational units.

Our economic risk-bearing capacity model takes into account the risk capital requirements for operational risks. For Wüstenrot Bausparkasse AG, the life and health insurance companies and W&W AG, the calculation is based on a mathematical-statistical model (value at risk), which is based on the simulation of possible loss events. For Württembergische Versicherung AG, the standardised approach in accordance with Solvency II is used.

Operational risks are identified as part of the risk inventory. The risks are systematically recorded in a software application, described in terms of content and assessed with regard to the categories of damage potential and probability of occurrence. The risk inventory therefore forms the basis for risk-oriented management of measures and risk reporting of operational risks. The results of the risk inventory are taken into account in our economic risk-bearing capacity model when determining the risk capital requirement for operational risks. Operational loss events above a defined amount are recorded and analysed in a loss database. Measures are defined and monitored as part of risk management.

Legal risks are countered through ongoing legal monitoring and by observing and analysing case law. In close collaboration with associations, various departments monitor relevant proposed legislation and developments in case law.

Compliance risks are categorised by means of a systematic procedure for identifying risks (differentiated according to existing and changed legal standards according to a risk-based perspective). Through the definition of specific measures and the assessment of appropriateness and effectiveness, as well as, where necessary, additional monitoring procedures, the foundations are created for a continuous process to avoid and mitigate damage. The Group Compliance Committee regularly discusses fraud, data protection, information security, compliance and money laundering issues with the risk management team. Technical security systems, documented controls (ICS) and awareness-raising measures for employees have also been implemented to prevent fraud and data protection breaches. In addition to dialogue and reporting, the focus is also on defining measures for individual cases. Fraud risks are countered by means of implemented and documented process controls.

Personnel risks are countered with careful personnel planning and selection as well as needs-based and targeted employee training and development. Through personnel development measures, we support our employees in fulfilling their responsibilities and duties. In order to manage the fluctuation risk, we regularly analyse the fluctuation within the W&W-Group and offer our employees a variety of additional employer benefits. In view of the shortage of skilled labour associated with demographic trends, we are constantly working to maintain a balanced employee structure with the necessary skills. For further information, please see the section "Employees" in the chapter "Group fundamentals".

In order to minimise **process risks** and ensure proper and efficient workflows, there are work instructions, codes of conduct, company guidelines and comprehensive company regulations. The W&W process management procedure, including internal process controls (ICS), business continuity management and the project management procedure, are uniform methods and standards that are used as overarching instruments.

Processes and control mechanisms essential to business operations are systematically documented, regularly reviewed and updated in the internal control system of the W&W Group according to uniform standards. The process modelling and control documentation are technically supported by a software application. By linking processes and risks and by identifying key controls, risks inherent in processes are managed.

Information security risk management and ICT risk management also play a central role in the risk management of operational risks and, in particular, form the basis for the effective management of **information risks** with regard to the protection goals of availability, confidentiality and integrity.

In order to ensure continued business operations in the event of process or system outages, critical processes are identified Group-wide in an impact analysis. The functional reliability and appropriateness of the control and security systems in place are regularly tested in emergency tests and crisis team exercises.

The Cyber Resilience Centre in the W&W Group is an important factor by means of which the Group monitors the cyber threat situation on an ongoing basis and ensures a balanced interplay of preventive and reactive measures to detect and defend against cyber attacks. Based on the ECB cyber resilience stress test carried out by BSW, the findings were analysed and further measures to strengthen the operational resilience of the W&W Group were derived and implemented.

In addition, the DOR (Digital Operational Resilience) strategy as an appendix to the IT strategy creates the strategic prerequisite for countering digital threats with specific goals and measures.

We minimise **model risk** by means of careful model governance that applies to all risk types. Within the scope of the Model Change Policy, model development is subject to standardised, transparent documentation. The policy regulates processes in the event of changes in the economic risk-bearing capacity model at the level of the W&W Group, including the procedures, models and data provided for its calibration in the individual companies. The assumption of material model changes in the economic risk-bearing capacity model is subject to the approval of the Group Board Risk. Validation and backtesting procedures are used to reduce and monitor model risks.

In order to manage **service provider risks**, the requirements for outsourcing are regulated in a binding manner, taking into account legal and regulatory requirements. At the same time, the clear definition of the process and the responsibilities facilitates efficient outsourcing management. The companies of the W&W Group have both intragroup and external outsourcing arrangements, the performance of which must be appropriately managed and monitored. Appropriate measures have been implemented in the event of service disruptions.

Risk situation

The risk profile of the operational risk area determined according to our economic risk-bearing capacity model had, as at 31 December 2024, a share of 8.1% (previous year: 7.6%) of the total risk capital requirement of the W&W Group. Operational risks were in line with the risk strategy in 2024. The risk limit was consistently complied with at the Group level.

Operational risks are inevitable when companies do business. Accordingly, all companies in the W&W-Group are also exposed to operational risks.

Legal risk
On the legislative and supervisory side, we are observing an increasing density of regulation in areas such as supervisory law, creditor and consumer rights and disclosure requirements. Moreover, legal proceedings that are pending in the financial sector may lead to subsequent financial recovery claims. In particular, where authorities and courts reinterpret laws, this may entail material risks and significantly impair future financial performance. Of particular relevance here is the legal interpretation of the permissibility of account management fees in the savings phase of home loan savings contracts and a possible change in the view of the tax authorities regarding the future continuation of VAT groups with home loan and savings banks and on the tax treatment of interest bonus provisions at home loan and savings banks.

Compliance risk
Inadequate compliance with or implementation of statutes, legal provisions, regulatory requirements or ethical/moral standards, as well as internal regulations and provisions, can pose a compliance risk.

This risk is to be countered by the procedures described in the section "Risk management methods and risk controlling".

In the regulatory environment, we are observing an increasing density of regulation, including in the area of sustainability and information risks. Accordingly, implementation ties up considerable resources and entails implementation risks.

Personnel risk
Unforeseen staff shortages on a large scale could mean that we do not have the necessary capacities in terms of quality or quantity. This is currently being exacerbated by demographic change and the shortage of skilled labour.

Process risk
Tangible and intangible losses could occur due to the complete or partial failure or inappropriateness of internal procedures or processes or as a result of human error.

Process risks can also arise, in particular, at the interfaces to external partners (sales partners, etc.). These are to be countered by regular review processes, among other things.

Numerous functional, technical and infrastructural projects have been set up in the W&W Group, which entail corresponding project risks. We counter risks from projects, especially infrastructure projects with high investment budgets and complex project content, through appropriate project management. Nevertheless, risks in the form of cost risks and write-downs of investments cannot be completely ruled out or may materialise as a result of the aforementioned circumstances.

Information risk
Information risks arise from the threat to the availability, confidentiality and/or integrity of data. They essentially arise from processes, information technology (IT) systems, physical information storage media, technical facilities or buildings that are relevant to the storage and processing of data.

There is still an increased risk of cyber attacks in Germany, which the W&W Group cannot escape.

As a financial services provider, the W&W Group greatly depends on IT systems. However, this is associated with information security risks with respect to the goals of protecting the availability of applications, confidentiality and integrity of data, as well as with cyber threats. In addition, the W&W Group is pursuing numerous measures as part of the further expansion of digitalisation (e.g. digital business models and sales channels, internal process optimisation and increased use of cloud services), which may result in further information security risks.

Model risk
Model risk can be divided into risks that are considered in connection with the modelling and limiting of other risk types (estimation and specification risk) and risks that are part of conventional operational risk (input and use risk). The latter two concern conventional input and use risks. As a result, losses can arise from decisions that are made on the basis of results of internal calculation models whose development, execution or use is faulty.

Service provider risk

Service provider risk mainly refers to risks resulting from contractual relationships with third parties. In particular, this covers outsourcing risks, e.g. with regard to loss of quality, management, control or expertise, whereby the focus is on outsourcing outside the Group.

W&W Informatik GmbH provides services for the companies of the W&W Group. It uses other service providers, so-called sub-service providers, to provide its services. As the number and importance of subcontractors increases, so do the risks associated with external service providers.

Business risks

Risk definition

We define business risks as potential losses that may be incurred from the strategic orientation and result in the insufficient or delayed achievement of targets (strategic risk). On the other hand, business risks can arise from the negative development of the company's reputation (reputation risk) and from changes in the external corporate environment (environment risk), e.g. from legal, political or social developments and changes in customer behaviour in the home loan and savings pool (collective risk).

Risk management methods and risk controlling

A rolling strategy process has been implemented in the W&W Group. The Group business strategy forms the framework both for the sub-strategies of the business divisions, the sustainability strategy and for cross-sectional strategies such as the risk and IT strategies. In accordance with the Group's internal risk governance regulations, the main individual W&W companies havetheir own documented risk strategy, which is aligned with the respective company-specific business model and risk profile.

The W&W Group operates almost exclusively in Germany. In addition to retail customers, the insurance companies also serve commercial customers.

The principles and objectives of business policies and the sales and revenue goals derived from them are contained in the business strategy and the sales forecasts. The Group Executive Board is responsible for setting the business policy and managing the associated business risks Depending on the reach of a decision, it may be necessary to coordinate with the Supervisory Board.

The business strategy process comprises the definition of vision and guiding principles, a strategic business model analysis (external environment analysis, internal company analysis, the derivation of strategic goals and measures as well as the definition of the Group's principles. The business strategy therefore provides the framework for managing business risks. We seek to achieve our strategic goals through the forward-looking evaluation of the critical internal and external factors that influence our business model. We strive to identify business risks at an early stage in order to be able to develop and introduce suitable risk governance measures.

In the economic risk-bearing capacity model, collective risks of the home loan and savings bank are taken into account on the basis of simulations of the home loan savings pool within the risk capital requirement for business risks. Business risks beyond these are assessed by means of event-based scenario calculations and expert estimates and then assigned risk coverage potential.

In June 2024, S&P confirmed the ratings of the W&W core companies W&W AG, Wüstenrot Bausparkasse AG, Württembergische Lebensversicherung AG and Württembergische Versicherung AG. This confirmation reflects factors including the positive view of the W&W Group’s risk management system.

We permanently monitor the W&W Group's public image, and we strive to maintain our reputation by means of a transparent communication policy when faced with critical situations.-

Business risks are systematically managed at an aggregated level in a software application. Based on findings from the risk controlling and risk governance procedures, the risks are classified with respect to their probability of occurrence and potential for damage. In addition, risk indicators and early warning indicators are used to optimise the management of business risks and are analysed regularly.

We use sensitivity analyses to assess risks, including those in the mid- to long term, as well as our options for action. As part of our planning, we develop a variety of scenarios in order to quantify the W&W Group's capitalisation risks and then introduce corresponding measures.

Risk situation

Within the total risk capital requirement of the W&W Group, business risks account for a share of 2.4% (previous year: 1.9%). The business risks in 2024 were in line with the risk strategy. The risk limit was consistently complied with at Group level.

Other business risks are deducted from the capital available for risk coverage.

Business risks are inevitable in general business operations and in the event of changes in the industry environment. All companies in the W&W Group are exposed to business risks.- The following risk types are considered within the business risks.

Strategic risk

This risk results from the company's incorrect or insufficient strategic orientation, from the non-achievement of strategic goals or from the flawed implementation of strategic requirements. These risks particularly take the form of cost and income risks. These can be reflected, among other things, in a delayed or limited effect on earnings or cost savings or additional expenses for the realisation of strategic measures.

In addition to cost risks, e.g. in the area of motor vehicle insurance or necessary investments, our main earnings risks arise from potential negative deviations from the planned economic earnings, e.g. interest rate trends and volatile loss events in relation to natural hazards. Property/casualty insurance with its technical result, life insurance with its capital investment result and the home loan and savings bank with its interest result are particularly exposed to this risk. Failure to meet self-imposed targets in the sales organisations, planned growth or the generation of income in the new digital subsidiaries would also have a negative impact.

Against this backdrop , achieving the return targets we have set places high demands on our strategic asset allocation, on the management of underwriting risks and on the various front office units.

The consistent implementation of projects, initiatives and programmes aimed at achieving the objectives of the business and IT strategy is of great importance in connection with strategic risks. Delays in these projects, initiatives and programmes can lead to increased expenses, for example if the intended benefits do not materialise or IT infrastructure upgrades are delayed.

External risk

External risk means the risk of loss from potential changes in basic external conditions (e.g. political/legal, economic, technological). This also includes risks from changed customer behaviour in the home loan savings pool, which in home loan savings business may result from the exploitation of existing product options and elective opportunities, irrespective of trends in market interest rates.

Significant potential for risks can emanate, in particular, from the political and social environment (geopolitical, global trends, e.g. from military conflicts, trade disputes, terrorism, social unrest, migration/refugee movements). Negative growth effects can arise, for example, from higher energy and commodity prices, economic sanctions, new or higher tariffs, resulting disruptions to global supply chains and a deterioration in sentiment among economic players. Other effects, such as an increase in cyber risks, may also arise due to the environment. Due to the ongoing geopolitical conflicts, there is still a great deal of uncertainty regarding the forecast for future economic and capital market developments. Due to current property prices and financing costs, there is also a risk that broad sections of the population will not be able to purchase property. Similarly, inflation and ongoing geopolitical conflicts, along with their broader macroeconomic effects, could put pressure on earnings as well as the financial position, net assets and risk position.

Inflation rates in Germany in 2024 were significantly lower than in the previous year. A further significant rise in inflation rates could result in a deterioration in our growth opportunities due to less new business or higher contract cancellations as a result of a loss of private purchasing power or a reduction in consumption. In addition, this could lead to a deterioration in our cost position due to rising operating costs, increasing costs for insurance benefits and the potential need for additional reserves in pension provisions.

In the regulatory environment, we are faced with increasing governance, capitalisation and liquidity requirements, as well as comprehensive reporting and control obligations. The W&W Group is addressing the expanded statutory and regulatory requirements for banks and insurance companies.- Regulatory and political topics with a (potentially) significant impact on the risk management of the companies in the W&W-Group are as follows:

- Changes to the Solvency II regime as a result of the Solvency II review, including the expected impact on solvency ratios and adjustments to BaFin interpretation decisions and calculation bases
- New set of rules for preventive recovery and resolution planning for insurers (IRRD)
- Regulations from the supervisory review and evaluation process and supervision by the European Central Bank
- Changes resulting from minimum regulatory requirements for the business organisation of insurance companies under Solvency II
- Sustainability, including the Transparency and Taxonomy Ordinance, Corporate Sustainability Due Diligence Directive
- Potentially increasing regulatory requirements in the area of digitisation, e.g. Digital Operational Resilience Act, EU Artificial Intelligence Regulation

Risks from changed customer behaviour in home loan savings business may result from the exploitation of existing product options and elective opportunities, irrespective of trends in market interest rates. Such home loan savings-specific changes can be, for example, special payments or the cancellation of savings, cancellations during the savings phase or changes to the building savings contract volume.

Reputation risk

If the company's reputation or brand were to suffer damage, there is a risk of losing business volume immediately or in the future, This could lower the enterprise value.

Liquidity risks

Risk definition

Liquidity risk means the risk that money can be borrowed only at higher market interest rates at the time it is needed (refinancing risk) or that it can be obtained only with discounts (market liquidity risk) in order to satisfy payment obligations at maturity (avoidance of illiquidity risk).

Our liquidity management is geared towards being able to meet our financial commitments at all times and on a sustained basis. Among other things, our investment policy focuses on ensuring liquidity at all times. In the process, existing statutory, supervisory and internal provisions must be satisfied at all times and on a sustained basis. Through forward-looking planning and operational cash management, the established systems are designed to identify liquidity shortages early on and to respond to expected liquidity shortages with suitable (emergency) measures.

As a financial conglomerate, we benefit from the diversification of our refinancing sources, especially in difficult markets. In addition to having a lower funding risk, we also benefit from the reduction of our refinancing costs through diversification of funding potential. Through a defined share of good-quality securities that are eligible for central bank and repurchase transactions, our home loan and savings bank retains flexibility in refinancing. We use savings deposits and fixed-term deposits primarily in order to substitute short-term, uncovered funding. Aspects of maturity diversification form part of our capital investment policy. The maturity structure of our financial instruments is shown in Note 51 “Liquidity risks” in the notes to the consolidated financial statements.

Risk management methods and risk controlling

The individual companies manage cash and cash equivalents balances primarily on their own responsibility. The Risk Management department (liquidity division) monitors and consolidates the liquidity plans from a Group perspective. The Group Liquidity Committee is responsible for the Group-wide controlling of liquidity risks. The liquidity position is regularly discussed in the meetings of the Group Board Risk. Governance measures are initiated when necessary. Known or foreseeable liquidity risks are immediately reported to management as part of ad-hoc reporting.

The W&W Group has a cash pool for the optimised allocation of liquidity and the possibility of investing free liquid funds to improve profitability. The main aim is to optimise cash flows and short-term liquidity within the W&W Group.

Other risk management methods include:

- We assess liquidity risks by regularly calculating potential liquidity gaps and comparing them with the net liquidity available to us. In order to identify potential liquidity needs, we also compare our funding potential against the needed refinancing resources.
- The risk situation of Wüstenrot Bausparkasse AG is managed in particular by taking into account the regulatory liquidity coverage ratio and net stable funding ratio.
- In order to monitor the liquidity of our capital investments, we group them into liquidity classes so as to control concentrations in illiquid asset classes.
- In the area of liquidity risks, we regularly view stress scenarios from a Group perspective. On this basis we analyse, among other things, the effects of changed cash inflows and outflows, simulated discounts to our funding potential, changed refinancing costs and our emergency liquidity.
- Liquidity planning at the Group level is based on the liquidity data made available by the individual companies, which essentially comprise inflow and outflow balances from current business operations as well as available funding potential (e.g. securities issues, borrowing from central banks).
- Contingency plans and the monitoring of liquidity buffers are designed to ensure that we are able to handle even extraordinary situations. If an undertaking is unable to cope with existing liquidity shortages on its own, internal Group refinancing options are available pursuant to contingency planning.

Risk situation

As at the end of 2024 the rate for main refinancing operations was 3.15% (previous year: 4.50%), the rate for the marginal lending facility was 3.40% (previous year: 4.75%) and the rate for the deposit facility was 3.00% (previous year: 4.00%).

The following risk types are relevant within liquidity risk:

Illiquidity risk

In their capacity as financial services companies, several W&W companies are subject to specific statutory and supervisory requirements, which are intended to ensure that they are able to meet current and future payment obligations at all times.

Liquidity is secured at the level of the W&W Group. Sufficient liquidity is available to ensure solvency. Even assuming unfavourable scenarios, the W&W Group and the individual companies have sufficient liquid funds or can procure them at short notice, meaning that acute liquidity bottlenecks are not expected from today's perspective.

Refinancing risk

Because of its business model, Wüstenrot Bausparkasse AG, in particular, requires careful liquidity management. Refinancing on a rolling basis is required in order to satisfy the demand for loans and to make loans. Its refinancing volume is assured through a diversified funding potential. The main sources of potential funding are the available offer volume for open-market operations/repos, the issuing potential of Pfandbriefe, available money market and credit lines, issues of promissory notes and uncollateralised securities and funding from new deposit business.

Wüstenrot Bausparkasse AG has been categorised as a capital market-oriented institution within the meaning of MaRisk. This results in increased regulatory requirements for the liquidity reserve within the meaning of MaRisk and the frequency of risk measurements. Due to the current refinancing situation and the structure of the capital investments, only the insolvency risk is currently considered to be material.

Based on a haircut of 22.5% (previous year: 22.5%) on the funding potential, refinancing costs of €93.5 million (previous year: €80.1 million) would result. The valuation assumes refinancing costs of 5.5% (previous year: 5.5%) (maximum Euribor interest rate during the financial market crisis) on the resulting maximum liquidity gap in the adverse scenario.

The Life and Health and Property/Casualty Insurance segments reported a positive liquidity balance at the end of the financial year. This is due to the conditions of the business model, which is characterised by the continuous flow of premium income and returns on capital investments. The high proportion of liquid capital investments offers the opportunity to cover additional liquidity requirements. In this respect, the company is closely managed, taking into account potentially negative effects on earnings in the current interest rate environment.

Market liquidity risk

Market liquidity risks mainly result from inadequate market depth or market disruptions in crisis situations. When these risks materialise, capital investments may be able to be sold, if at all, only in small volumes or by agreeing to discounts.

The current situation on capital markets does not indicate any acute material market liquidity risks for the W&W Group's capital investments. Based on a haircut of 22.5% (previous year: 22.5%) on the emergency liquidity, there would result a loss in value of €112.5 million (previous year: €112.5 million).

Further information on the liquidity and refinancing structure can be found in "Development of business" (section "Financial position: refinancing/liquidity") and the presentation of liquidity risks (Note 51).

Risk landscape and risk profile of W&W AG

As the parent company of the financial conglomerate and the Solvency II Group, W&W AG is responsible for defining and developing risk management standards and monitoring compliance with them . Accordingly, the risk management and risk controlling system of W&W AG is closely interlocked with the monitoring system at the Group level and is structured so as to be congruent with respect to many processes, systems and methods (see the depictions in the section "Risk management system in the W&W Group"). The following depictions address the specifics of W&W AG as an individual company. The same risk areas apply to W&W AG as to the W&W Group.

As at the reporting date of 31 December 2024, the total risk capital requirement of W&W AG calculated using our economic risk-bearing capacity model amounted to €2,029 million (previous year: €1,879 million). The resulting risk profile of the quantified risk areas as at 31 December 2024 was distributed as follows:

- 81.6% (previous year: 85.5%) to market price risks,
- 9.7% (previous year: 5.8%) to underwriting risks,
- 6.8% (previous year: 7.4%) to credit risks and
- 1.9% (previous year: 1.3%) to operational risks.

We take business risks and liquidity risks into consideration in our calculation of risk-bearing capacity by performing a flat-rate discount in determining risk coverage capital. The following sections describe the individual material risk areas and, where relevant to the overall appraisal, the individual risk types.

Market price risks

The risk profile of the market price risk risk area determined according to our economic risk-bearing capacity model was distributed as follows as at 31 December 2024: participation risk at 56.4% (previous year: 56.4%), interest rate risk at 9.3% (previous year: 11.0%), credit spread risk at 7.7% (previous year: 7.8%), equity risk at 4.8% (previous year: 7.0%) and real estate risk at 3.4% (previous year: 3.3%) of the total risk capital requirement of W&W AG. Market price risks were consistently in line with the risk strategy in 2024. The risk limit of W&W AG was consistently complied with.

W&W AG is subject to interest rate and interest guarantee risks due to interest obligations to employees (pension provisions), the capital investments invested in interest-bearing assets and the subordinated bond issued in 2021.

For the fixed-income securities (direct and fund holdings including interest-related derivatives) with a market value of €1,899 million (previous year: €1,936 million), a parallel shift in the swap yield curve would result in the following changes in market value as at 31 December 2024:

Interest rate change

	Market value change	
in € million	31.12.2024	31.12.2023
Increase by 100 basis points	-89	-86
Decrease by 100 basis points	97	96

Credit spread risks result from the bond portfolio of W&W AG, which consists of bonds issued both outside and, in particular, within the Group.

Changes in the value of participating interests, the loss of income from participating interests or income subsidies to be paid lead to participation risks. For W&W AG, the strategic participation portfolio constitutes the key risk. As at 31 December 2024, capital investments in affiliated companies and participating interests as well as in equities, investment fund units and other variable-yield securities had a HGB carrying amount of €3,137 million (previous year: €2,945 million). This also includes alternative investments (private equity, private debt and infrastructure investments), which have also been expanded. Shares in affiliated companies account for €1,595 million (previous year: €1,430 million). When participation risks materialise, measurement losses can lead to write-downs of participating interests being recognised as a loss, the non-payment of dividends or the need to make contributions to earnings.

Sudden and severe price slumps on the equity markets could impair the value of the stock portfolio held by W&W AG by forcing write-downs which would be recognized as a loss. For our holdings as at 31 December 2024 with a market value of €33 million (previous year: €40 million), a fluctuation in the Euro STOXX 50 index would result in the following changes in market value:

Index change

	Market value change	
in € million	31.12.2024	31.12.2023
Increase by 10%	3	3
Decrease by 10%	-3	-3

A significant component of the property portfolio of W&W AG with a market value of €450 million (previous year: €450 million) is tied to the W&W campus in Kornwestheim.

The market price risks that we accepted were in conformity with the risk strategy and the strategic asset allocation throughout.2024 W&W AG's risk limit for market price risk was adhered to at all times.

Counterparty credit risks

W&W AG is exposed to counterparty credit risks from capital investments (proprietary business), as well as to counterparty credit risks with respect to contract partners in reinsurance. The risk profile of the credit risk risk area determined according to our economic risk-bearing capacity model was distributed as follows as at 31 December 2024: credit risks from capital investments at 5.6% (previous year: 6.1%) and other counterparty risks at 1.2% (previous year: 1.3%) of the total risk capital requirement of W&W AG. In 2024 counterparty credit risks were consistently in line with the risk strategy. The risk limit of W&W AG was consistently complied with.

In line with our strategic orientation, the credit rating structure of our interest-bearing investments measured according to HGB carrying amounts is conservative, with over 94.9% (previous year: 94.6%) of the investments in the investment grade range.

Interest-bearing investments – Rating (Moody's scale)

	2024		2023	
	Portfolio carrying amount	Share	Portfolio carrying amount	Share
	in € million	in %	in € million	in %
Aaa	586	30.3	577	28.6
Aa1	68	3.5	108	5.3
Aa2	61	3.1	66	3.3
Aa3	145	7.5	123	6.1
A1	34	1.7	53	2.6
A2	64	3.3	74	3.7
A3	172	8.9	189	9.4
Baa1	591	30.6	586	29.1
Baa2	88	4.5	68	4.3
Baa3	28	1.5	63	3.1
Non-investment grade	97	5.0	109	5.4
Non-rated	1	0.1	0	0.0
Total	**1,934**	**100.0**	**2,014**	**100.0**

Our interest-bearing investments generally have a good collateralisation structure, with a large proportion of the capital investments with financial institutions being secured by government guarantees or liens.

Interest-bearing investments – collateralisation structure

	2024		2023	
	Portfolio carrying amount	Share	Portfolio carrying amount	Share
	in € million	in %	in € million	in %
Public	486	25.1	529	26.3
Pfandbrief	453	23.4	453	22.5
Deposit guarantee or governmental liability	101	5.2	108	5.4
Uncovered	894	46.2	924	45.9
Total	**1,934**	**100.0**	**2,014**	**100.0**

Our subordinated commitments (profit participation rights, silent partnerships and other subordinated receivables) totalled €346 million (previous year: €346 million).

The counterparty risks in the reinsurance business remain, at a share of 1.2% (previous year: 1.3%) of total risk capital requirements, at a low level. Currently, no material risks are foreseeable. Also, our retrocessionaires have very good credit ratings. At the end of the reporting period, recognised receivables from reinsurance business amounted to €283 million (previous year: €328 million), of which 96.7% (previous year: 97.5%) were due from companies with a rating of A or better. The unrated share amounts to 3.2% (previous year: 2.3%).

Of the recognised receivables from reinsurers, €41 million (previous year: €44 million) were outstanding for more than 90 days as at the reporting date.

Underwriting risks

Underwriting risks account for 9.7% of the total risk capital requirement of W&W AG (previous year: 5.8%). In 2024 underwriting risks were consistently in line with the risk strategy. The risk limit of W&W AG was consistently complied with.

The underwriting risk from the property and casualty insurance business reinsured by Württembergische Versicherung AG is of particular importance. The long-term development of the net loss ratios and the net run-off ratios for W&W AG is as follows:

Loss and settlement ratios for own account

in %	Loss ratios	Settlement ratios
2014	68.0	3.0
2015	65.5	2.8
2016	63.9	4.2
2017	61.5	5.6
2018	60.0	6.3
2019	64.2	4.1
2020	63.2	1.6
2021	62.5	6.9
2022	60.7	7.7
2023	74.5	4.4
2024	67.1	8.8

Operational risks

Risk capital requirements for operational risks are ascertained through simulations on the basis of the operational risks included in the risk inventory and their loss potential and probability of occurrence. All in all, operational risks at W&W AG are 1.9% (previous year: 1.3%) of the total risk capital requirement. In 2024 the assumed operational risks were consistently in line with the risk strategy. The risk limit of W&W AG was consistently complied with.

Business risks

As the superordinate undertaking of the financial conglomerate and the Solvency II Group, W&W AG is subject to the same risks as presented for the W&W Group in the section "Business risks".

Liquidity risks

W&W AG benefits from the diversification of its refinancing sources. Please refer to the explanations in the section on liquidity risks for the W&W-Group.

Assessment of the overall risk profile of the W&W Group and W&W AG

In 2024, we had sufficient financial resources to cover the risks assumed with a high degree of certainty, meaning that the W&W Group and W&W AG always had sufficient economic and regulatory risk-bearing capacity.

The volatility of the capital markets has increased significantly in recent years in the face of massive political and economic risks, both in terms of the intensity and recurrence of adverse developments. This is currently accompanied by a weak macroeconomic environment, unclear interest rate and inflation trends and geopolitical tensions.

Against the backdrop of the economic and geopolitical environment and the volatility of the capital markets, there are risks for the entire financial sector and thus also for the W&W Group, which in our scenario calculations could lead to considerable economic loss risks and, in extreme scenarios, could even threaten the existence of the company.

Effects on the risk situation arise from economic and capital market risks particularly in the form of interest rate, equity, credit spread and inflation risks as well as counterparty risks.

Within the underwriting risks, natural disaster risks, which are influenced by climate change, are of particular relevance. Large or frequent natural disaster events can lead to higher claims expenses in terms of underwriting risk, but these can be reduced by reinsurance or by adjusting insurance rates. Higher deductibles lead to greater earnings volatility. In the long term, climate change will have an impact on the frequency and extent of damage from natural events and increase natural disaster risks. Württembergische Versicherung AG will maintain its cautious premium calculation and defensive reserves policy.

To strengthen information security, the company has continued and optimised its proactive approach to managing potentially increasing threats due to cyber attacks. Nevertheless, even the W&W Group cannot completely avoid potential cyber risks.

New regulatory requirements are implemented in our risk management system through cross-company or Group-wide projects. The requirements of increased regulation tie up considerable financial, technical and human resources and change the legal environment, which can result in significant cost and earnings risks.

In view of the existing uncertainties, particularly with regard to future geopolitical and economic developments, the possibility of negative effects on the financial, asset and risk situation cannot be ruled out.

Overall, however, the W&W Group is economically robust, This is manifested in our current risk-bearing capacity, particularly on the basis of our economic risk-bearing capacity model. Expanding the robustness of the W&W Group remains the subject of our ongoing risk management activities.

With respect to the defined risk horizon and the chosen confidence level, no risks were discernible as at the reporting date that could threaten the continued existence of the W&W Group or W&W AG.

Enhancements and planned measures

We account for changes in the internal and external framework conditions and their effects on the risk position of the Group and individual companies by constantly enhancing and improving our systems, procedures and processes.

Systematic advancement of the existing Group-wide risk management system is intended to ensure the stable, sustained development of the W&W Group also in future. In the 2025 financial year, we intend to continually and systematically extend the standards attained in our risk management system. For this purpose, we have defined a number of measures and projects in connection with our risk management process. In this regard, we are focussing on the following issues in particular:

- Regulatory issues: Adaptation to new and changing regulatory requirements,
- Sustainability: Further development of established management tools for dealing with sustainability risks in the W&W Group's risk management system,
- Risk-bearing capacity: Continuation of measures to ensure risk-bearing capacity, continuous further development of risk-bearing capacity concepts and models in a dynamic environment,
- Risk management system: Further development of the finance department's management processes,
- Process and data optimisation: Ongoing optimisation of processes and data processing in risk management

Overall, the W&W Group and W&W AG are adequately equipped to continue to successfully implement the internal and external risk management requirements.

Features of the internal control and risk management system in relation to the (Group) accounting process (report pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB))

The internal control and risk management system with regard to the (Group)accounting process comprises the principles, procedures and measures to ensure

- the effectiveness and profitability of business operations (this also includes protecting assets, including preventing and detecting any loss of assets),
- the correctness and reliability of internal and external financial accounting (IFRS and HGB) and
- compliance with the legal requirements applicable to the W&W Group and W&W AG.

The Executive Board bears overall responsibility for the internal control and risk management system with respect to the (Group) accounting process, as well as for preparing the consolidated financial statements and the combined management report, the condensed interim financial statements and interim management report and the annual financial statements of W&W AG.

In particular, the Executive Board has entrusted the Customer Data Protection and Operational Security department with responsibility for the system of process-integrated control procedures within the W&W Group. In particular, it is responsible for organising the process and reporting deviations to the Group Board Risk, Internal Audit and the compliance function of W&W AG.

The companies of the W&W Group are integrated into the process of preparing the financial statements via a clearly defined management and reporting organisation. The IFRS consolidated financial statements and parts of the combined management report are prepared, in particular, by the Group Accounting department. The annual financial statements of W&W AG and parts of the combined management report are prepared, in particular, by the Accounting department of Württembergische Versicherung AG under an agency relationship.

As a component of the internal control system, the Group Audit department reviews the effectiveness and suitability of the risk management and internal control systems in a risk-oriented and process-independent manner.

The Supervisory Board and, in particular, the Audit Committee monitor the (Group) accounting process and the (Group) audit of the financial statements as well as the effectiveness of the internal control system, the risk management system and internal auditing in the W&W Group and W&W AG.

In the W&W Group and at W&W AG, organisational measures have been adopted and procedures implemented that are designed to ensure that risks are monitored and managed with respect to the (Group) accounting process and that accounting is correct. Considered material are those components of the internal control and risk management system that could have an impact on whether the consolidated financial statements, the annual financial statements and the combined management report are in conformity with the rules and regulations. The material components are:

- Use of IT to depict and document internal controls, monitoring measures and effectiveness tests with respect to the (Group) accounting process,
- Use of IT to ensure the process for preparing the (Group) financial statements,
- Organisation manuals, internal and external accounting guidelines, and accounting manuals,
- Suitable quantitative and qualitative staffing resources in relation to the (Group) accounting process,
- Functions and tasks in all areas of the (Group) accounting process are clearly assigned, and the areas of responsibility and incompatible activities are clearly separated,
- Principle of dual control for material processes that are relevant to (Group) accounting, an access authorisation system for the systems related to (Group) accounting and programme-internal and manual plausibility checks in connection with the entire (Group) accounting process.

Business transactions and other circumstances are recognised and documented for the purposes of the consolidated and annual financial statements using a variety of systems, and they are booked via automated interfaces into accounts of a central system solution, taking into account the (Group) accounting guidelines. The main upstream systems are the SimCorpDimension securities management system, the portfolio management systems for insurance contracts and the home loan and savings bank, the commission settlement systems and the customer current accounts.

Information contained in the local accounting systems about business transactions and other circumstances at companies and investment funds is aggregated into Group reporting data for the purposes of preparing the consolidated financial statements. The accounting depiction of capital investments in a management system for the purposes of the consolidated and annual financial statements, as well as their transformation to Group reporting data, is handled centrally by Wüstenrot Bausparkasse AG in connection with a services agreement.

Group reporting data is supplemented with additional information to form standardised reporting packages at the level of the relevant fully consolidated company and subsequently checked for plausibility manually and in an automated manner.

The respective companies are responsible for the completeness and accuracy of the standardised reporting packages. The standardised reporting packages are then transferred centrally by the Group Accounting department to consolidation software and subjected to validation.

In this consolidation software , all consolidation steps for the preparation of the consolidated financial statements are carried out and documented by the Group accounting department . The individual consolidation steps contain plausibility checks and validations that are inherent in the system.

All quantitative information for the individual components of the consolidated financial statements, including the quantitative information in the notes, is mainly generated from this system solution.

Strengthening team spirit

We promote the exchange of ideas and experiences and create an environment in which people can inspire and motivate each other. This team spirit not only strengthens us, but also contributes to the satisfaction of our customers.

Outlook

Macroeconomic developments and relevant framework conditions are based on estimates of the company, which are derived from relevant analyses and publications of various well-respected business research institutes, Germany's federal government, the Bundesbank, Bloomberg consensus and industry and business associations.

Macroeconomic outlook

The economic outlook for the German economy remains cautious for 2025. The most important driver of growth is likely to be private consumer demand in view of real wage growth. However, due to the clouding of the labour market and ongoing geopolitical tensions, only weak consumer momentum is expected. Government demand is also likely to make a moderate contribution to economic growth, particularly if a reform of the debt brake expands the government's financial room for manoeuvre. Although the financial framework conditions for corporate investment have improved due to the easing of the ECB's interest rate policy, a subdued economic outlook and low capacity utilisation speak against a noticeable increase in investment. Foreign trade is also not expected to provide any significant impetus for growth due to the poorer competitive position of many German companies and in view of possible tariff increases by the new US government. To summarise, the Deutsche Bundesbank, for example, forecasts a very modest increase in gross domestic product of 0.2% for 2025.

Following the massive rise in inflation rates at the turn of the year 2022/23, overall inflation in 2024 has returned to the ECB's target value of 2%. Inflation in this area is on the horizon for 2025. While the price-dampening effects of the past quarters, in particular the favourable base effects in energy prices, will become less significant, the core inflation rate is showing signs of easing. The recovery in real wages that has already taken place and a moderate weakening of the German labour market suggest increasing wage moderation in 2025.

Short-term interest rates track key interest rates very closely. The ECB initiated a turnaround in monetary policy by lowering the key interest rate in June 2024. Further key interest rate cuts are expected in 2025. In the short-term maturity range, this indicates that interest rates will fall even further over the course of the year. In the long-term maturity range, the most likely scenario is that yields will change little. However, in the event of an unexpectedly pronounced economic downturn, e.g. as a result of geopolitical developments or renewed tensions in the eurozone, a significant fall in interest rates would be possible. In the event of an unexpectedly dynamic economic upturn, e.g. due to an end to the war in Ukraine, higher yields would be conceivable again.

An upward trend on the European stock markets in 2025 could be fuelled by the ECB's pending interest rate cuts and the business-friendly economic policy of the new US administration, which could also lead to rising share prices. In previous years, the major European companies have also proven that they can increase their profits in a subdued economic environment. On the other hand, important stock market indices, such as the DAX, are close to record highs. This is likely to increase the tendency of investors to take profits and sell shares at the first unfavourable news. The political environment could also be a burden for the European stock markets in view of possible tariff increases in the USA and ongoing military conflicts. Overall, limited price gains on the stock market are the most likely scenario for 2025. However, a significant drop in stock prices triggered by adverse economic or geopolitical developments cannot be ruled out. Surprisingly significant price gains would be conceivable in the event of an end to the war in Ukraine or an unexpectedly dynamic economic upturn.

Industry outlook

The initial situation for residential construction, individual construction projects, the transaction market for existing properties and the market for the (energy-efficient) refurbishment of residential buildings is differentiated. On the one hand, increased construction costs due to high regulatory standards and material prices as well as continued high financing costs due to interest rates are making conditions more difficult. On the other hand, lower property prices and statutory subsidies, particularly for energy-efficient renovations of residential buildings, are potentially stimulating the market. The Building Energy Act (GEG) and the associated subsidy guidelines for the federal subsidisation of energy-efficient buildings (BEG) brought more clarity. Demand for home loan savings contracts will pick up again slightly, partly due to the unchanged need to modernise existing properties and use of interest rate hedging.

The German Insurance Association (GDV) expects life insurance premiums to largely stagnate in 2025 for regular premiums and a slight increase in single-premium business. In the case of pension funds, a slight decline in premium development is expected for both regular premiums and single premium business.

In property and casualty insurance, GDV expects premium income to continue to grow strongly by 7.4% in 2025, mainly due to inflation-related catch-up effects. In the current environment, the forecast is still characterised by considerable uncertainty.

Company forecasts

Our forecasts are based on the estimates set out in the section "Macroeconomic forecast" and on our Group-wide planning process (see section "Management system"). We assume that overall economic development will be subdued and that inflation will remain largely constant compared to 2024.

For the year 2025, we expect interest rates to change only slightly, particularly in the long-term maturity range. At the same time, we are assuming limited price gains on the European equity markets and an improved but still burdened claims development compared to 2024. This will not yet return to the level of previous years. The inverse interest rate structure of recent years continues to burden the earnings situation of Wüstenrot Bausparkasse AG.

Overall, high economic and geopolitical risks remain. In addition, the development of losses, particularly from natural events, represents a further risk factor. A deterioration in the general conditions would also have an impact on the following forecasts. Due to measurement effects from fair value measurement in accordance with IFRS standards 9 and 17, there is a risk of potentially volatile earnings trends.

Future business performance of the W&W Group (IFRS)

Based on our estimates, we expect **consolidated net income** in the 2025 financial year to be significantly higher than in the previous year, particularly if claims development improves.

In the 2025 financial year, we expect **administrative expenses** (gross) in the Group to be slightly above the level of the year under review. The rising personnel costs should be largely offset by the targeted increase in productivity.

We plan to acquire at least 450,000 **new customers** in 2025.

Housing segment

For the 2025 financial year, we expect **segment net income after taxes** to be on a par with the year under review due to the expected interest rate trend in the Housing segment.

We are planning **administrative expenses** for the 2025 financial year at the level of the year under review. Increased personnel costs will be offset by reduced project expenses and lower contributions to the deposit guarantee scheme.

For **new construction financing business** (approvals), we expect a significant increase in the 2025 financial year compared to the previous year's level. Demand is being driven by the existing property market, lower property prices and lower interest rates compared to the peak levels of previous years. We also expect a significant increase in **net new home loan savings business** in the 2025 financial year compared to 2024. We intend to continue to focus on the opportunities to expand customer reach together with our cooperation partners. To this end, corresponding growth initiatives have been set up for all sales channels.

Life and Health Insurance segment

For the 2025 financial year, we expect **segment net income after taxes** in the Life and Health Insurance segment to be significantly higher than in the year under review. This is mainly due to a higher income from the contractual service margin (CSM) and an increase from the change in the risk adjustment as a result of a higher CoC rate at Württembergische Lebensversicherung AG.

We are planning **administrative expenses** (gross) to be moderately higher in 2025 than in the year under review, in particular due to rising personnel costs (including from pay rises) and higher project costs.

We expect **new business by total premium** to increase in the 2025 financial year compared to 2024, partly due to the promotion of occupational pension schemes.

Property/Casualty Insurance segment

In the 2025 financial year, we expect the claims situation in the Property/Casualty Insurance segment to normalise from and are planning a positive **segment result after taxes** well above the level of the year under review.

Due to a targeted increase in productivity, **administrative expenses** (gross) are expected to remain stable at the previous year's level despite further premium growth.

We are continuing to focus more strongly on sales in profitable sectors and therefore expect **new and replacement business** (by annual contribution to the portfolio) to remain at the previous year's level in the 2025 financial year.

Future business performance of W&W AG (HGB)

Due to its structure as a holding company, W&W AG's net income for the year in accordance with the HGB is determined by the dividends and profit transfers from subsidiaries and participating interests.

In the 2025 financial year, we are planning **net income for the year in accordance with the German Commercial Code (HGB)** to be slightly higher than in the previous year, particularly if claims development improves.

Forward-looking statements

This management report and in particular the forecast report contain forward-looking statements and information.

These forward-looking statements constitute estimates that were made on the basis of information that is available at the present time and is considered to be material. They may involve known and unknown risks as well as uncertainties and opportunities. Because of the variety of factors that influence our business operations, actual results may differ from those currently anticipated.

Therefore we can assume no liability for the forward-looking statements.

Other disclosures

Disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB)

Pursuant to Sections 289a and 315a HGB, we are required to make the following statements as at 31 December 2024, provided they are relevant to Wüstenrot & Württembergische AG:

Composition of subscribed capital

The share capital of W&W AG amounts to €490,311,035.60 and is divided into 93,749,720 registered no-par-value shares that are fully paid in.

A total of 1,142 shares are covered by the exclusion of voting rights the meaning of Section 136 (1) of the German Stock Corporation Act (AktG) since they are held by members of the Supervisory Board and Executive Board. W&W AG holds a total of 101,879 treasury shares. Pursuant to Section 71b AktG, W&W AG is not entitled to any rights in connection with treasury shares. A total of 253,985 employee shares are subject to a restriction on sale. For 86,334 employee shares, the restriction applies until April/May 2025, for 85,195 employee shares until April/May 2026 and for 82,456 employee shares until April/May 2027. The restriction on disposal begins on the date on which the acquired employee shares are entered in the employees' securities accounts. There are no further restrictions affecting voting rights or the transfer of the registered shares. Each share entitles the holder thereof to one vote at the Annual General Meeting. The amount of the company's profit to which shareholders are entitled is determined in accordance with the proportion of the share capital that they hold (Section 60 AktG). in the event of an increase of the share capital , the profit participation of new shares can be determined in deviation from Section 60 (2) AktG.

Pursuant to Article 5 (3) of the Articles of Association, no shareholder is entitled to issuance of a share certificate.

The shareholder structure of W&W AG, Kornwestheim, remained stable over the course of the year under review. The non-profit Wüstenrot Foundation, Gemeinschaft der Freunde Deutscher Eigenheimverein e.V., Ludwigsburg, holds an indirect interest in W&W AG totalling 67.38% via two holding companies. WS Holding AG, Stuttgart, holds 27.47% and Wüstenrot Holding AG, Ludwigsburg, 39.91% of these shares. The other major shareholder of W&W AG is FS BW Holding GmbH, Munich, with more than 10% of the shares. Of the issued shares, 0.11% are non-voting treasury shares.

There are no shares carrying special rights with powers of control. There are no voting rights mechanisms relating to employee participation schemes.

Provisions concerning the appointment and removal of Executive Board members and the amendment of the Articles of Association

Members of the Executive Board are appointed and dismissed in accordance with Article 6 (1) of the Articles of Association, Sections 84 and 85 AktG in conjunction with Section 31 of the German Codetermination Act (MitbestG) and Sections 24 and 47 of the German Act on the Supervision of Insurance Undertakings (VAG). Amendments to the Articles of Association take place in accordance with Sections 124 (2) sentence 3, 133 (1) and 179 et seqq. AktG, in accordance with Article 18 (2) of the Articles of Association in conjunction with Section 179 (2) sentence 2 AktG, resolutions to amend the Articles of Association are passed by the Annual General Meeting with a simple majority of the share capital represented at the vote, unless otherwise required by law, e.g. for a change to the company's purpose. In accordance with Section 179 (1) sentence 2 AktG in conjunction with Article 10 (10) of the Articles of Association, the Supervisory Board is authorised to resolve amendments to the Articles of Association which only affect the wording. The Executive Board has no powers over and above the general statutory rights and duties of a management board under German law of stock corporations.

Powers of the Executive Board to issue shares

Authorised Capital 2024

Pursuant to Article 5 (5) of the Articles of Association, the Executive Board is authorised to increase the company's share capital, on one or more occasions on or before 13 May 2029, by up to €100,000,000.00 via issuance of new registered no-par-value shares in exchange for cash or contributions in kind, subject to approval by the Supervisory Board (Authorised Capital 2024). Shareholders are entitled to a statutory subscription right. Shareholders may also be accorded the statutory subscription right by having one or more credit institutions or companies equivalent thereto pursuant to Section 186 (5) of the German Stock Corporation Act (AktG) subscribe to the new shares under an obligation to offer them to shareholders for subscription (indirect subscription right). Subject to approval by the Supervisory Board, the Executive Board is however authorised to preclude shareholders from exercising the statutory subscription right in the following cases:

- for fractional amounts; or
- in the case of capital increases in exchange for contributions in kind, in order to be able to offer the new shares in connection with company mergers or in the case of the direct or indirect acquisition of companies, parts of companies or participating interests in companies or for the direct or indirect acquisition of other assets (including claims, also to the extent that they are directed against the company or subordinate group companies); or
- if, pursuant to Section 186 (3) sentence 4 AktG, new shares are issued in exchange for cash at a price that is not significantly below the stock exchange price of the shares that are already listed and the pro rata amount of the new shares does not exceed 20% of the share capital at the time this authorisation is recorded in the commercial register or, if less, at the relevant time the authorisation was exercised. Counting towards the 20% limit are other shares that may have been newly issued or, following buyback, resold by the company during the term of this authorisation under preclusion of the subscription right or, in accordance with Section 186 (3) sentence 4 AktG, in connection with a cash capital increase. Also counting towards the 20% limit are shares with respect to which a warrant or conversion right, a warrant or conversion obligation, or a right in favour of the company to delivery of shares exists on account of warrant bonds, convertible bonds or profit participation certificates with warrant or conversion rights or obligations, or rights in favour of the company to delivery of shares that had been issued by the company or its subordinate Group companies during the term of this authorisation under preclusion of the subscription right pursuant to Section 221 (4) sentence 2 conjunction with Section 186 (3) sentence 4 AktG; or
- insofar as it is necessary in order to grant holders or creditors of warrant rights or convertible bonds or profit participation rights with conversion rights that have been or will be issued by the company or its subordinate Group companies a right to subscribe to new shares to the extent to which they would be entitled after exercising warrant rights, conversion rights or rights to delivery of shares or after satisfying warrant or conversion obligations.

Subject to approval by the Supervisory Board, the Executive Board is authorised to specify the profit participation of the new shares in derogation from Section 60 (2) AktG and to stipulate the further details of capital increases out of Authorised Capital 2024 and their implementation, including the issue price and the contribution to be paid for the new no-par-value shares. The Supervisory Board is authorised to modify the wording of the Articles of Association after implementation of an increase of the share capital out of Authorised Capital 2024 to conform to the respective increase of the share capital, as well as after expiry of the term of the authorisation.

Contingent Capital 2024/Authorisation to issue warrant bonds, convertible bonds, profit participation certificates, profit participation bonds or a combination of these instruments

By resolution adopted at the Annual General Meeting on 14 May 2024, the Executive Board was authorised to issue warrant bonds, convertible bonds, participation rights, profit participation bonds or a combination of these instruments on or before 13 May 2029. Article 5 (6) of the Articles of Association accordingly provides that the share capital is contingently increased by at most €240,000,003.46, divided into at most 45,889,102 no-par-value registered shares (Contingent Capital 2024). The contingent capital increase is to be implemented only if

- the holders or creditors of option or conversion rights or those obliged to exercise the option or conversion from bonds or profit participation rights issued or guaranteed by the company or a subordinate Group company of the company by 13 May 2029 on the basis of the authorisation of the Executive Board by resolution of the Annual General Meeting on 14 May 2024; or
- the holders or creditors of bonds or participation rights issued or guaranteed by the company or a subordinate Group company of the company by 13 May 2029 on the basis of the authorisation of the Executive Board by resolution of the Annual General Meeting on 14 May 2024 are obliged to exercise the option or conversion and fulfil this obligation; or
- the company exercises an option to deliver shares in the company to the holders or creditors of bonds or profit participation rights issued or guaranteed by the company or a subordinate Group company of the company by 13 May 2029 on the basis of the authorisation of the Executive Board by resolution of the Annual General Meeting on 14 May 2024 instead of payment of

the cash amount due, in whole or in part, and insofar as no cash settlement is granted or shares from authorised capital, treasury shares or shares in another listed company are used to service the bonds or profit participation rights. The new shares are to be issued at the warrant or conversion price to be stipulated in accordance with the aforementioned authorisation resolution of 14 May 2024. The new shares participate in profit from the start of the financial year in which they come about. To the extent permitted by law, and subject to approval by the Supervisory Board, the Executive Board is authorised to stipulate that in the event that, at the time of issue, a resolution on appropriation of profit has not been adopted for the financial year immediately preceding the year of issue, the new shares are to participate in profit from the start of the financial year immediately preceding the year of issue. Subject to approval by the Supervisory Board, the Executive Board is further authorised to stipulate the further details of the implementation of the contingent capital increase. Use may be made of the authorisation granted by resolution of the Annual General Meeting on 14 May 2024 to issue warrant bonds, convertible bonds and profit participation rights only if the warrant bonds, convertible bonds or profit participation rights are structured in such a way that the capital that is paid in for them satisfies the supervisory requirements in effect at the time the authorisation is used for eligibility as own funds at the level of the company and/or the Group and/or the financial conglomerate and does not exceed any intake limits. Furthermore, use may be made of the authorisation granted by resolution of the Annual General Meeting on 14 May 2024 to permit subordinate Group companies to issue warrant bonds, convertible bonds and profit participation rights and have them guaranteed by the company if this is permissible under the supervisory provisions applying in each case.

Authorisation to purchase and use own shares

By resolution of the Annual General Meeting of 25 May 2022, the Executive Board was authorised pursuant to Section 71 (1), no. 8 of the German Stock Corporation Act (AktG) until 24 May 2027 to purchase own shares with the approval of the Supervisory Board in an amount of up to 10% of the share capital in existence at the time of adoption of the resolution or – if this value is lower – of the share capital in existence at the time of exercise of the authorisation and to use such shares for other purposes. Together with other treasury shares held by the company or attributable to it in accordance with Sections 71a et seqq. AktG, these shares may at no time account for more than 10% of the share capital. The shares purchased pursuant to this authorisation may be used under exclusion of the subscription right of other shareholders for all legally permissible purposes, including those specified in the authorisation.

Change-of-control agreements

There are no material agreements of W&W AG or of W&W AG as parent company that are subject to the condition of a change of control as a result of a takeover offer.

Change-of-control remuneration agreements

Also, no remuneration agreements have been concluded with members of the Executive Board or employees covering the case of a takeover offer.

Corporate governance statement

Wüstenrot & Württembergische AG (W&W AG) hereby provides insight into its corporate governance practices as part of the corporate governance statement pursuant to Section 289f HGB and for the W&W Group pursuant to Section 315d HGB in conjunction with Section 289f HGB. Throughout the W&W Group, corporate governance stands for responsible corporate management and control geared towards long-term value creation. We seek to affirm and continuously strengthen the trust placed in us by customers, investors, financial markets, business partners, employees and the public. Important factors in this regard are good relationships with shareholders, transparent and timely reporting, and effective and constructive collaboration between the Executive Board and the Supervisory Board.

In doing so, we are guided by our corporate values. We have set out our principles of behaviour in our Code of Conduct, which can be viewed at https://www.ww-ag.com/de/ueber-uns/compliance. In addition to complying with binding legal requirements, we also consider ethically impeccable behaviour to be part of corporate governance. Like the German Corporate Governance Code (GCGC), our basic concept of correct behaviour is based on the model of the honourable businessman.

In 2007, BaFin identified a financial conglomerate consisting of Wüstenrot Holding AG, Ludwigsburg, which at that time held approx. 66% of the shares in W&W AG, and associated companies of Wüstenrot Holding AG. In this regard, W&W AG was defined as the superordinate financial conglomerate undertaking. With the spin-off of WS Holding AG from Wüstenrot Holding AG in August 2016, the financial conglomerate now consists of W&W AG and the affiliates of W&W AG.

The insurance group of W&W AG is covered by the scope of Solvency II and thus is likewise subject to supervision by BaFin. W&W AG is the ultimate parent undertaking of the Solvency II Group of W&W AG.

Statement of compliance by Wüstenrot & Württembergische AG with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Act (AktG) of December 2024

The German Corporate Governance Code (GCGC) contains principles, recommendations and suggestions for the management and supervision of a company in its own interests. We support this approach and particularly welcome the GCGC's focus not only on legal standards, but also on ethical and moral standards in particular. We are convinced that observing these parameters is also crucial to the success of a company. The existing deviations of our Group from the recommendations of the GCGC are therefore not to be understood as a rejection of the associated objectives, but are solely due to the special business characteristics of our Group. As a generally applicable code, the GCGC cannot reflect these special features, which is why the preamble to the GCGC already points out that a deviation from the recommendations of the Code may be in the interests of good corporate governance if there are appropriate reasons. The Executive Board and Supervisory Board of W&W AG are convinced that this is the case in every instance of deviation from the recommendations. The material reasons for any deviation are set out in the following declaration of compliance in accordance with Section 161 AktG. Having said this, the Executive Board and the Supervisory Board of W&W AG declare the following:

W&W AG has complied with the recommendations of the Government Commission on the German Corporate Governance Code in the version dated 28 April 2022 published by the Federal Ministry of Justice in the official section of the Federal Gazette since the last Declaration of Conformity was issued on 13 December 2024 or, insofar as the Declaration of Conformity was updated in May 2024, since this date and will continue to comply with them in future, with the following exceptions:

According to Recommendation F.2 clause 2 of the Code, financial information during the year, including quarterly group statements, should be publicly accessible within 45 days of the end of the respective reporting period. This recommendation was deviated from due to the initial uncertainties associated with the implementation of the accounting standard IFRS 17 "Insurance Contracts", which was to be applied for the first time in 2023. These initial uncertainties have since disappeared. Wüstenrot & Württembergische AG therefore now complies with Recommendation F.2 clause 2 of the Code.

Contrary to Recommendation G.10 sentence 1 of the Code, the variable remuneration amounts granted to the Executive Board are not predominantly invested in shares of the company or granted on a share-based basis, taking into account the respective tax burden. The remuneration system for members of the Executive Board of Wüstenrot & Württembergische AG provides a variety of incentives to ensure that members of the Executive Board orient their actions towards sustainable and long-term corporate development. An additional investment of variable remuneration amounts in shares of the company or a share-based granting of variable remuneration amounts therefore does not appear necessary.

Contrary to Recommendation G.15 of the Code, any remuneration received by members of the Executive Board for Supervisory Board mandates within the Group has so far not been offset against their remuneration as Executive Board members. At its meeting on 23 September 2024, the Supervisory Board resolved that in future, in the case of new appointments or reappointments, the remuneration from the assumption of Group-internal Supervisory Board mandates by the members of the Executive Board is to be offset against their Executive Board remuneration. The remuneration system is to be adjusted accordingly by the Supervisory Board in March 2025 and submitted to the Annual General Meeting for approval in May 2025. Accordingly, Recommendation G.15 of the Code is to be complied with in future when concluding new and extending existing Executive Board contracts.

Further information on corporate governance practices

In addition to the provisions of the GCGC and the statutory requirements, W&W AG works towards the best possible corporate governance and organisation with a large number of additional instruments.

A Group-wide compliance management system ensures compliance with legal and regulatory national and European provisions as well as internal company regulations. This includes all measures and processes set up in the W&W Group to monitor compliance with regulations. The compliance function is a key component of the W&W compliance management system and the W&W compliance organisation; it is embedded in the W&W governance systemand is part of the internal control system of the W&W Group.

In addition to the compliance function and the compliance officer, separate compliance officers and contact persons are appointed for subsidiaries in individual cases, but they are in close contact with the W&W Group's compliance officer. To continuously optimise integrity in the exclusive sales organisations of the W&W Group, the compliance function is supported by salescompliance officers from both the Housing and Insurance divisions. They each take into account their own sales-specific specialities and are available as separate contacts and coordinators specifically for sales topics.

A compliance control loop has been established in the W&W Group to take account of the relevant regulatory requirements on the one hand and to avoid unlawful behaviour on the other. The compliance function is responsible for monitoring compliance with identified relevant and material legal obligations and working towards their fulfilment. It coordinates the operational implementation of the compliance control loop and the management of rule violations. The overall process is controlled and implemented in a standardised manner, in particular by means of a software-based workflow procedure involving various internal and external sources of information.

A Group Compliance Committee has been set up asthe basis for a regular exchange of information andto increase efficiency . It meets regularly at the invitation of the Compliance function and is made up of representatives from all compliance-relevant areas (including Group legal, risk management/controlling, Internal Audit, Group accounting, taxes, sales compliance, fraud and money laundering prevention, securities compliance, data protection/information security, outsourcing management). In addition, important compliance-related findings and issues are regularly reported to the Executive Board and Supervisory Board. Furthermore, employees at all hierarchical levels of the W&W Group receive regular and ad hoc training on compliance issues.

In order to provide the employees of the W&W Group with binding guidance for their daily actions when implementing external and internal legal requirements - also with regard to ethically impeccable behaviour - there is a Code of Conduct at, which is updated on an ongoing basis. This defines the minimum standard that governs the interaction between all employees of the W&W Group as well as exchanges with customers, competitors, business partners, authorities and shareholders. It is made available upon commencement of employment in the W&W Group and is a central element of the compliance culture. A supplementary handbook explains the provisions of the Code using specific examples and illustrates possible conflict situations and the correct way to deal with them. The W&W Group's Code of Conduct can be viewed at https://www.ww-ag.com/de/ueber-uns/compliance. There are also special codes of conduct for the sales organisations in both the Housing and Insurance divisions. In order to create a uniform understanding of the Code of Conduct throughout the W&W Group, comparable regulations were implemented at the Irish subsidiary.

Together with its subsidiaries that conduct the primary insurance business, W&W AG has acceded to the "Code of Conduct for the Sale of Insurance Products" enacted by the German Insurance Association (GDV). Since the GDV Code was amended on 25 September 2018, it has been reviewed every three years to determine whether its provisions have been incorporated into the company's own (internal) regulations and are being practised. The review by independent bodies provided for in the Code of Conduct was last carried out in the period from January to March 2023. The Code and the audit reports can be viewed at www.gdv.de/gdv-en.

Employees of the W&W Group and third parties have access to a centralised whistleblower system located within the Compliance function, in addition to other contact points. This serves to identify and combat irregularities caused by violations of legal or internal company requirements. Corresponding information can be submitted to the compliance function while maintaining confidentiality. Anonymous reports are also made possible, in particular through an additional reporting channel to the compliance function in the form of an online reporting system.

The W&W Group conducts its business in a sustainable manner. As a financial planning specialist in the areas of financial security, residential property ownership, risk protection and savings and investment, we generate sustainable growth that retains value. This understanding is not only part of W&W's business strategy, but has also been made explicitly binding in W&W AG's sustainability strategy. This includes specific fields of action in which targets and measures are defined that serve to realise the W&W Group's sustainability ambitions. In addition, the W&W Group has established a Code of Conduct "Sustainability", which defines certain sustainability standards and on the basis of which the W&W Group works with suppliers, service providers and business partners. The Code of Conduct "Sustainability" and an overview of our sustainability activities can be viewed at www.ww-ag.com/en/about-us/Sustainability.

Comprehensive sustainability management is anchored in the Group Development department in order to further intensify the W&W Group's sustainability activities and meet the increasing requirements. As part of this process, a Sustainability Board was also established, which is made up of the Sustainability Officer (Chair of the Sustainability Board), members of the Executive Board of W&W AG, the sustainability coordinators of the business segments and managers from various areas of the Group. The Sustainability Board analyses social developments and trends relating to sustainability on a quarterly basis, assesses the strategic direction against the background of current and expected standards and regulations and initiates and supports the resulting sustainability activities.

By signing the Principles for Sustainable Insurance and the Principles for Responsible Investment, the W&W Group is emphasising its sustainability activities. With these contributions, the W&W Group is increasingly anchoring environmental, social and corporate governance aspects (Environmental, Social, Governance, in short: ESG) in the insurance business and also emphasises the sustainable orientation of its investment business.

In addition, the W&W Group is committed to promoting diversity within the company by signing the "Diversity Charter". In this way, the W&W Group aims to work even more actively to create a respectful working environment for all employees - regardless of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and ideology, sexual orientation and social background.

Further information on the W&W Group's voluntary commitments can be found at www.ww-ag.com/en/about-us/Sustainability.

Structure of W&W AG

As a German stock corporation, W&W AG has the following bodies: the Annual General Meeting, the Executive Board and the Supervisory Board. Their duties and powers are derived from the law, the Articles of Association, the rules of procedure, the right of codetermination and the company's internal regulations.

In addition, special supervisory regulations of the insurance and banking supervisory authorities apply, which supplement and modify the general requirements for business organisation, qualifications of the Executive Board, Supervisory Board and other persons.

Annual General Meeting

The Annual General Meeting resolves, in particular, on the discharge of the members of the Executive Board and Supervisory Board, the appropriation of net profit, the election of the auditor, the election of shareholder representatives to the Supervisory Board, the remuneration system for members of the Executive Board, amendments to the Articles of Association and capital measures.

The Annual General Meeting on 14 May 2024 was held as a virtual Annual General Meeting, i.e. without the physical presence of shareholders or their proxies (with the exception of the proxies appointed by the company).

All persons who are entered in the share register as shareholders and who have registered for the Annual General Meeting are authorised to attend the Annual General Meeting of W&W AG and to exercise their voting rights. Each share entitles the holder thereof to one vote at the Annual General Meeting. Shareholders were able to exercise their voting rights by postal vote or by issuing instructions to the company's proxies. Registered shareholders were able to follow the Annual General Meeting in full via the company's online service. The Annual General Meeting adopted all resolutions and election proposals put forward by the Executive Board and Supervisory Board. The voting results are published on the company's website at www.ww-ag.com/de/investor-relations/aktie/hauptversammlung-ww-ag.

Executive Board

The Executive Board manages W&W AG on its own responsibility with the aim of sustainable valuation creation for the benefit of the W&W Group. It represents the company in transactions with third parties.

The Executive Board of W&W AG consisted of four members until 30 June 2024; since 1 July 2024, it has consisted of three members.

Members of the Executive Board
Jürgen A. Junker (Chair)
Alexander Mayer
Jürgen Steffan (until 30 June 2024)
Jens Wieland

Tasks and working methods of the Executive Board

The main tasks of the Executive Board have to do with strategic alignment and control of the W&W Group, including maintaining and monitoring an efficient risk management system. The Executive Board ensures that an appropriate and effective internal auditing and control system is in place. The Executive Board determines the strategies, ensures that the company has an organisational and operational structure that is suitable and transparent and sets company policy. Bylaws address in detail how the activities of the Executive Board are structured.

The central governance bodies in the W&W Group are: the Management Board, the BSW Board meeting, the Insurance Division Board and the Group Boards. The Executive Board of W&W AG forms the Management Board together with the heads of the Housing and Insurance divisions. The Management Board is the central management body of the W&W Group, which deals with Group management and the definition and further development of the business strategy for the W&W Group, among other things. In addition, the Management Board serves as a forum for professional dialogue between the Executive Board and the heads of the divisions in the integration of the divisions into the Group strategy. The Management Board holds regular meetings, which are to take place at least twice per month. Those meetings are simultaneously considered to be meetings of the W&W AG Executive Board.

The BSW Board meeting and the Insurance Division Board coordinate and decide on issues specific to the divisions. They meet at least once per month, and those meetings are simultaneously considered to be meetings of the Executive Boards of the individual companies. The Group Boards coordinate cross-divisional initiatives in the areas of sales, risk, capital investments and human resources.

Due to its small size, the Executive Board of W&W AG does not have any committees.

The Chair of the Executive Board is in charge of the collaboration between the Executive Board and the Supervisory Board. He maintains regular contact with the Chair of the Supervisory Board and discusses the company's strategy, business development, risk situation, risk management and compliance with him. He promptly notifies the Chair of the Supervisory Board about important events that are of major significance for the assessment of the undertaking's position and performance, as well as for its management. The Executive Board coordinates with the Supervisory Board on the strategic alignment of W&W AG and the W&W Group. In addition, the Executive Board regularly reports to the Supervisory Board in a timely and comprehensive manner about all issues of relevance to W&W AG and the W&W Group concerning strategy, planning, business performance, risk position, risk management and compliance. Details are addressed in the Executive Board bylaws.

In view of the special features of the Housing and Insurance divisions, as well as the common Group perspective, it is necessary for members of the Executive Board of W&W AG to have demonstrated experience, professional knowledge and expertise in the areas of insurance, banking and home loan savings banking, as well as extensive management experience. All Executive Board members satisfy these criteria. This ensures that Executive Board members will meet the comprehensive fit-and-proper requirements under supervisory law.

Diversity concept and information on gender-specific targets, minimum staffing levels and their achievement

As part of the diversity concept established by the Supervisory Board for the Executive Board, W&W AG is to strive to achieve sufficient diversity on the Executive Board in terms of gender, age and professional background, expertise and experience. In accordance with the provisions of stock corporation law, the Executive Board of W&W AG had to include at least one woman and at least one man for as long as the Executive Board consisted of four members, i.e. until 30 June 2024. W&W AG has not complied with this requirement, as there are no women on the Executive Board. However, due to a transitional provision, the statutory minimum shareholding requirement only applies from the next appointment or reappointment of an Executive Board member. Jürgen Steffan stepped down from the Executive Board at the end of 30 June 2024. Since then, the Executive Board has consisted of three members. There were no other changes to the Executive Board in the year under review. Since the statutory participation requirement for the Executive Board consisting of three members has no longer applied since 1 July 2024, the Supervisory Board has set the target proportion of women on the Executive Board at a minimum of one woman. This proportion of women is to be achieved by 30 June 2029. In addition, attention must be paid to compliance with the age limit of 65 provided for as a target requirement in Section 1 (4) of the Executive Board bylaws. No current Executive Board member is older than age 65. The members of the Executive Board should complement one another in terms of their background and professional experience and expertise, such that proper company guidance is assured. This is reviewed and determined by the Personnel Committee and the Supervisory Board once a year.

Working together with the Executive Board, the Supervisory Board provides for long-term succession planning. When, as part of senior management development, the Executive Board identifies potential candidates for a manager position, it forwards their names to the Chair of the Supervisory Board. The Personnel Committee also includes these candidates in its regular discussion of long-term succession planning for the Executive Board. In doing do, it takes into account the company's senior management planning.

The Executive Board has set a target quota of 30% women for the first and second management levels below the Executive Board with a target deadline of 30 June 2027.

Supervisory board

Since 14 May 2024, the Supervisory Board of W&W AG has consistedof a total of twelve members in accordance with the statutory requirements of the German Codetermination Act (MitbestG), six of whom are shareholder representatives and six of whom are employee representatives.

Members of the Supervisory Board: Overview of qualifications

	Period of affiliation	Personal suitability			Diversity	
	Entry date (month/year)	Regulatory requirement	Independence	No overboarding[1]	Gender	Year of birth
Shareholder representatives						
Dr Michael Gutjahr (Chair)	9/2022	√	√	√	Male	1957
Dr Frank Ellenbürger	5/2021	√	√	√	Male	1960
Prof. Dr Nadine Gatzert	6/2018	√	√	√	Female	1979
Dr Wolfgang Salzberger	9/2022	√	√	√	Male	1963
Jutta Stöcker	6/2016	√	√	√	Female	1954
Edith Weymayr	9/2022	√	√	√	Female	1964
Employee representatives						
Frank Weber (Deputy Chair) Chair)	6/2006	√	-	√	Male	1966
Hartmut Bader	5/2024	√	-	√	Male	1967
Jutta Eberle	5/2021	√	-	√	Female	1973
Bernd Mader	6/2016	√	-	√	Male	1968
Andreas Rothbauer	6/2011	√	-	√	Male	1964
Petra Sadowski	5/2024	√	-	√	Female	1963

1 In accordance with the German Corporate Governance Code
√ Criterion met. The criteria for professional suitability are based on an annual self-assessment by the Supervisory Board. A tick means at least "good knowledge" and thus the ability to understand the relevant issues and make informed decisions on the basis of existing qualifications and the training measures regularly attended by all Supervisory Board members. On a scale of A-E, this corresponds to a rating of at least B.
The overview also serves to fulfil the disclosure requirement in accordance with ESRS 2.21 c) in the disclosure requirement GOV-1 – The role of the administrative, management and supervisory bodies with regard to the relevant experience of the members of the Supervisory Board.

Professional suitability										
Insurance technology	Capital investment	Invoicing	Audit	Banking/home loan savings banking	IT/digital transformation	Human resources	Risk management	Sustainability	Strategy/ corporate management/ controlling	Supervisory law/ regulations/ auditing
√	√	√	√	√	√	√	√	√	√	√
√	√	√	√	√	√	√	√	√	√	√
√	√	√	√	√	√	√	√	√	√	√
√	√	√	√	√	-	√	√	√	√	√
√	√	√	√	√	√	√	√	√	√	√
-	√	√	√	√	√	√	√	√	√	√
√	√	√	√	√	√	√	√	√	√	√
√	√	√	-	-	√	-	-	-	-	-
√	√	-	-	√	√	√	-	√	√	-
√	-	√	-	√	√	√	√	-	√	-
-	√	√	√	√	√	√	-	√	√	√
-	√	√	√	√	√	√	√	√	-	-

The Supervisory Board strives for a composition that ensures that the Executive Board of W&W AG will receive qualified supervision and advice. Therefore, special requirements are placed on Supervisory Board members with respect to their qualification, aptitude and independence. These aims take into account the statutory requirements concerning the composition of the Supervisory Board and the corresponding recommendations of the German Corporate Governance Code. In addition to these personal requirements for each individual Supervisory Board member, an expertise profile and a diversity concept are in place for the body as a whole.

In view of the Housing and Insurance divisions and the common Group perspective, the candidates nominated by the Supervisory Board for election to the body are evaluated in terms of their expertise, experience and professional knowledge, particularly in the sectors of insurance, banking and home loan savings banking, as well as their individual abilities. Other criteria for Supervisory Board nominees who are proposed to the Annual General Meeting include whether the candidates are independent and have sufficient time to carry out their duties.

In the opinion of the shareholder representatives on the Supervisory Board, all shareholder representatives on the Supervisory Board are independent.

Going forward as well, an appropriate number of independent members will belong to the Supervisory Board.

Tasks and working methods of the Supervisory Board

The more detailed organisation of the activities of the Supervisory Board is governed by bylaws. The Supervisory Board holds at least two meetings in each calendar half-year. It also meets when necessary. Four ordinary meetings and one constituent meeting were held in the 2024 financial year. The Supervisory Board also met for a joint strategy meeting.

The Supervisory Board regularly reviews the efficiency of its work. The last efficiency audit was carried out in the 2024 financial year. Supervisory Board work was reviewed on the basis of an internally prepared questionnaire. The focus was on the issues of Supervisory Board and committee information, conduct of Supervisory Board and committee meetings, structure and composition of the Supervisory Board and the committees and conflicts of interest/miscellaneous.

Conflicts of interest, particularly those that may arise because of giving advice to or serving on governing bodies of customers, suppliers, lenders or other third parties, are disclosed to the (Chair of the) Supervisory Board and noted in the report of the Supervisory Board.

Committees of the Supervisory Board

The Supervisory Board of W&W AG established four standing committees in the 2024 financial year, namely the Risk and Audit Committee, the Nomination Committee, the Personnel Committee and the Mediation Committee.

Risk and Audit Committee

The Risk and Audit Committee meets twice a year to prepare for Supervisory Board meetings that deal with the balance sheet and planning. In addition, it discusses half-year financial reports with the Executive Board at a further meeting. It also meets when necessary. The Risk and Audit Committee met three times during the 2024 financial year.

The Risk and Audit Committee concerns itself with accounting issues and the monitoring of the accounting process. It prepares the decisions of the Supervisory Board regarding the approval of the annual financial statements and the consolidated financial statements, the result of the auditing of the management report and the Group management report or, as the case may be, a combined management report, and the proposal for the appropriation of profit, as well as regarding submission of the corporate governance statement with the corporate governance report, including the remuneration report, and regarding the audit of the separate non-financial Group report. For this purpose, it is responsible for the advance review and, if necessary, preparation of the corresponding documentation. The auditor participates in these committee meetings and discusses the audit risk assessment, audit strategy, audit planning and audit results with the Risk and Audit Committee.

The responsibilities of the Risk and Audit Committee also include monitoring the effectiveness of the internal control system, the risk management system and the internal auditing system, as well as dealing with issues involving the auditing of financial statements and compliance. In addition, it advises the Supervisory Board on current and future overall risk tolerance and business and risk strategies at the company and Group level and supports it in monitoring the implementation of these strategies. The

Executive Board also reports to the Risk and Audit Committee on the risk situation of the company and the W&W-Group. The Risk and Audit Committee also receives reports on the work of Internal Audit and Compliance, in particular on the audit plan, particularly serious findings and their resolution. Each member of the Risk and Audit Committee can contact the heads of the central departments responsible for the tasks of the Risk and Audit Committee in accordance with section 107 (3) sentence 2 AktG directly via the committee chair; the Executive Board must be informed of this immediately. The committee chair informs all members of the Risk and Audit Committee of the information obtained.

The Supervisory Board's proposal to the Annual General Meeting for the election of the auditor is based on the recommendation of the Risk and Audit Committee.

The Risk and Audit Committee decides on the agreement with the auditor (in particular, the audit mandate, the specification of the main audit areas and the fee agreement), as well as on termination or continuation of the audit mandate. It adopts suitable measures in order to ascertain and monitor the independence of the auditor and the additional services provided by the auditor for the company. The Risk and Audit Committee can submit recommendations and proposals for ensuring the integrity of the accounting process. In addition, the Risk and Audit Committee regularly assesses the quality of the audit. The Supervisory Board supports the Executive Board in monitoring the implementation of statutory audits of accounts.

Furthermore, the Risk and Audit Committee supports the Supervisory Board in monitoring the swift rectification by the Executive Board of any deficiencies identified by the auditor.

The Risk and Audit Committee regularly consults with the auditor, also in the absence of the Executive Board. The Chair of the Risk and Audit Committee regularly discusses the progress of the audit with the auditor and reports on this to the committee.

The Risk and Audit Committee consists of six members, three of whom are shareholder representatives and three of whom are employee representatives. The members of the Risk and Audit Committee as a whole are familiar with the sector in which the company operates. According to the German Stock Corporation Act, at least one member of the Supervisory Board and the Audit Committee must have expertise in the field of accounting and at least one other member of the Supervisory Board and the Audit Committee must have expertise in the field of auditing. According to the German Corporate Governance Code, expertise in the field of accounting should consist of specialised knowledge and experience in the application of accounting principles and internal control and risk management systems and expertise in the field of auditing should consist of specialised knowledge and experience in auditing. Accounting and auditing also includes sustainability reporting and its audit.

The Supervisory Board and its Risk and Audit Committee each include Dr Wolfgang Salzberger, a member with expertise in the field of accounting, and Dr Frank Ellenbürger, Chair of the Risk and Audit Committee, another member with expertise in the field of auditing.

As part of his professional career, Dr Wolfgang Salzberger has worked for many years as Chief Financial Officer for a German investment company and therefore has special knowledge and experience in the application of accounting principles and internal control and risk management systems, including sustainability reporting. The role of Chief Financial Officer of an investment company involves dealing with non-financial aspects and reporting on them. He has presented his specialised knowledge and experience in the application of internal control and risk management systems in numerous publications. Dr Wolfgang Salzberger was also a contract professor for accounting at the Free University of Bolzano and for general business administration at the University of Essen for many years.

Dr Wolfgang Salzberger follows and supports current developments in the field of sustainability reporting and actively contributes this expertise to the Supervisory Board and the Risk and Audit Committee of W&W AG.

Dr Frank Ellenbürger has special knowledge and experience in the field of auditing due to his many years of working for a large audit firm – KPMG AG – as well as his work as an independent public auditor. As the current Chair of the Risk and Audit Committee of W&W AG and from his many years of work at KPMG, Dr Frank Ellenbürger also has knowledge of sustainability reporting.

Dr Frank Ellenbürger follows and supports current developments in the field of sustainability reporting and its auditing. He actively contributes this expertise to the Supervisory Board and the Risk and Audit Committee of W&W AG.

The Chair of the Risk and Audit Committee should not be the Chair of the Supervisory Board or a former member of the company's Executive Board whose appointment ended less than two years ago. He should have special knowledge and experience in the application of accounting principles and internal control procedures, be familiar with the audit of financial statements and be independent of the company, the Executive Board and the controlling shareholder. The Chair of the Risk and Audit Committee, Dr Frank Ellenbürger, fulfils these requirements.

Members of the Risk and Audit Committee
Dr Frank Ellenbürger (Chair)
Prof. Dr Nadine Gatzert
Hartmut Bader (from 14 May 2024)
Jutta Eberle (from 14 May 2024)
Ute Kinzinger (until 14 May 2024)
Bernd Mader
Andreas Rothbauer (until 14 May 2024)
Dr Wolfgang Salzberger
Jutta Stöcker (until 14 May 2024)
Susanne Ulshöfer (until 14 May 2024)

Nomination Committee

The Nomination Committee meets as required. One ordinary meeting of the Nomination Committee was held in the 2024 financial year.

The Nomination Committee supports the Supervisory Board in the preparation of election proposals to the Annual General Meeting for the election of Supervisory Board members.

The Nomination Committee is made up of the Chairman of the Supervisory Board by virtue of his office and two further shareholder representatives. The Chairman of the Supervisory Board is the committee chair.

Members of the Nomination Committee
Dr Michael Gutjahr (Chair)
Dr Frank Ellenbürger (until 14.5.2024)
Jochen Höpken (until 14 May 2024)
Corinna Linner (until 14 May 2024)
Dr Wolfgang Salzberger (from 14.5.2024)
Christoph Seeger (until 14 May 2024)
Jutta Stöcker (from 14 May 2024)
Frank Weber (until 14 May 2024)

Personnel Committee

The Personnel Committee meets at least once each calendar year, as well as when necessary. The committee met three times during the 2024 financial year.

The Personnel Committee prepares the personnel decisions of the Supervisory Board, in particular the appointment and dismissal of members of the Executive Board and the appointment of the Chairman of the Executive Board. It pays attention to diversity in the composition of the Executive Board. The Personnel Committee also prepares the Supervisory Board's resolutions on determining the remuneration of the members of the Executive Board, setting targets and target achievement for variable remuneration, reviewing the appropriateness of Executive Board remuneration and the annual remuneration report, among other things.

In addition, the Personnel Committee supports the Supervisory Board in setting targets for the under-represented gender on the Executive Board and Supervisory Board as well as the deadlines for achieving the target and in the annual review in accordance with the internal "fit & proper" guideline for managing directors and members of the supervisory bodies, as amended.

The Personnel Committee regularly deliberates on the long-term succession planning for the Executive Board. In doing do, it takes into account the company's senior management planning.

The Personnel Committee decides in place of the Supervisory Board, in particular on the conclusion, amendment and termination of the employment and pension contracts of the members of the Executive Board, insofar as this is provided for by law.

The Personnel Committee comprises the Chairman of the Supervisory Board and his deputy by virtue of their office, as well as one further shareholder representative and one further employee representative. The Chairman of the Supervisory Board is the committee chair.

Members of the Personnel Committee
Dr Michael Gutjahr (Chair)
Dr Frank Ellenbürger (from 14.5.2024)
Dr Reiner Hagemann (until 14.5.2024)
Andreas Rothbauer (from 14 May 2024)
Christoph Seeger (until 14 May 2024)
Frank Weber

Conciliation Committee

In addition, the Supervisory Board has at its disposal the Conciliation Committee, which is required to be formed by the German Codetermination Act (MitbestG). The Conciliation Committee makes personnel proposals to the Supervisory Board where the required majority is lacking for the appointment and dismissal of Executive Board members. The Conciliation Committee did not meet during the 2024 financial year.

The Conciliation Committee consists of the Chairman of the Supervisory Board, his deputy by virtue of his or her office, one member elected by the shareholder representatives on the Supervisory Board and one member elected by the employee representatives on the Supervisory Board. The Chairman of the Supervisory Board is the committee chair.

Members of the Conciliation Committee
Dr Michael Gutjahr (Chair)
Ute Kinzinger (until 14 May 2024)
Petra Sadowski (from 14 May 2024)
Frank Weber
Edith Weymayr

Compensation

The remuneration systems for the members of the Executive Board and Supervisory Board, which were approved by the Annual General Meeting on 20 May 2021, are published on the website at www.ww-ag.com/go/verguetung.

The Remuneration Report 2024 in accordance with Section 162 AktG will be published at www.ww-ag.com/go/media/verguetungsbericht-2024veröffentlicht from 22 May 2025 following approval by the Annual General Meeting.

The information on the total remuneration of the Supervisory Board in accordance with Section 285 No. 9 HGB and Section 314 (1) No. 6 HGB is included in the remuneration report in the notes.

Diversity concept and gender-specific minimum participation requirements and their achievement

In accordance with the German Stock Corporation Act, at least 30% of the Supervisory Board is made up of women and at least 30% of men. The Supervisory Board currently consists of seven men and five women, three of whom are shareholder representatives and two of whom are employee representatives. Accordingly, women make up 41.66% of the Supervisory Board. At 50%, the shareholder representatives achieve full gender parity.

As part of the diversity concept, the Supervisory Board strives to achieve sufficient diversity in terms of gender, age and professional background, expertise and experience in the interest of achieving collaboration that is complementary.

In view of the Housing and Insurance divisions and the common Group perspective, the candidates nominated by the Supervisory Board for election to the body are evaluated in terms of their expertise, experience and professional knowledge, particularly in the sectors of insurance, banking and home loan savings banking, as well as their individual abilities. Other criteria for Supervisory Board nominees who are proposed to the Annual General Meeting include whether the candidates are independent and have sufficient time to carry out their duties.

For the shareholder representatives, the shareholder representatives on the Supervisory Board consider a number of at least four independent Supervisory Board members to be appropriate.

On account of the company-specific situation, the Supervisory Board does not consider it necessary to strive for a certain minimum number of members who represent, in particular, the quality of "internationality", since the main focus of the W&W Group's business operations are the national insurance and home loan savings sectors. Beyond the aspect of “internationality”, however, the inclusion of and collaboration between Supervisory Board members with different backgrounds and ways of thinking fundamentally enriches the body and promotes the discussion culture. This ultimately leads to control and advisory activities that are more efficient and more effective.

The Supervisory Board does not consider it necessary to specify a regular limit to the length of service on the Supervisory Board. It is difficult to recruit qualified Supervisory Board members who meet the requirements of supervisory law, including with respect to whether candidates are fit and proper and do not exceed the maximum number of mandates.In accordance with the expertise profile for the Supervisory Board, it is necessary for the body as a whole to have an appropriate representation of knowledge and experience in the following sectors: Insurance technology, banking/home loan ans savings banking, supervisory law/regulations/audit, strategy/corporatemanagement/controlling, accounting, risk management, capital investment, sustainability, IT/digital transformation, human resources and auditing.

Once a year or at each new appointment, the members of the Supervisory Board assess their strengths in the areas of capital investment, underwriting, accounting and auditing by means of a self-assessment. This forms the basis for a development plan that the Supervisory Board prepares each year. The plan identifies areas where the Supervisory Board as a whole or its individual members wish to acquire more in-depth knowledge. The self-assessment and the development plan are forwarded to the supervisory authority.

Encouraging creativity

In our diverse community, personal dialogue and closeness take centre stage – both among each other and in customer service. Daily dialogue and the sharing of experiences strengthen our bond.

Group sustainability report
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Group sustainability report

General information

Basis for preparation

Legal basis for preparation in accordance with HGB, GAS and the EU Taxonomy Regulation

Wüstenrot & Württembergische AG (W&W AG) is required, pursuant to Section 341a (1a) in conjunction with Section 267 (3) HGB [German Commercial Code] and Section 289b (1) HGB as well as Section 315b (1) HGB, to prepare a non-financial statement and a non-financial Group statement. The option of summarising the non-financial statement and the non-financial Group statement in accordance with Section 315b (3) HGB in conjunction with Section 298 (2) HGB is exercised here. Due to their inclusion in the combined non-financial statement, the following subsidiaries of Wüstenrot & Württembergische AG: Wüstenrot Bausparkasse AG, Württembergische Versicherung AG and Württembergische Lebensversicherung AG, are exempt from the requirement to provide a separate non-financial statement in accordance with Section 340a (1a) HGB and Section 341a (1a) HGB in conjunction with Section 289b (2) HGB.

This Group Sustainability Report contains the non-financial statement of the parent company Wüstenrot & Württembergische AG and the non-financial Group statement of the W&W Group. The report was prepared in accordance with the provisions of Sections 289c et seqq. and 315c HGB and fulfils the requirements of *German Accounting Standard No. 20 (GAS 20) Group Management Report* with regard to the regulations on the non-financial Group statement with respect to principles of proper Group management reporting.

In accordance with Section 315c (3) HGB in conjunction with Section 289d HGB, the European framework used for the reporting of the W&W Group is that issued in accordance with the delegated acts adopted under Article 29b of Directive 2013/34/EU in the version applicable on 31 December 2024. These delegated acts establish standards for sustainability reporting, which are referred to as European Sustainability Reporting Standards (ESRS) in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023. They define the term "sustainability statement" as the term for sustainability reporting. The terms "sustainability report" and "sustainability statement" are therefore used interchangeably below. The general principles for the preparation of the sustainability statement in accordance with the ESRS for the W&W Group are set out in the following *disclosure requirement BP-1 – General principles for the preparation of the sustainability statement*.

The disclosures pursuant to Article 8 of *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088* (EU Taxonomy Regulation) are included in this Group Sustainability Report. These disclosures show how and to what extent the activities of the W&W Group are linked to economic activities that are categorised as environmentally sustainable economic activities.

The disclosures pursuant to Article 8 of the EU Taxonomy Regulation shall be made in accordance with the provisions of *Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be disclosed by companies subject to Article 19a or Article 29a of Directive 2013/34/EU in relation to environmentally sustainable economic activities and by specifying the methodology to be used to ensure compliance with this disclosure requirement.*

For the W&W Group, the disclosures pursuant to the aforementioned Delegated Regulation are made in accordance with the provisions for insurance and reinsurance undertakings using the reporting forms in Annex X of the Delegated Regulation. The standard disclosure templates referred to in Article 8 (6) and (7) of the Delegated Regulation in Annex XII concerning nuclear and fossil gas activities shall be provided for the applicable key performance indicators (KPIs). In addition, the transitional provisions for financial undertakings pursuant to Article 10 (7) of the Delegated Regulation are taken into account.

The Group Sustainability Report was audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft in accordance with the ISAE 3000 (Revised) auditing standard.

Disclosure Requirement BP-1 – General basis for preparation of the sustainability statement

The Group Sustainability Report was prepared on a consolidated basis for the W&W Group by its parent company Wüstenrot & Württembergische AG. It also includes the sustainability statement of W&W AG on an individual basis.

The scope of consolidation used for the Group Sustainability Report corresponds to the scope of consolidation used for the consolidated financial statements.

Due to their inclusion in the Group Sustainability Report, the following subsidiaries of Wüstenrot & Württembergische AG: Wüstenrot Bausparkasse AG, Württembergische Versicherung AG and Württembergische Lebensversicherung AG, are exempt on an individual basis from the requirement to prepare an individual annual sustainability report in accordance with Section 340a (1a) HGB and Section 341a (1a) HGB in conjunction with Section 289b (2) HGB.

material impacts, risks and opportunities with regard to sustainability aspects were identified for the W&W Group in its own business operations as well as for the upstream and downstream value chain. The derived policies, measures and objectives are presented in the respective disclosure requirements. Key performance metrics take into account the upstream and downstream value chain, insofar as this is prescribed by the ESRS for the respective indicator.

No use was made of the option to omit certain information relating to intellectual property, expertise or the results of innovations.

The option to omit unfavourable disclosures in accordance with Section 315c (3) HGB in conjunction with Section 289e HGB was also not exercised.

Non-financial reporting of Wüstenrot & Württembergische AG on an individual basis

Wüstenrot & Württembergische AG is the strategic management holding company of the W&W Group and the parent company of the W&W Group. It coordinates all activities, sets standards and manages capital. As an individual entity, its operations are almost exclusively restricted to reinsuring the insurance policies written by the W&W Group. It also renders services for the Group as a whole.

Due to this business model, there are no deviations for Wüstenrot & Württembergische AG on an individual basis with regard to the reportable aspects pursuant to Section 289c (2) HGB from the statements concerning the W&W Group pursuant to Section 315c (1) HGB in conjunction with Section 289c HGB. If statements in this Group Sustainability Report refer exclusively to Wüstenrot & Württembergische AG as an individual company, this is indicated in the corresponding statements.

Application of the European Sustainability Reporting Standards as framework

In accordance with GAS 20.299, all requirements of GAS 20 regarding the content of the non-financial Group report must also be met even when using a framework.

Content subject to reporting in accordance with GAS 20 that is fulfilled by the disclosure requirements of the European Sustainability Reporting Standards (ESRS) applied as a framework is identified by the corresponding ESRS designations of the disclosure requirements.

The following table shows the extent to which reportable aspects are fulfilled by disclosures in accordance with the respective ESRS standards:

Reconciliation of matters covered under HGB and GAS 20 to topics according to ESRS

Reportable matters according to HGB and GAS 20	Fulfilment through disclosures in accordance with the ESRS standards
Environmental matters	Climate change (ESRS E1) Pollution (ESRS E2) Water and marine resources (ESRS E3) Biodiversity and ecosystems (ESRS E4) Resource use and circular economy (ESRS E5)
Employee matters	Own workforce (ESRS S1)
Respect for human rights	Own workforce (ESRS S1) Workers in the value chain (ESRS S2)
Social matters	Consumers and end-users (ESRS S4)
Anti-corruption and bribery matters	Business conduct (ESRS G1)

Disclosure Requirement BP-2 – Disclosures in relation to specific circumstances

Time horizons

For the description of medium and long-term time horizons, the definition of time horizons in ESRS 1 Section 6.4 is generally used in this report, unless a different definition is explicitly stated in the respective application.

Different definitions of short, medium and long term are used in connection with climate-related physical risks and transition risks as well as physical risks, transition risks and systemic risks in connection with biodiversity and ecosystems. This relates to corresponding risk-related statements in the *disclosure requirement IRO-1*, the *disclosure requirement in accordance with ESRS E1 in connection with ESRS 2 SBM-3* and the *disclosure requirement E1-2*. The respective definitions are given in the disclosure requirements.

The deviations result from the previously existing internal definitions of time horizons for the respective issues, which do not correspond to the time horizons of the ESRS.

Value chain estimates

When determining the Scope 3 GHG gross emissions in the upstream and downstream value chain, indirect sources are sometimes used and approximate values are estimated for the *disclosure requirement E1-6 – GHG gross emissions of categories Scope 1, 2 and 3 as well as total GHG emissions*.

The basis for the preparation of the relevant key metrics is presented in the *disclosure requirement E1-6*.

The use of indirect sources and the use of estimates represent the best possible determination of the key metrics for the matters concerned.

Disclosures based on other legal provisions or generally recognised sustainability reporting statements

As at the reporting date, the W&W Group is obliged to fulfil the requirements of *German Accounting Standard No. 20 (GAS 20) Group Management Report* with regard to the regulations on the non-financial Group declaration as principles of proper Group management reporting. This results in reporting obligations that go beyond the disclosures required by the ESRS as implemented in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023. Furthermore, this Group Sustainability Report also includes the disclosures in accordance with Article 8 of the EU Taxonomy Regulation. The inclusion of this information in the report is mandatory under the EU Taxonomy Regulation.

In this regard, please also refer to the information in the section entitled *Legal basis for preparation in accordance with HGB, DRS and the EU Taxonomy Regulation* in this report.

Incorporation of information by means of a reference
The disclosure requirement in accordance with ESRS 2.21 c) in the *disclosure requirement GOV-1 – The role of the administrative, management and supervisory bodies* with regard to the relevant experience of the members of the Supervisory Board is fulfilled in the overview of qualifications in the *diversity policy section as well as disclosures on gender-specific targets, minimum staffing levels and their achievement* in the statement on corporate management/corporate governance in the combined management report. In the disclosure requirement GOV-1, a corresponding reference in accordance with ESRS 1 section 9.1 is inserted at the relevant point.

Governance

Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies

Composition and diversity of the members of the administrative, management and supervisory bodies
The key governing bodies of W&W AG are the Executive Board and the Supervisory Board. The Executive Board consists of three members and is 100% male. It represents the company in and out of court. The Executive Board defines the business strategy and a consistent risk strategy for the company and the W&W Group. The Executive Board also takes appropriate account of environmental and social objectives in its strategies. The Executive Board determines the company's corporate policy and the principles of business policy. These are binding for the Executive Board in its management of the company. The members of the Executive Board are jointly responsible for the entire management of the company.

The Supervisory Board consists of a total of twelve members. Of these, 58.33% are male, and 41.67% are female. 50% of the Supervisory Board members are independent. Until 14 May 2024, the Supervisory Board was composed of eight shareholder representatives and eight employee representatives in accordance with the Articles of Association. Since 14 May 2024, the Supervisory Board has consisted of six shareholder representatives and six employee representatives. This complies with the provisions of the Co-Determination Act. The Supervisory Board advises the Executive Board on the management of the company and monitors its management, including on sustainability issues. It works closely with the Executive Board for the benefit of the company. The Supervisory Board also appoints the members of the Executive Board.

The members of the Executive Board have the necessary knowledge and experience to manage the business properly. The members of the Supervisory Board have the necessary knowledge and experience to properly fulfil their supervisory duties. Relevant areas of expertise are underwriting, investments, accounting, auditing, banking/home loan and savings, IT and digital transformation, human resources, risk management, sustainability, strategy/corporate management/controlling as well as supervisory law, regulation/auditing. The distribution of competences on the Supervisory Board can be found in the overview of qualifications in the *diversity policy section, as well as information on gender-specific targets, minimum appointments and their achievement* in the statement on corporate management/corporate governance in the summarised management report.

Duties and responsibilities of the members of the administrative, management and supervisory bodies
The Executive Board and the Supervisory Board each have overall responsibility with regard to sustainability. The Executive Board of W&W AG: Jürgen A. Junker (CEO), Alexander Mayer (CFO/CRO), Jens Wieland (CIO). The Supervisory Board of W&W AG: Dr Michael Gutjahr (Chair of the Supervisory Board), Frank Weber (Deputy Chair of the Supervisory Board) Chair), Dr Frank Ellenbürger, Prof Dr Nadine Gatzert, Dr Wolfgang Salzberger, Jutta Stöcker, Edith Weymayr, Jutta Eberle, Bernd Mader, Petra Sadowski, Hartmut Bader, Andreas Rothbauer.

The Executive Board and the Supervisory Board are responsible for monitoring the impacts, risks and opportunities relating to sustainability issues. The Supervisory Board has established various standing committees that deal with different aspects of sustainability. As part of risk reporting, the Risk and Audit Committee deals with risk-related aspects of sustainability and the Group Sustainability Report and reports to the Supervisory Board on this. The Supervisory Board then deals with the issues and adopts the necessary resolutions on the Group Sustainability Report. The Executive Board is regularly informed about and discusses relevant sustainability issues at Executive Board meetings. The Executive Board submits the Group Sustainability Report to the Risk and Audit Committee for review and informs it of the key activities and progress of the Group-wide sustainability project. The W&W Group has started to implement various Key Performance metrics (KPI) and Key Risk metrics (KRI) for sustainability-related aspects. These controls and procedures are continuously developed and integrated into the ordinary business organisation. The Executive Board is involved in the process of defining targets as part of the strategy process and can therefore help shape and monitor the setting of targets in relation to material impacts, risks and opportunities. A preliminary discussion and coordination of the targets takes place in the Sustainability Board. The sustainability targets (see also disclosure requirements SBM-1 – Strategy, business model and value chain, section Sustainability targets) are adopted by the Executive Board and the divisional boards or Executive Board meetings of the respective business areas, as the Group's central management bodies. Progress in achieving the targets is monitored as part of the target/actual comparison as part of the strategy process. In addition, some targets, such as the relative carbon footprint of investments, are monitored monthly in the management cockpit.

Determining the availability of appropriate skills and expertise to monitor sustainability aspects

The Personnel Committee and the Nomination Committee as well as the Supervisory Board review the knowledge of the members of the Executive Board and Supervisory Board required for the respective position both upon appointment and on a regular basis. The Executive Board and Supervisory Board have the necessary expertise with regard to both the business strategy and risk-related components of sustainability. The sustainability expertise of the Supervisory Board members is also reflected in the overview of qualifications in the *diversity policy section as well as information on gender-specific targets, minimum appointments and their achievement* in the declaration on corporate management corporate governance in the summarised management report. The members of the Executive Board and Supervisory Board are free to participate in individual training programmes at any time, including in the area of sustainability. Training courses are held regularly for the entire board. The last sustainability training course with specific reference to the sustainability issues of the W&W Group took place in 2023. The sustainability expertise of the Executive Board and Supervisory Board covers, in particular, the sustainability issues of importance to the W&W Group. With regard to climate-related issues, these are GHG emissions and energy consumption, with regard to social issues, employee satisfaction and, with regard to governance, mainly compliance issues. This is also ensured through internal training measures for the committees.

Disclosure Requirement GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The implementation of the disclosure requirements of the ESRS and the reporting of the material impacts, risks and opportunities identified in this context was carried out via a Group-wide project to implement the sustainability-related reporting obligations for the W&W Group and for subsidiaries within the scope of application. This deals with all aspects of ESRS, including reporting, strategy and due diligence.

As part of the Group-wide project to implement the CSRD/ESRS, the Executive Board and the Supervisory Board / Risk and Audit Committee are regularly and comprehensively informed by the project management about all identified material impacts, risks and opportunities as well as the strategies, measures and targets identified as part of the reporting. The Executive Board is generally informed and involved on a quarterly basis as part of a steering committee, as well as on an ad hoc basis. The Supervisory Board is informed and involved regularly or on request in the form of the Risk and Audit Committee.

Based on these regular information and dialogue formats, the management and supervisory bodies are always informed about current effects, risks and opportunities and are able to make strategic decisions on an ongoing basis and effectively monitor the strategic direction of the company. At the same time, feedback mechanisms ensure that identified impacts, risks and opportunities are taken into account in the strategy process and in risk management processes. The ongoing findings from the current review of the development and evaluation of the Group-wide transition plan (see the comments in disclosure requirement E1-1) will be taken into account in future.

All effects, risks and opportunities reported to the Executive Board and the Supervisory Board / Risk and Audit Committee are explained in the disclosure requirement SBM-3 - Significant impacts, risks and opportunities and their interaction with strategy and business model. Various effects, risks and opportunities are discussed in detail with the Executive Board and Supervisory Board as required or upon request. In the reporting year, this was the case for the first time for all identified impacts, risks and opportunities as part of the materiality analysis. In this context, the intention of the legislator under commercial law as well as individual questions and matters of interpretation were also discussed. Business model-specific issues are discussed in detail with the involvement of the specialist departments.

In addition to the requirements of the ESRS, there are further governance requirements relating to sustainability aspects as part of proper business management. These concern, for example, requirements for the strategy, planning and risk management process. The Executive Board and Supervisory Board are regularly informed and actively involved in accordance with the established management processes.

Disclosure Requirement GOV-3 – Integration of sustainability-related performance in incentive schemes

Main features of the incentive system

The remuneration systems of the W&W Group support the achievement of strategic goals in accordance with the business and integrated risk strategies. The strategic objectives in the area of ESG (environmental, social and governance) are the continuous reduction of CO_2 emissions, employer attractiveness and employee satisfaction. The target agreements on which the variable remuneration is based are derived from the strategic targets. Appropriate incentive structures are a key component of the Group-wide risk culture in accordance with the Group Risk Policy and the integrated risk strategy. The remuneration systems in the W&W Group contribute to securing the existence and success of the company in the long term. The regulations on remuneration issues are intended to ensure that there is no incentive to take disproportionately high risks. The remuneration system for the Executive Board consists of non-performance-related remuneration in the form of a fixed salary and fringe benefits (pension scheme, company car, insurance) and performance-related remuneration based on a target bonus model consisting of 80% company targets and 20% individual targets.

The Supervisory Board is responsible for the remuneration policy and the remuneration of the Executive Board. It determines the remuneration system for the Executive Board and thus also the conditions for its incentive system, reviews it annually and makes updates if this becomes legally or actually necessary. After the end of a financial year, the Supervisory Board determines the degree of target achievement and the amount of the resulting bonuses.

The remuneration system for the Supervisory Board only provides for fixed remuneration.

The Annual General Meeting is responsible for the remuneration system and the remuneration of the members of the Supervisory Board.

Evaluation based on sustainability-related targets

The performance of the members of the Executive Board is primarily measured on the basis of the long-term success of the company. The successful implementation of ESG targets is also taken into account. These are the targets of employee satisfaction, immunisation of the W&W Group (long-term resilient positioning of the W&W Group and successful market positioning while maintaining its substance and earning power), creation of green bond capability at the Group level, reduction of the relative carbon footprint in the investment portfolio, revision of the personnel policy, determination of the CO_2 footprint for commuter emissions, home office, business trips and paper consumption, and introduction of an environmental management system.

Consideration of sustainability-related performance parameters

The sustainable targets in terms of the ESG criteria are anchored as sustainability-related performance parameters in the Executive Board's target agreements and therefore form part of the variable remuneration. The sustainability-related parameters are either quantitative targets, i.e. provided with specific calculation bases, or qualitative targets, the assessment of which is largely at the discretion of the Supervisory Board. Once the degree of target achievement has been determined, the amount of the bonus is calculated and set for each performance parameter. Anchoring sustainability targets in the remuneration of the Executive Board accelerates the further development of sustainability activities within the company. The Executive Board is thus also making a contribution to a positive socio-political development towards greater sustainability.

For some members of the Executive Board, specific climate-related performance parameters (e.g. for CO_2 reduction) are part of the target agreements. Performance was not assessed against the GHG emission reduction targets submitted as part of the E1-4 disclosure requirement.

Due to the lack of variable remuneration for the Supervisory Board, there are naturally no sustainability-related parameters for its members.

Share of variable remuneration depending on sustainability-related targets / impacts / climate-related considerations

The proportion of the Executive Board's variable remuneration that is dependent on sustainability-related (ESG) targets and/or impacts is 24.5%. The proportion of the variable remuneration of the Executive Board that is linked to climate-related considerations is 1.4%. The portion of variable remuneration linked to climate-related considerations was not assessed on the basis of the GHG emission reduction targets submitted as part of the E1-4 disclosure requirements.

Further information on the remuneration of the Executive Board and the Supervisory Board can be found in the Remuneration Report of W&W AG, which is published on the W&W AG website at the following link www.ww-ag.com/de/ueber-uns/vorstand-und-aufsichtsrat/verguetung.

Disclosure Requirement GOV-4 – Statement on due diligence

The following table provides an overview of the information provided on the due diligence process. The sections of the report that explain how the W&W Group fulfils its duty of care are indicated.

Overview of the information provided on the due diligence process

Core elements of due diligence	Consideration in the Group Sustainability Report
a) Embedding due diligence in governance, strategy and business model	Disclosure requirement GOV-2 ; Disclosure requirement GOV-3; Disclosure requirement SBM-3, sections Influence of material impacts, risks and opportunities on business model, value chain, strategy and decision-making and Resilience of strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	Disclosure requirement GOV-2; Disclosure requirement SBM-2; Disclosure requirement IRO-1, section Overview of the process for identifying, assessing, prioritising and monitoring the company's potential and actual impacts on people and the environment based on the company's due diligence process, paragraph 8; Disclosure requirement E1-2, section Own business operations; Disclosure requirement E1-4, section Capital investments, paragraph 5; Disclosure requirement E5-1, section Claims settlement; Disclosure requirement S1-1, section Remuneration policy; Disclosure requirement S2-1 section Supply chain workforce
c) Identifying and assessing adverse impacts	Disclosure requirement IRO-1; sections Explanation of the methods and assumptions used, Overview of the process for identifying, assessing, prioritising and monitoring the company's potential and actual impacts on people and the environment based on the company's due diligence process, and Decision-making process and related internal control procedures
d) Taking actions to address those adverse impacts	Disclosure requirement E1-3, sections Own business operations, Home loan and savings and construction financing, Home and urban development composite corporate clients, capital investments; Disclosure requirement E1-7; Disclosure requirement E3-1, paragraph 2; Disclosure requirement E4-3; Disclosure requirement E5-2; Disclosure requirement S1-4, sections Measures to prevent or mitigate significant negative impacts Paragraph; Measures to remedy actual material impacts, Procedure for determining necessary and appropriate measures with regard to certain actual and potential negative impacts; Disclosure requirement S2-4, section Procedure for determining necessary and appropriate measures with regard to certain actual and potential negative impacts
e) Tracking the effectiveness of these efforts and communication	Disclosure requirement E1-4, sections Own business operations, Home loan and savings, Home and urban development, Capital investments; Disclosure requirement E1-5; Disclosure requirement E1-6; Disclosure requirement E1-7; Disclosure requirement E4-4; Disclosure requirement E5-3; Disclosure requirement S1-16

Disclosure Requirement GOV-5 – Risk management and internal controls over sustainability reporting

Scope, main features and components of the internal control system in relation to Group sustainability reporting

The Group sustainability reporting process is an independent component of the Group accounting process. For the internal control and risk management system of the Group sustainability reporting process, procedures and measures that are based on the Group accounting process but also take into account the preparation within the framework of a project structure apply as part of the initial preparation in accordance with the provisions of the ESRS principles.

The internal control and risk management system with regard to the Group sustainability reporting process comprises principles, procedures and measures for the

- regularity and reliability of the Group's sustainability reporting,
- compliance with the legal regulations applicable to the W&W Group and
- ensuring compliance with internal regulations and guidelines as well as the economic efficiency of reporting.

The Group Sustainability Report is prepared by the Group Accounting department. The information required for the preparation was collected by a Group project involving the relevant units of the W&W Group. The Group project is actively supported by the Group Audit department. Furthermore, the Group sustainability reporting process is regularly reviewed with regard to risk management and the effectiveness and appropriateness of the internal control system. Group sustainability reporting is also a focus of the external audit.

Impacts, risks and opportunities in relation to sustainability aspects are analysed and documented on a fact-specific basis. Various software solutions are used to enable inventories and calculations. Existing inventory management systems were supplemented with additional sustainability-related documentation and evaluation options.

The various sustainability-related information is aggregated into the quantitative and qualitative reporting data specified by the ESRS. The units providing the information are responsible for completeness and correctness. The reported data is validated in Group Accounting and processed using standard Group reporting methods.

Risk assessment

For the purposes of risk assessment with regard to the Group sustainability reporting process, the risks that have arisen in past projects relating to Group accounting are collected and assessed. The assessment takes into account the complexity and variability of the legal framework and the required process design. Risks are categorised in terms of their potential impact and probability of occurrence.

Main identified risks and mitigation policies

The most important risks with regard to the Group sustainability reporting process in accordance with ESRS were identified as the lack of sufficient departmental resources, the likelihood of changes to legislative requirements in conjunction with the required response time to these changes and lead times for implementation in the IT applications involved in the process.

Mitigation strategies for the most important risks identified include requesting and prioritising specialist and IT resources at an early stage and constantly monitoring legal requirements in conjunction with communicating changes to the organisational and legal units involved in the project as quickly as possible. In addition, there are mitigation strategies such as benchmarking and the involvement of associations.

Particularly in the actual preparation process of the first-time reporting in accordance with ESRS, there is a need to ensure the quality of sustainability information in terms of its completeness and accuracy. The risk of improper reporting is countered by validation techniques that are also used in the rest of the accounting process. Furthermore, this risk in connection with reporting is countered by the following components of the internal control and risk management system:

- IT application to secure the reporting process,
- organisational manuals, guidelines for external reporting and reporting instructions,
- adequate quantitative and qualitative staffing in relation to the Group sustainability reporting process,
- functions and tasks in all areas of the Group sustainability reporting process are clearly assigned, and areas of responsibility and incompatible activities are clearly separated,
- dual control principle for key reporting-related processes, access authorisation system for reporting-related systems and access authorisations for reporting-related data processing as well as plausibility checks as part of the overall reporting process.

As part of the reporting process, management, specialist departments and project management are informed about the reporting process and the report content at standardised meetings as well as on an ad hoc basis, and decisions are made in this context. Regular workshops on the content of the report are held with the affected departments. This also ensures the consistency of strategic statements.

In the future, it is also planned to use the W&W Group's IT application to map and document internal controls, monitoring measures and effectiveness tests. The Group sustainability reporting process is thus to become part of the process-integrated control procedure in the W&W Group in the same way as the other Group accounting processes.

Integration into internal functions and processes

The Group sustainability reporting process utilises existing processes for the preparation of the combined management report and consolidated financial statements, insofar as these are applicable to this reporting process. For disclosures in accordance with Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020/852), the company's employees involved in the preparation of the consolidated financial statements are consulted.

Reporting to the Executive Board and the Supervisory Board

Regular reporting on the results of the risk assessment and internal controls in relation to the Group sustainability reporting process is provided to the Executive Board of W&W AG at quarterly project steering committee meetings. Reporting to the Supervisory Board of W&W AG takes place at the regular quarterly meetings of the Risk and Audit Committee.

Strategy

Disclosure Requirement SBM-1 – Strategy, business model and value chain

Significant groups of products and services offered
The W&W Group offers its customers planning and pension solutions in its two divisions, Housing and Insurance. In the Housing division, the focus is on the home loan and savings business and construction financing. The company also acts as a property developer and real estate agent. In the Insurance division, the W&W Group offers a broad range of life and health insurance products, company pension schemes and almost all lines of property/casualty insurance.

Major markets and customer groups
The W&W Group, based in Kornwestheim, operates almost exclusively in Germany. The product range is directed towards both retail and commercial customers. In doing so, the W&W Group focuses on omni-channel sales, ranging from its own mobile sales force to cooperation partners and sales agents, broker activities and digital initiatives.

Number of employees by geographic area
As at 31 December 2024, the W&W Group had 7,570 permanent employees in Germany and abroad. 7,448 employees work in Germany, 107 in the Czech Republic and a further 15 in Luxembourg.

Total revenue
The W&W Group's sales revenue will amount to €6,310 million in the 2024 financial year.

Statement regarding certain business areas
The W&W Group is not involved in the fossil fuel sector (coal, oil and gas), the manufacture of chemicals or controversial weapons or the cultivation and production of tobacco.

Sustainability targets
Commitment to sustainability
Responsible action and social commitment have a long tradition in the W&W Group and are an integral part of our corporate culture. It is based on an understanding of long-term, stability-focused corporate governance that in turn has its roots in the foundation ideals of W&W AG’s main shareholder. To support its sustainability positioning, the W&W Group has had a sustainability strategy since 2021. The Sustainability Strategy 2024 consists of the following six areas of action: customers and products, own operations, investments and refinancing, employees, society and organisation. Targets and measures were defined in all fields of action, which are explained in the following subsections. The sustainability strategy is based on ESG criteria. In order to continuously develop the topic of sustainability, the Group-wide sustainability strategy is revised annually under the leadership of the Group Development unit. The sustainability targets relating to the business divisions were also incorporated into the business strategies of the Group companies Wüstenrot Bausparkasse AG and Württembergische Versicherung.

In addition to the Group-wide sustainability strategy, the Group company Wüstenrot Haus- und Städtebau GmbH developed its own sustainability strategy in the reporting period in order to take account of the special features of its business model. Further details on this can be found in the "Building and urban development" subsection following the comments on the W&W Group's six areas of action.

Customers and products
The Customers and products area of action comprises the two divisions of the W&W Group: Housing and Insurance. The aim is to achieve a high level of customer satisfaction across all business areas and, as a result, a high level of recommendation.

In the Insurance segment, the "Paperless" initiative was launched in January 2023 to bundle and coordinate all measures and ideas for reducing paper. The aim is to eliminate or significantly reduce the paper-based creation and dispatch of documents.

Our strategic orientation within the Customers and products area of activity focuses on the development of green product lines and components. Since 2022, we have been able to offer our customers various product options that are geared towards sustainability aspects. These are being continuously developed and expanded. The focus in the Housing segment is on helping people to buy their own home and helping households with property to implement energy modernisation and refurbishment measures. In the Insurance division, the focus is on expanding sustainable insurance solutions and product components and creating awareness of sustainability in customer dialogue.

Investments and refinancing
The basis for the investment decision-making processes of the W&W companies is the business strategy of the respective company with its risk strategy. Within the Insurance division and for W&W AG, the future investment portfolio is determined in terms of composition and diversification as part of the Strategic Asset Allocation (SAA). In the Residential segment, Wüstenrot Bausparkasse AG invests its liquidity surpluses resulting from customer business in accordance with the provisions of Section 4 (3) of the German Building Societies Act (BauSparkG).

As an investor, we know that we – together with other large institutional investors – can directly exert significant influence on the successful structural change towards a more climate-friendly and lower-emission economy and society. Being aware of how important this is, we pursue an active approach to reducing CO_2 emissions in our investment portfolios. We are aiming for a climate-neutral investment by 2050. This active approach also aims to promote climate-friendly technologies and their dissemination.

The W&W Group is already financing energy-efficient properties and making a contribution to the energy transition with its investments by strategically investing in renewable energy. In order to fulfil its sustainability targets in its core business more effectively, the W&W Group would like to generate the funds required to finance energy-efficient properties and renewable energy by issuing Green Bonds and Green Covered Bonds in the future. Wüstenrot Bausparkasse AG's first Green Covered Bond was issued in 2023. Energy-efficient properties, in particular, serve as coverage here. The funding is used to implement specific projects in the area of the environment and climate protection that support the Paris Climate Agreement and the German government's climate targets, for example.

Own operation
In the area of the environment, particular attention is paid to climate protection and resource conservation. The environmental information section of the report goes into more detail on the policies, measures and objectives from the Own operation field of action.

The W&W Group addresses the topic of the environment in its sustainability strategy in the Own operation field of action. This field of action aims to achieve the following targets:

- CO_2-neutral operation of own buildings and vehicle fleet (by using ecological energy sources and offsetting the remaining CO_2 emissions),
- constant reduction in own consumption.

Employees
Employees play an important role for the W&W Group as a service company. The objective of "attracting, developing and inspiring employees" continues to be anchored in the business strategy and the sustainability strategy.

The objective of "attracting, developing and inspiring employees" is supported by a diverse mix of measures from the various HR-related areas. The primary targets are:

- maintain and expand the employability of employees
- maintain employer attractiveness and employee satisfaction at a very high level, and
- promote diversity.

The HR strategy, as the link between business strategy and operational HR work, takes up and operationalises the strategic thrusts of the business strategy and the sustainability strategy of the W&W Group.

Society
The W&W Group is aware of its social responsibility. As a "corporate citizen", it is committed to social issues and supports charitable projects and initiatives. The W&W Group focuses on the effectiveness of its societal engagement within the region, directly in advisors' communities.

One component of the W&W Group's responsible behaviour and social commitment is the financial support of cultural, sporting and social activities in the region in the form of donations. This supports selected charitable projects and initiatives. The W&W Group aims to keep donations and investments at a constant level. Another component is the indirect support of the activities of the Wüstenrot Foundation through consistent dividend payments from Wüstenrot Holding AG and WS Holding AG. Both companies are owned by the Wüstenrot Foundation, which operates exclusively on a non-profit basis. On the one hand, the ownership structure supports the long-term stability of the Group, while on the other, the company's profits are partly channelled back into the common good.

The W&W Group has also set for itself the goal of continuing to cultivate existing educational partnerships with schools in the region and further expanding university partnerships.

Organisation
Responsible corporate governance is being continuously expanded. In addition to signing and regularly reporting on the Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI), this includes above all the consistent anchoring of sustainability targets, metrics and measures within the organisational structure as part of the sustainability strategy.

Employees are regularly made aware of sustainability issues in order to permanently anchor awareness of this topic within the organisation. This is implemented through regular communication and campaigns such as the W&W Sustainability Days. In the short film "Sustainability in the W&W Group", colleagues present examples of sustainable actions from their area of responsibility. The film and more detailed information about the W&W Group's sustainability activities can be found on the W&W AG website www.ww-ag.com/en under the heading "Sustainability".

House and urban development
The supplementary sustainability strategy of the Group company Wüstenrot Haus- und Städtebau is aligned with the material impacts, risks and opportunities resulting from the materiality analysis of the W&W Group for the "Building and urban development" evaluation level (for the materiality analysis procedure, see disclosure requirement IRO-1 in this report). Policies, measures and targets for the W&W Group's Building and urban development are presented in the relevant sections of the topic-specific disclosure requirements.

Evaluation of the most important products and services for sustainability targets

The W&W Group makes climate-friendly living accessible to its customers and is also continuously developing its range of sustainable product modules and product options. With its financing offers and investment products, it allows customers to act in the interests of the environment. The financing products "Wohndarlehen Klima" and the unit-linked pension product "Genius" already offer options for labelling or taking into account conformity with the EU environmental taxonomy. Within the W&W Group, further efforts are being made to offer taxonomy-compliant product alternatives and components. Joining the Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI) in 2020 underscores the sustainable orientation of the W&W Group's investment and insurance business.

Elements of the strategy that relate to sustainability aspects

The W&W Group sees climate change as one of the most important challenges of the present and future. Accordingly, we want to be a solution provider of suitable products in our Housing and Insurance divisions. On the one hand, the W&W Group supports people in the acquisition of residential property and households that own property in the implementation of energy modernisation and refurbishment measures. Residential buildings are responsible for a considerable proportion of overall CO_2 emissions in Germany. The financing of climate-friendly new buildings and the energy-efficient refurbishment of existing buildings help to reduce CO_2 emissions. To this end, we offer our customers a range of products tailored to their needs: With our "Wohndarlehen Klima Turbo", "Wohndarlehen Klima Classic" and "Wohndarlehen Klima Flex" programmes, we support customers who are renovating, building or buying energy-efficient properties. The establishment of Wüstenrot Energieberatung GmbH as a wholly owned subsidiary of Wüstenrot Haus- und Städtebau GmbH (WHS) on 4 September 2023 is a step towards the planned nationwide energy consulting service. The aim is to offer customers a comprehensive range of services with regard to the energy-efficient refurbishment of their property. On the other hand, the W&W Group is dedicated to expanding sustainable insurance solutions and product components. The Group's insurance companies are in the process of gradually establishing ESG criteria in the underwriting of risks. According to our guidelines, no conventional energy suppliers with a focus on coal or nuclear power generation, companies in the arms industry or companies that violate human rights (forced and child labour) may be insured. At the same time, tariffs for sustainable energy generation technologies such as onshore wind turbines, photovoltaic systems and power-to-X systems are being added. Today, Württembergische Versicherung AG already offers a broad spectrum of insurance products with sustainable components. In this way, we help our customers to invest in the future.

Alongside climate change, the shortage of skilled labour is one of the biggest challenges facing companies, including the W&W Group. This is accompanied by the increasing need to maintain a balanced employee structure with the necessary skills and rising expectations of applicants and employees towards the employer (forms and environment of work, diversity, sustainability, etc.). As a responsible employer, we therefore promote the satisfaction of our employees through flexible, modern working conditions and, as a signatory to the Diversity Charter, are committed to greater diversity and appreciation in the workplace.

The ageing of society as a result of demographic trends is also presenting us with increasing challenges. As a merger of the two traditional companies Wüstenrot and Württembergische, the W&W Group develops and brokers the four building blocks of modern pension provision: financial security, housing property, risk protection and savings and investment. It combines the Housing and Insurance segments and thus offers customers customised pension solutions for every situation in life. In the Housing segment, the fulfilment of all types of housing requirements is at the centre of customer care and can thus contribute to financial security in old age through home ownership. The Insurance segment, on the other hand, bundles insurance-related services. This includes a broad product range of classic and unit-linked life and pension insurance policies, Riester and basic pensions, occupational disability insurance, company pension schemes and financing. In this way, we enable our customers to make financial provision for old age and a carefree retirement.

Description of business model and value chain

Business model and value chain

The W&W Group's products are primarily home loan and savings and financing products, property and casualty insurance, occupational pension products, personal risk insurance and health insurance. In addition, as a property developer, it provides purchasers with ownership of newly constructed buildings as well as managing and brokering buildings that have already been constructed. IT, investments, services and digitisation are operated by service companies within the Group.

The W&W Group's own business operations consist of the performance and realisation of office and IT operations as well as related non-outsourced ancillary services at its own locations. These include sales processes, lending processes, investment processes, insurance processes, internal administration (e.g. personnel administration or accounting), IT provision and maintenance, but also building and other services, such as catering or event services. In the property development business, own business operations also include the management of properties in the company's own portfolio. In accordance with the interpretation applicable as at the reporting date, the W&W Group's capital investments in real estate are also allocated to own business operations.

The upstream value chain consists of the manufacture of products and the provision of services that enable the W&W Group to provide the aforementioned financial, insurance and property-related services. This relates to the manufacture of all types of technical equipment and building furnishings that enable office operations, utility services such as electricity and telecommunications as well as consulting and auditing services such as damage assessments, credit ratings and external auditing. In the property development business, the execution of construction services by construction companies and craftsmen is upstream.

The downstream value chain includes the economic activities that are financed by credit and investment products or the company's own capital investments on the one hand, or hedged by insurance products on the other. Downstream services are also provided by external asset managers or property managers as well as waste disposal services for waste from the company's own business operations.

Inputs
The most important input factors for the W&W Group's performance are primarily the existence and availability of employees and business relationships with cooperation partners, sales organisations and private/corporate customers. The most important operational input factors also include technical input factors such as IT systems and IT infrastructure.

Input factors in the broader sense are facts that are to be seen in connection with the environment. In order to be able to offer financial and insurance products, the functioning of financial and property markets as well as international payment transactions in conjunction with the necessary liquidity is required.

The Group Human Resources department supports employees with personnel development measures. Staff turnover is regularly analysed in order to manage the maintenance of a balanced employee structure and existing skills. At its new headquarters, the W&W Group offers attractive office workplaces that allow flexible and hybrid working. The companies of the W&W Group offer apprenticeships. Active sourcing and social media campaigns support job-related employee recruitment.

Business relationships with customers are secured via a mix of sales channels. This consists of the company's own sales force, partner and broker sales organisations and online sales. Our mobile sales force, the main pillar in our sales organisation, consists of the two tied agents sales forces at Wüstenrot and Württembergische. In the broker market, we work together with freelance and independent brokers. There are also numerous co-operation partners from the banking and insurance sector.

Outputs
The W&W Group's outputs are financial and insurance products as well as residential and commercial property.

The benefit for private and commercial customers is the possibility of accessing a wide variety of financial and insurance products. Wüstenrot Bausparkasse AG offers its customers guaranteed interest rates through building society contracts in the savings and loan phase. In addition, the W&W Group supports its customers in the acquisition of residential property through its construction and brokerage activities.

Württembergische Versicherung AG, Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG offer a broad product portfolio covering almost all lines of property and casualty insurance, private and company pension schemes and risk insurance as well as comprehensive and supplementary health insurance.

As the parent company of the W&W Group, W&W AG strives to provide its investors with a stable and reliable dividend for its shareholders. Lenders benefit from the W&W Group's solid rating with a stable outlook and thus a high level of security with regard to interest and repayment of their receivables.

Thanks to the W&W Group's broad product range, exclusive distributors, sales and co-operation partners can provide their business partners with pension solutions tailored to their individual needs. You also benefit from the reputation and high degree of recognition of the Wüstenrot and Württembergische brands.

Furthermore, the W&W Group's product output secures jobs and employer benefits for the company's employees.

Customers can take advantage of state subsidy programmes for energy-efficient construction thanks to the advice and financing provided by the W&W Group. Taxes on the income and earnings of the W&W Group enable the state to act in the interests of the community.

Key characteristics of the upstream and downstream value chain and the Group's position in the value chain
As the W&W Group is primarily a group of companies in the financial sector and the Group's property development business performs coordination and administrative functions, the most significant feature of the upstream and downstream value chain is that almost all real economic transactions are attributable to it. Real economic processes that enable the office and IT operations (including ancillary services) of the W&W Group as a separate business operation are the main feature of the upstream value chain. Real economic activities that are carried out on the basis of or with the support of the provision of financial and coordinative services are the main feature of the downstream value chain.

In the economic cycle, the financial economy belongs to the area of money and payment flows, while the flow of goods belongs to the real economy. With the exception of the property development business, the W&W Group's products are allocated to the financial sector, while the real economy portion of the W&W Group's activities is limited to office and IT operations (including ancillary services).

The W&W Group's own business operations within the value chain thus comprise the functions required to fulfil the financial role in the economic cycle.

The most important economic players in the upstream value chain are IT service providers, IT consulting companies, construction companies, utilities in the electricity, heating and telecommunications sectors, facility managers and postal service providers. Further upstream in the value chain, the most important economic players are also the manufacturers of IT equipment and the suppliers of utilities and facility management. The most important economic players in the upstream value chain have a direct or indirect supplier relationship with the W&W Group.

The most important economic players in the downstream value chain are located in the distribution channel mix described above. Significant economic players also include all issuers of securities and other financial instruments as well as providers of alternative investments in which the W&W Group invests.

End users in the form of building society savers, borrowers, private and commercial policyholders and property buyers are also key economic players in the downstream value chain. The end users have a customer relationship with the W&W Group.

Disclosure Requirement SBM-2 – Interests and views of stakeholders

Involvement of stakeholders
The company's most important stakeholders with regard to sustainability aspects are its employees and employee representatives, sales representatives and sales partners, private and corporate customers, investors and creditors, rating agencies and analysts as well as complainants.

Stakeholders are involved in the W&W Group by utilising existing information and deriving standard market assumptions to determine the relevance of sustainability-related issues and impacts. The main sources of information are sustainability-related questions from employees and employee representatives, customer involvement in product development, studies with questions on sustainability, enquiries at Annual General Meetings, enquiries from rating agencies and issues from complaints management.

In accordance with the requirements of Section 315b (5) HGB, the Group Works Council is informed about the planned content of the Group's sustainability reporting and has the opportunity to address interests in connection with sustainability aspects, among other things.

The individual departments of the companies in the W&W Group are responsible for the collection of the stakeholders as required. Managed centrally by the Sustainability Officer – based in the Group Development department at Wüstenrot & Württembergische AG – the strategic sustainability targets are defined as part of the annual strategy process and in close cooperation with the specialist departments and bundled in a Group-wide sustainability strategy. Sustainability activities for the entire Insurance division are managed by a sustainability coordinator, who is part of the department of the Chair of the Executive Board of Württembergische Versicherung AG. In the Housing division, two sustainability coordinators from the Risk Management and Market Management departments are responsible for management at Wüstenrot Bausparkasse AG. Coordination at Wüstenrot Haus- und Städtebau GmbH is anchored in the Corporate Management department.

The purpose of stakeholder involvement is the W&W Group's endeavour to meet the sustainability needs of the most important stakeholders now and in the future within the scope of the possibilities of the business model in order to secure the future viability of the W&W Group and exploit sales opportunities.

The results of stakeholder involvement are incorporated into the financing, investment and insurance products as well as the property development activities in the Housing and Insurance divisions. The successful inclusion of sustainability risks in the investment and underwriting policy is important for the W&W Group's investors. The results relating to employees are taken into account when drawing up employment contracts and the working environment.

With the exception of the Group Works Council, stakeholders are not included separately for the purposes of Group sustainability reporting, as their inclusion is covered by the Group's existing activities. The above-mentioned categories of stakeholders are also derived from the existing activities.

Understanding the interests and positions of key stakeholders

The interests and, where applicable, positions of the stakeholders are bundled in the strategy process to determine the sustainability strategy. This is used to formulate concrete targets and, if necessary, implementation requirements. The possibilities for realising interests are limited by the company's activities in the financial and construction sectors as well as business contexts. The task of the sustainability strategy is therefore also to discuss and formulate realistic options for implementing sustainability measures within the framework of existing business processes.

Changes to the strategy and business model

The sustainability measures in the W&W Group do not constitute an intrusion into the fundamental business model of the W&W Group's segments. Instead, the sustainability strategy is continuously developing the range of products offered and their design within the framework of the existing business model through a large number of individual measures. The interests and viewpoints of stakeholders are an integral part of this development process. The development process with regard to the consideration of sustainability aspects is designed to be permanent and does not currently provide for a definitive time frame. Time frames may be used for individual targets and measures.

A fundamental change in the relationship with the stakeholders of the W&W Group is neither intended nor desired. Opportunities to improve the consideration of sustainability interests are addressed via the measures and objectives of the sustainability strategy process.

Informing the management and supervisory bodies about the views and interests of the stakeholders concerned

The respective members of the Executive Board of W&W AG are informed about the associated positions and interests of stakeholders with regard to sustainability-related effects on a factual and departmental basis. If matters only affect individual companies of the W&W Group, the information may also be limited to the management bodies of the subsidiaries. The Risk and Audit Committee of the Supervisory Board of W&W AG is informed of the views and interests of stakeholders as part of its audit function.

Disclosure Requirement SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The economic activities carried out by the W&W Group lead to material impacts, risks and opportunities in terms of sustainability aspects.

Material impacts

Negative impacts

Negative impacts from the economic activities carried out by the W&W Group can be seen above all in environmental aspects.

The provision of construction financing, investments in equity and debt instruments of companies, bonds of industrialised countries and investments in tangible assets, the provision of insurance services in the composite business and the property development business have a negative environmental impact in the upstream and downstream value chain. These result from the financed and insured properties and economic activities as well as the construction of buildings. In addition, there are environmental impacts from the W&W Group's own business operations.

Greenhouse gases are seen as the main driver of the rise in global surface temperatures. In the W&W Group, greenhouse gas emissions are identified not only as part of our own business operations but also from the insurance of motor vehicles and buildings and the business activities of insured companies. In addition, there are financed greenhouse gas emissions in the capital and construction financing portfolio and from the operation of rented buildings. The production and construction phases of property development projects are also associated with greenhouse gas emissions.

In Germany, tyre abrasion is considered to be the largest single source of plastics in the environment in the form of particulate matter and microplastics. Added to this are particulate emissions from road traffic caused by wear and tear on brakes and road surfaces. The resulting environmental pollution is caused by vehicles insured by the W&W Group.

High water consumption leads to dried-out soils and water distribution challenges as well as water pollution. Materially high water consumption is attributed to insured companies as well as financed companies and countries in the investment portfolio.

Monocultures and the sealing-over of land are associated with the loss of biodiversity and insect mortality. Monocultures occur on insured farms. Soil sealing results from own, insured and financed construction activity.

The use of natural resources is associated with emissions and other environmental impacts – throughout the entire life cycle of products. In addition, dwindling resources and fluctuating commodity prices can lead to major economic and social upheaval. Significant resource consumption and waste occur in the W&W Group's own business operations, in the disposal of damaged insured items and their restoration, and in the insurance of companies in the manufacturing industry. They are also financed in the investment portfolio of companies and industrialised countries. The property development business generates a high level of resource utilisation through construction and packaging materials.

Due to the W&W Group's business model, potential negative effects on human rights may arise, particularly when purchasing goods and services from international companies. As is widespread in the financial sector, there is also an unadjusted gender pay gap between the average gross hourly earnings of female and male employees in the W&W Group.

Political or social decision-making processes can be influenced by industry associations and lobbying. Due to the representation of a selected few interests, a balanced picture may not be taken into account in the decision-making process. The W&W Group companies' membership in industry associations and their own lobbying activities can therefore have a negative impact on governance.

Positive impacts

Positive impacts of the W&W Group's economic activities relate to social and governance aspects.

For its employees, the W&W Group offers, among other things, flexible working hours, promotion of skills development as well as suitable training and further education, work-life balance, comprehensive company health management, comprehensive health protection, secure jobs and collective agreements.

Employees with flexible working hours generally show a high degree of satisfaction, motivation and lower stress levels. In the long term, this results in lower staff turnover, reduced absenteeism and increased work performance. Targeted skills development promotes professional development by enabling employees to better recognise and develop their skills and potential. An improved work-life balance has a positive impact on society by increasing the labour force participation rate, ensuring stable family incomes and promoting equality. Occupational health management helps to maintain and promote the ability to work. Collective agreements also create security and transparency for employees, as they generally include higher wages, shorter working hours and additional benefits such as holiday and Christmas bonuses.

As a service provider in the financial sector, the W&W Group supports customers in securing their existential needs. Customers benefit from private and company pension schemes, health insurance, liability cover and financing solutions for housing and modernisation advice.

Private and occupational pension schemes close the gaps in provision caused by the falling level of statutory pensions. Private comprehensive and supplementary health insurance policies enable a more individualised scope of services, faster appointments and benefits in hospital. Liability insurance covers a risk that can threaten your livelihood, as a person is liable to an unlimited extent for all damages that they culpably cause to someone else. The provision of construction financing enables large sections of the population to purchase their own property, which would not have been possible without the corresponding financing. Modernisation consultations enable property owners to counter rising energy prices and dwindling resources and reduce the impact on the climate and environment.

In addition to legal compliance, good governance also promotes ethically correct behaviour towards customers, suppliers, competitors and employees. These positive effects therefore extend to the company's own business operations and the downstream value chain.

Industry associations and lobbyists represent the interests of their respective industries. Important political concerns of certain industries, which are significant for the functioning of the economic cycle, the level playing field and international competitiveness, among other things, can be raised in this way in political and social decision-making processes and thus taken into account in the decision-making process. The W&W Group companies' membership in industry associations and their own lobbying activities can therefore have a positive impact on governance.

Significant risks and opportunities

Significant risks from sustainability aspects in the W&W Group relate to climate change and demographic factors. Property damage resulting from climate change will be a significant factor in the property and casualty business in the coming years. Physical risks and transition risks relate to the W&W Group's investments. The mortgage portfolio is subject to transition risks. Risks in relation to the insurance collective arise in the area of personal insurance based on demographic change. The aforementioned risks therefore primarily affect the downstream value chain. In our own business operations, it cannot be ruled out that it could become more difficult in the coming years to recruit the personnel required as the company's labour force due to demographic change and a shortage of skilled workers.

However, sustainability aspects also offer opportunities for the W&W Group. These opportunities relate to climate change and the company's labour force. Tackling climate change is a major social and financial challenge. A key opportunity for the W&W Group is the business potential arising from the financing of modernisation measures and energy-efficient refurbishment of residential buildings. The ongoing qualification of the company's employees offers good opportunities to remain competitive and realise earnings potential. Opportunities are therefore concentrated in our own business operations and, in turn, in the downstream value chain.

Influence of material impacts, risks and opportunities on business model, value chain, strategy and decision-making

The growing frequency and severity of property damage caused by natural disasters necessitates constant analysis, review and adjustment of product tariffs and -features, as well as risk minimisation techniques such as underwriting guidelines and reinsurance agreements in property and casualty business. Needs-based pricing and limiting the volume of insurable risks or excluding uninsurable risks are key management tools for profit-oriented corporate management. The underwriting of risks in corporate/industrial business is based on ESG criteria in order to avoid the underwriting of risks that are critical from a sustainability perspective and to strengthen the underwriting of sustainable business. In addition, attention is paid to effective protection through reinsurance and retrocession agreements in order to protect the financial position and results of operations as well as the risk/solvency situation in the context of natural hazards.

At the same time, the negative impacts of climate change on natural disasters highlight the high economic and social need and benefit for available risk protection. Analyses to date therefore indicate no fundamental need to change the business models in the W&W Group. However, this does not rule out selective adjustments or even the cancellation of individual product offerings in the future.

The analysis of the main impacts, risks and opportunities reinforces our current strategic objective of the sustainability strategy to expand existing green product lines and services.

The topic of "energy modernisation of properties" was identified. The focus for new buildings is on energy efficiency. In existing buildings, on the other hand, energy-efficient refurbishment and modernisation are being stepped up, resulting in an increasing demand for energy and refurbishment advice. We have addressed this in our sustainability strategy via the area of action of customers and products, with the strategic goal of growth in the "green market of the future" of energy-efficient modernisation.

Furthermore, the topic of sustainability has become increasingly relevant in society and therefore also for our customers, and is therefore playing an increasingly important role in product purchasing decisions. We have addressed this in our sustainability strategy via the area of action of customers and products with the strategic goal of developing and offering "green" product lines and components in all business areas.

Explanations of the material impacts

Connection between impacts and strategy/business model

The negative environmental impact of the W&W Group's business activities results for the most part from real economic processes in the upstream and downstream value chain.

Financing, insuring and coordinating real economic transactions form the essential basis of the business model as a company in the credit, insurance and property development sector. These real economic processes are the main drivers of the environmental impacts listed above in climate change, pollution, water and marine resources, biodiversity/ecosystems and resource consumption/circular economy. The environmental impact of the company's own business operations is therefore regularly associated with and limited to the performance and realisation of office and IT operations and associated ancillary services.

In connection with potential negative impacts on human rights in the upstream value chain of the W&W Group, all employees of business partners, suppliers and service providers of the W&W Group and, in turn, all employees of their subcontractors and suppliers are affected. Due to the W&W Group's business model, potential negative effects on human rights may arise, particularly when purchasing goods and services from international companies.

The unadjusted gender pay gap occurs in the company's own business operations and should be seen as the result of historical developments in the company's workforce. At the same time, its development is subject to social changes that are reflected in employment biographies. Comparable activities are already remunerated equally within the W&W Group.

The positive effects in the areas of social affairs and governance are closely linked to the strategic orientation and business model of the W&W Group.

The positive impacts on our own workforce, such as flexible working hours, training and skills development, equal opportunities, promotion of work-life balance, health and safety at work, measures against violence and harassment in the workplace, secure employment and collective labour agreements, result from the W&W Group's internal HR strategy.

The establishment of suitable governance processes that result in positive effects is also part of the W&W Group's strategic orientation. The instruments listed do not necessarily depend on the business model, but their design must be aligned with the operational requirements and characteristics of a company in the financial sector.

The other group of positive effects relates to the effects that derive directly from the W&W Group's products. The effects of company pension schemes, private health insurance, old-age provision, liability insurance, financing offers for all social groups and modernisation advice are originally generated by the corresponding products of the W&W Group and are therefore inextricably linked to the business model.

Time horizons
The negative environmental impact of the W&W Group's business activities is of a short, medium and long-term nature. Due to the accumulation of environmental damage, a growing world population and even if all economic activities were to cease immediately worldwide, it cannot be assumed that immediate improvements would occur. In reality, it is to be feared that tipping points will be crossed, at which an acceleration of negative impacts and domino effects are to be feared.

The Intergovernmental Panel on Climate Change (IPCC) assumes that the 1.5 degree limit will probably be exceeded between 2030 and 2052. It therefore seems most likely that the time will come in the early 2030s. However, the consequences of anthropogenic climate change are already being felt today. The same applies to all the other negative environmental impacts listed above, such as the increase in microplastics and their decomposition into nanoplastics, the loss of biodiversity or the decline in water and other resources.

Human rights violations in the upstream value chain can also occur at short notice. The unadjusted gender pay gap should decrease in the medium to long term, provided that the convergence of men's and women's employment biographies continues in the future.

The positive effects from the social and governance areas will unfold in the short, medium and long term. In most cases, insurance policies provide protection immediately and when loss events occur in the future. Today, construction financing and the property development business make it possible to buy your own home and own the property in question for the long term. Property modernisations have an immediate and lasting effect for customers and the environment. Retirement provision products enable customers to preserve prosperity in the long-term future. Employees benefit from the measures described above both during and after their employment with the company. Governance measures have a lasting effect from the moment they are implemented.

Share of material impacts
The negative environmental and social impacts of the W&W Group's business activities result for the most part from its business relationships. The company's own activities are limited to office and IT operations, including ancillary services, which are primarily associated with greenhouse gas emissions and waste generation. The numerous environmental impacts are primarily related to usage behaviour and the way in which the business partners' economic activities are carried out. Examples include heating or measures to increase the energy efficiency of financed buildings, the driving behaviour and usage intensity of motor insurance customers or the environmental protection efforts of insured companies or companies financed by means of capital market instruments.

Impacts in the areas of social affairs and governance are attributable to the W&W Group's own activities, because they arise from the products, processes and corporate management and culture of the W&W Group. For example, the effects result from the existential protection provided by private liability insurance or the governance processes implemented by the W&W Group.

Current financial impact of the main risks and opportunities

Climate-related risks from flooding, storms and hail are an integral part of determining future potential losses in the insurance business. Risks from these natural events are modelled in collaboration with our external partners and adjusted annually in line with new findings and portfolio data. They are taken into account in the loss expectations for the relevant portfolios and are included in the changes to the provision for future policy benefits (liability for remaining coverage). The underwriting result in the 2024 financial year was significantly impacted by the consequences of the "Orinoco" natural disaster event and various regional storms.

Resilience of the strategy and business model

The rolling strategy process is based on a strategic business model analysis, among other things. The strategic business model analysis essentially comprises the external environment analysis and the internal company analysis.

For the internal company analysis, strengths and weaknesses are analysed in relation to the strategic dimensions of "Finance", "Market and customer", "Processes and technology" and "Employees". Opportunities and risks in the external corporate environment are analysed in the areas of "Society and customers", "Politics", "Economy and market" and "Technology".

Sustainability aspects, sustainable developments and trends are taken into account in each case. Based on the strategic business model analysis, the business strategy defines strategic targets and internally defined key performance metrics (KPIs). These are then transferred to the multi-year economic and equity planning and further operationalised. The overarching goal of the business strategy is to strengthen the resilience of the W&W Group.

As part of the strategy process carried out in 2024, strengths and weaknesses as well as opportunities and risks relating to sustainability were identified and, if relevant, taken into account in the 2025 ff. business plan.

There are currently no indications from either the strategy process or the business planning that the W&W Group is not sufficiently resilient to existing risks or that the opportunities analysed are not being adequately exploited.

The internally defined strategic targets and KPIs are classified as realistically achievable based on the assumed framework conditions and premises in the planning period. The W&W Group therefore believes that its business model is fundamentally resilient to significant risks, which does not rule out selective reactions and adjustments to changing internal and external conditions.

Significant risks are also analysed and assessed on an ongoing basis as part of the Group-wide risk management system, taking sustainability aspects into account. Stress test and scenario analyses are used to determine the ranges of possible positive and negative deviations. The risk management system defines instruments, methods and measures for managing risks identified as material.

The risk management system also does not currently show any signs of a lack of resilience to the identified risks.

Description of the impacts, risks and opportunities covered by the ESRS disclosure requirements

In the reporting period, the economic activities carried out by the W&W Group led to material impacts, risks and opportunities in almost all sustainability aspects covered by the ESRS topic-related standards. The environmental sustainability topics are climate change (ESRS E1), environmental pollution (ESRS E2), water and marine resources (ESRS E3), biodiversity and ecosystems (ESRS E4) and resource utilisation and the circular economy (ESRS E5). Material impacts, risks and opportunities in relation to social and governance aspects arise with regard to the company's labour force (ESRS S1), labour force in the value chain (ESRS S2), consumers and end users (ESRS S4) and corporate governance (ESRS G1). No significant company-specific impacts, risks or opportunities were identified for the W&W Group in the reporting period.

Significant differences

In the W&W Group, there are significant differences between material impacts, risks and opportunities on a consolidated basis (Group level) and the Group company Wüstenrot Bausparkasse AG on an individual basis (individual level).

According to Section 1 of the German Home Loan and Savings Bank Act (Bausparkassengesetz – BauSparkG), home loan and savings banks are credit institutions whose business operations are aimed at accepting deposits from savers (home loan deposits) and granting loans (building loan and construction loans) from the accumulated amounts to savers for housing-related measures (home loan and savings business). To ensure this, home loan and savings banks must have suitable home loan and savings bank simulation models in accordance with the Home Loans and Savings Bank Ordinance (BausparkV).

If not all of the accumulated amounts can be made available to home savers for housing-related measures in the form of home savings loans, it is permissible under Section 4 (1) BauSparkG to grant the remaining liquidity as advance and interim financing loans and other cash loans for housing-related measures (other building loans).

Any additional funds available (surplus liquidity) must be invested in the forms of investment permitted under Section 4 (3) BauSparkG. This also includes investments on the money and capital markets. The investment spectrum of Wüstenrot Bausparkasse AG is defined and restricted by these provisions of the BauSparkG. Wüstenrot Bausparkasse AG invests primarily in bonds issued by European governments and financial companies. Only a small number of investments are made in companies. Investments are made in companies in the investment grade range.

In the W&W Group, the investment of the liquidity surpluses of Wüstenrot Bausparkasse AG is considered part of the capital investment of the W&W Group for the materiality analysis. The cumulative investments of the W&W Group are assessed as a whole on a consolidated basis. On the individual basis of Wüstenrot Bausparkasse AG, however, only a materiality analysis with regard to the liquidity investment in accordance with Section 4 (3) BauSparkG is performed.

Wüstenrot Bausparkasse AG therefore differs considerably from the cumulative investments of the W&W Group in terms of their impacts and risks. In contrast to the W&W Group, the investments of Wüstenrot Bausparkasse AG only have a material impact on the sustainability topic of "climate change" (ESRS E1).

Management of impacts, risks and opportunities

Disclosure Requirement IRO-1 – Description of the process used to identify and assess the material impacts, risks and opportunities

Applied methods and assumptions

With the entry into force of the amendments to the German Commercial Code (HGB) as a result of the so-called CSR Directive (Non-financial Reporting Directive, NFRD), the W&W Group was obliged to provide statutory non-financial reporting for the first time from the 2017 financial year. The requirements were concretised by *German Accounting Standard 20 (DRS 20) Group Management Report*. As part of the implementation of these requirements for the W&W Group, a materiality analysis was prepared, which served as the basis for reporting. This was the first time that the policy of dual materiality (outside-in perspective and inside-out perspective) was used to analyse sustainability aspects.

The materiality analysis prescribed by the delegated act on the new EU Corporate Sustainability Reporting Directive (CSRD) ("ESRS Regulation") was implemented in the W&W Group with the changeover to the new amendments to the German Commercial Code (HGB) originally expected for 2024 as a result of the CSRD. This required a complete rebuild. First, there are requirements for a materiality analysis in accordance with the ESRS, which are described in more detail in the following sections. Second, the policy of dual materiality should be interpreted more strictly to the effect that the determination of materiality in only one dimension is sufficient to trigger a reporting obligation.

Due to the failure of the German legislator to transpose the CSRD into national law and administrative provisions within the timeframe stipulated in Article 5(1) of the CSRD, the following recommendations were made in accordance with the recommendations of the *briefing paper: ESRS as a framework for a non-financial statement (status: 18 December 2024)* of the German Accounting Standards Committee e. V. (GASC), a reconciliation of the reportable aspects in accordance with HGB and GAS 20 to the material topics for the W&W Group in accordance with ESRS was also carried out.

The requirements of ESRS 1 and the Implementation Guidance EFRAG IG 1 Materiality Assessment are to be applied for the materiality analysis. In addition, the W&W Group uses the materiality assessment methods set out in the Draft European Sustainability Reporting Guidelines 1 Double materiality policyual guidelines for standards-setting (ESRG 1). The sustainability aspects to be considered in the materiality analysis at the "topic", "sub-topic" and "sub-sub-topic" levels are defined by ESRS 1.AR 16. The list contained therein is to be used as a tool to support the materiality analysis. The consideration of the reporting entity's own specific circumstances required by ESRS 1.AR 16 did not lead to the identification of topics (or subtopics/sub-sub-topics) for the W&W Group that are not already covered by the list. There are therefore no company-specific disclosures on material impacts, risks and opportunities.

Process for identifying, assessing, prioritising and monitoring the company's potential and actual impacts on people and the environment based on the company's due diligence process

In order to determine the impacts, risks and opportunities in relation to sustainability aspects, the organisational units and specialist areas of the W&W Group were grouped together into analysis levels that have a comparable ESG profile in terms of their sustainability aspects. These investigation levels are "Business operations and suppliers", "Life/health insurance", "Property/casualty insurance for private customers", "Property/casualty insurance for corporate customers", "Investments", "Building society savings contracts/construction financing" and "Housing and urban development".

For each investigation level, a topic- and standard-agnostic procedure for the materiality assessment was used, which basically has three levels. The first stage is the exposure analysis. This level was applied if there is a corporate customer or investment portfolio. If there is no corresponding portfolio in the analysis level, the entire analysis level is directly subjected to a hotspot analysis. The final stage is the detailed analysis.

In the exposure analysis, the individual counterparties, contractual partners and issuers are bundled at the economic sector level and analysed using the web-based software tool ENCORE. The exposure analysis serves, among other things, to identify the existence and concentration of certain sectors in which the counterparties, contractual partners and issuers operate. If a sub-sub-topic specified by ESRS 1.AR 16 is identified as potentially material in the exposure analysis, the topic is categorised as initially material.

The hotspot analysis distinguishes between two case constellations. In the case of an upstream exposure analysis, the hotspot analysis is used to check the plausibility of the results of the exposure analysis. Based on this, sub-sub-themes are identified as material or immaterial. Impacts, risks and opportunities are identified for key sub-themes. In each case, this identification is based on an expert estimate, which is based on internal Group knowledge and experience. If no exposure analysis is performed upstream, the distinction between material and immaterial sub-themes is made directly using expert estimates. In the case of materiality, this is also followed by the determination of impacts, risks and opportunities.

The detailed analysis assesses the impacts, risks and opportunities identified as fundamentally material. When evaluating impacts, their extent, scope and remediability as well as the probability of occurrence in the case of potential impacts are assessed. Risks and opportunities are assessed on the basis of their expected financial severity and probability of occurrence.

The evaluation is carried out as part of the detailed analysis to assess the extent, scope and remediability. In the case of potential impacts, the probability of occurrence is also assessed. Assessments are always based on expert estimates, which are made by the specialist departments together with the core project team.

The result of the detailed analysis is classified on a points scale and prioritised in different evaluation levels. As soon as a predefined number of points is exceeded, the assessed sub-sub-topic is categorised as "material within the meaning of the ESRS". Below this point threshold, a sub-sub-topic is not considered material.

The initial materiality analysis for the W&W Group was carried out as part of an implementation project for ESRS reporting by means of a series of workshops. In addition to a core project team, the W&W Risk Management and Corporate Development departments were involved, as well as the specialist department responsible for the topic. Risk management assesses risks qualitatively and Group Development assesses strategic sustainability management issues with regard to opportunities. Identified materialities in the investigation levels are summarised by topic at the Group level and compared with each other in order to determine materiality on a consolidated basis.

The materiality analysis process will be continued in subsequent years based on the initial implementation. Whether a sub-sub-topic becomes material is therefore subject to annual monitoring.

By summarising the above-mentioned levels of analysis, the focus is on specific activities and business relationships with a comparable ESG profile. This always involves a holistic view and assessment of the investigation levels of the entire W&W Group without focussing on specific activities, business relationships, geographic circumstances or other factors that could lead to an increased risk of adverse effects.

The procedure used to assess materiality involves analysing the impact of the entire value chain at all levels of analysis. It is considered whether the W&W Group contributes directly to the cause of an impact (1st level of connection), contributes indirectly to the relevant impact via relationships with business partners or suppliers (2nd level of connection) or is indirectly connected to the impact via its business activities, products and services as part of a business relationship (3rd level of connection).

Affected stakeholders are taken into account in accordance with the procedure described in the *Disclosure requirement SBM-2 – Interests and views of stakeholders*. Consultations with affected stakeholders or external experts to assess the interests of the stakeholders were not carried out.

Point scales are used to prioritise impacts based on their relative severity and probability in accordance with the requirements of ESRG 1. In the case of potential adverse impacts on human rights, the severity of the impact is prioritised over the likelihood in accordance with ESRS 1.

Procedures for identifying, assessing, prioritising and monitoring risks and opportunities that have or may have a financial impact

Risks in the environmental, social and governance areas were identified for the purposes of the materiality analysis on the basis of qualitative expert assessments by the organisational units involved. In addition, individual data analyses of the respective departments and the results of the existing ESG risk analysis of the Risk Management department of W&W AG were used for support. On this basis, well-founded assessments of the probability of occurrence and financial severity (in this case, the probability of the risk materialising) were carried out in joint workshops with the specialist departments and risk management (in this case: negative financial effect) of the risks. ESG risks are generally monitored on an annual basis and, if necessary, on an ad hoc basis.

The identification of opportunities is based on the W&W Group's sustainability strategy. The issues listed in the sustainability strategy must be assessed. The assessment of the respective opportunities is carried out by in-house experts for the respective issue with the involvement of the sustainability officer or the responsible sustainability coordinators. Opportunities are monitored on an annual basis.

Interrelationships between risks and opportunities and their effects are reviewed as part of the materiality analysis process if the respective expert recognises a need for this during the assessment.

The severity of the negative and positive financial effects is assessed using scales whose scores are defined by qualitative descriptions of the financial effects. The probability of occurrence is determined by assessing trends.

The W&W Group has analysed its sustainability risks in accordance with the German Federal Financial Supervisory Authority's "Information Sheet on Dealing with Sustainability Risks" and established a link to the existing risk areas. Due to their allocation to the existing risk areas, they are not subject to independent quantification. As part of the risk inventory, risks are assessed at the level of the existing risk areas into which the sustainability risks are integrated.

Decision-making process and the associated internal control procedures

Finally, the results of the materiality analysis of the various specialist areas are analysed at a consolidated level and checked for overall consistency. At the level of the respective ESRS standard and across all standards, this is intended to ensure that the materiality assessment at the level of the W&W Group is as standardised as possible. Standardisation is achieved iteratively and thus represents the greatest possible approximation.

Integration of the materiality analysis into other processes of the W&W Group

In the W&W Group's risk management, sustainability risks are addressed along the established risk management cycle. As far as possible, sustainability risks are integrated into the existing and established procedures for identifying, assessing, managing, monitoring and reporting.

Accordingly, the requirements, findings and results of the materiality analysis are also taken into account as part of the ESG risk analysis of risk management. In particular, care is taken to ensure that the material risks identified here are appropriately included in the ESG events analysed in the hazard analysis and appropriately incorporated into their qualitative assessment. Conversely, the assessments of the ESG risk analysis are incorporated into the assessment of the probability of occurrence and financial severity (in this case: negative financial effect) of the risks in the materiality analysis. This ensures that the findings from the materiality analysis are fed back into the W&W Group's other processes.

As part of the strategy process for the further development of the sustainability strategy, opportunities and risks are analysed as part of the strategic analysis and the results of the materiality analysis are compared with the strategic objectives. The results are taken up in the regular revision of the sustainability strategy and its objectives are adjusted accordingly.

Target achievement is reviewed in the strategy process by comparing target/actual figures. This is based on the actual results of the previous year and the values for the current year available up to the time of the reconciliation. If targets are not met, the causes are also analysed.

Input parameters used

The data sources used include information available to the W&W Group as a result of its business activities as well as information obtained from external data providers. Information from data providers includes publicly accessible issuer information as well as information extracted from publicly accessible databases and information sources. In some cases, the data providers also use their own expertise to prepare these data in order to provide market insights and comparability. The data originating from internal Group sources contains, for example, information on insured customers, investment assets, borrowers, employees of the company or suppliers and is anonymised for the purposes of the materiality of ESG-related issues in accordance with statutory data protection requirements. Internal information also includes invoices received, consumption statements/bills or information on travelling activities. In connection with the upstream value chain, information from the risk analysis is used with regard to the requirements of the Supply Chain Due Diligence Act (LkSG).

Changes to the materiality analysis process and date of the next reviews

The materiality analysis of ESG-related impacts, risks and opportunities was carried out for the first time for the 2024 financial year in accordance with the ESRS regulations. In future, the materiality analysis will be reviewed and updated on an annual basis during the course of the respective financial year.

Procedures in relation to climate change impacts

For the identification and assessment of climate-related impacts, the topic- and standard-agnostic procedure for materiality assessment presented in "Disclosure requirement IRO-1 – Description of the procedure for identifying and assessing material impacts, risks and opportunities" is used. In the case of environmental issues, the exposure analysis described in the aforementioned disclosure requirement regularly precedes the hotspot analysis and the detailed analysis, as material environmental issues in the W&W Group can always occur in the investment, loan and insurance portfolio in the case of corporate customers or investments in equity and debt instruments of companies. Since climate-related impacts are significantly associated with GHG emissions and these can occur in almost all economic activities, all phases of the W&W Group's value chain are subjected to an intensive detailed analysis with regard to climate-related impacts.

Procedures relating to climate-related physical risks and climate-related transition risks

Climate-related physical risks

Quantitative and qualitative methods are used to assess the risk potential in order to determine climate-related risks in the W&W Group.

Sustainability risks are identified and assessed at least once a year in the W&W Group as part of an ESG risk analysis by Risk Controlling. To this end, a list of potentially relevant ESG events is drawn up and defined in terms of their content, direction of impact and time horizon.

The time horizon to be considered ranges from the short term (5 years) to the medium term (15 years) to the long term (30 years and more). The direction of impact indicates the direct influence that the W&W Group or the W&W companies have on ESG events.

A score value procedure is used to assess the probability of occurrence for each ESG event in the time horizon under consideration and the impact intensity for all risk areas and types. The individual scores are then aggregated to form an overall score per ESG event and per risk area/type and translated into a traffic light system. In order to also indicate any short-term prioritisation of individual ESG events that may be necessary, the probability of occurrence is also assessed for each ESG event on a one-year horizon.

The determination of the time horizons to be considered in the ESG risk analysis is primarily based on regulatory requirements and recommendations for proper risk management and, with regard to the quantitative climate stress test, on the time periods of the NGFS scenarios (NGFS: Network for Greening the Financial System).

In some cases, these periods are significantly longer than the periods considered in the W&W Group's strategy or planning, particularly with regard to the more medium to long-term effects of climate-related risks. With regard to the short-term effects, the period under review is also covered in the strategy and planning.

The business activities of the W&W Group and the operating W&W companies are limited almost entirely to Germany and, to a lesser extent, to neighbouring European countries, which is why climate and weather-related changes are particularly significant in this country. The indirect effects of global developments on the local capital markets and the political and social environment also remain relevant.

The analyses of the Climate Service Center Germany (GERICS), among others, are used to assess physical risks. In the assessment, different natural hazards are expected to have different degrees of impact depending on the event. Individual natural events may have a supra-regional impact, while others tend to occur locally. Appropriate consideration is given.

It is not yet possible to draw sufficient conclusions regarding the overall economic and operational effects from the mere forecast of climate and weather-related changes. In this respect, it is important to determine the consequences of these changes on economic parameters in the relevant corporate environment in order to enable better integration with the corporate strategy, planning and control system. NGFS scenarios are therefore used. The individual NGFS scenarios represent various conceivable developments, each characterised by different degrees of physical and transitory risks. The W&W Group has decided to use one of these NGFS scenarios to analyse its own portfolios with regard to physical risks: the current-policies scenario.

The current-policies scenario assumes a mere continuation of the climate protection measures already in force today, i.e. no additional or more stringent measures are taken to raise the current level of political ambition. In this scenario, the temperature would rise by + 2 °C by 2050 and + 3 °C by 2100.

In order to model the changes in natural disasters in the standard regulatory model, the calculation methodology also includes the company's own data history. The NatCat risk per natural disaster is scaled on the basis of the expected changes in the extreme events of the individual natural disasters under the respective climate change scenario and the premium and reserve risk per line of business on the basis of the change in the expected annual loss.

The results of the climate-related scenario analyses are currently being used to report transparently, both internally and externally, on potential physical risks. The results are included in reporting at various points in the Group (summarised management report, ORSA, risk governance framework, risk reporting, etc.).

Climate-related transition risks
The W&W Group refers to the NGFS "delayed transition" scenario to determine climate-related transition risks.

The delayed transition scenario assumes that extended measures to reduce CO_2 emissions will not be taken until 2030. However, these measures are then very clear and lead to disruptive changes. This will result in high transition risks in the 2030s. As a result, the scenario aims to meet the Paris climate targets, i.e. to limit global warming to less than + 2 °C in the long term.

The economic effects of the delayed transition scenario on the investments were considered on the basis of the parameterisation provided for in the 2022 climate stress test for pension funds (IORP stress test). It is assumed that the economic effects will materialise in an ad hoc shock in the three years following the stricter measures to reduce CO_2 emissions.

In addition, to determine climate-related transition events, for example, a sector with non-sustainable companies is managed in the counterparty risk for own-account business and the risk of stranded assets is recognised.

The measurement of an increase in temperature on underwriting is carried out in the same way as described for physical risks.

Transition risks may arise for the W&W Group, particularly in the medium term, in the event of fundamental changes to the political agenda. Internal and external developments in the political, economic and ecological environment or social trends could prompt politicians to take legislative measures or change direction in various areas. For example, changes to building regulations, housing subsidies or restrictions on travelling and private transport would have a direct impact on business and product policy.

This could change the economic framework conditions, influence investment decisions and set guidelines for product development through to business models. This could affect both the investments and the product range of the W&W companies. This could result in risks and opportunities, depending on how it is organised.

As a result of changes in the regulatory framework, prices and real assets as well as spreads of particularly affected areas and sectors could be negatively impacted. For the W&W Group and the W&W companies, this would result in market and counterparty risks in the area of invested capital. On the other hand, pressure could arise here if issuers were to fall into disrepute as a result of climate-damaging activities or a poor reputation and sustainability-oriented consumers were to avoid such entities.

To limit sustainability risks in capital investments, investment principles are applied in the form of exclusion criteria, which can exclude companies and countries in the securities sector, in particular, that are not in line with ESG-related criteria. These exclusion criteria and/or exclusions are subject to regular review. Sustainability aspects, in particular, must be adequately taken into account in strategic asset allocation as a framework for capital investment. This includes, among other things, driving forward the continuous expansion of the investment portfolio with sustainable instruments and continuously reducing the portfolio's CO_2 emissions in order to achieve the long-term goal of climate neutrality for the portfolio. The W&W Group uses the services of ISS ESG to analyse its portfolio.

The time horizon considered for transition risks in the ESG risk analysis is limited to a short-term perspective (up to 5 years) and a medium-term perspective (up to 15 years).

Transition risks are measured in the same way as physical risks.

Assets and business activities that are not compatible with the transition to a climate-neutral economy or require significant efforts, have not yet been identified. In future, the W&W Group plans to further develop its ability to analyse the extent to which assets or business activities are not compatible with the transition to a climate-neutral economy or require considerable effort.

The results of the climate-related scenario analyses are currently being used to report transparently, both internally and externally, on transition risks. The results are included in reporting at various points in the Group (summarised management report, ORSA, risk governance framework, risk reporting, etc.).

Compatibility of the climate scenarios used with climate-related assumptions in the consolidated financial statements

The climate-related assumptions recognised in the consolidated financial statements are based on climate scenarios and models that are based on physical risks and transition risks. The climate-related assumptions are used, among other things, in the determination of the fair value of investments, the valuation of real estate, in the customer lending business and in technical liabilities.

Process for identifying and assessing the main impacts, risks and opportunities associated with environmental pollution

The materiality assessment procedure described above is used to determine and assess the material impacts, risks and opportunities. In the case of environmental issues, the exposure analysis described in the aforementioned disclosure requirement, the hotspot analysis and the detailed analysis are regularly performed upstream, as material environmental issues in the W&W Group can always occur in the investment, loan and insurance portfolio in the case of corporate customers or investments in equity and debt instruments of companies. The materiality analysis did not identify any material impacts, risks or opportunities for the W&W Group with regard to environmental pollution in its own business operations, meaning that no separate analysis of the Group's own locations was required.

The business activity of the W&W Group that has a material impact on the topic of "environmental pollution" is the insurance of vehicles (motor vehicle and fleet insurance). The operation of the insured vehicles by policyholders causes significant environmental pollution from microplastics and particulate matter due to tyre wear, brake residue and road abrasion.

The effects occur in the downstream value chain and have no independent connection to a particular location.

Due to the nature of the material impacts identified in connection with environmental pollution, there was no approach to stakeholder consultation during the reporting period.

Process for identifying and assessing material impacts, risks and opportunities related to water and marine resources

The materiality assessment procedure described above is used to determine and assess the material impacts, risks and opportunities. In the case of environmental issues, the exposure analysis described in the aforementioned disclosure requirement, the hotspot analysis and the detailed analysis are regularly performed upstream, as material environmental issues in the W&W Group can always occur in the investment, loan and insurance portfolio in the case of corporate customers or investments in equity and debt instruments of companies.

The analyses show significant water consumption by insured companies, companies in which investments are made as part of capital investments and investments in industrialised countries. This is due to the economic activity of the companies concerned and industrialised countries.

Due to the characteristics of the identified material impacts related to water and marine resources, there was no approach for stakeholder consultation during the reporting period.

Process for identifying material impacts, risks, dependencies and opportunities related to biodiversity and ecosystems

The materiality assessment procedure described above is used to determine and assess the material impacts, risks and opportunities. In the case of environmental issues, the exposure analysis described in the aforementioned disclosure requirement regularly precedes the hotspot analysis and the detailed analysis, as material environmental issues in the W&W Group can always occur in the investment, loan and insurance portfolio in the case of corporate customers or investments in equity and debt instruments of companies.

The W&W Group primarily has office locations as part of its own business operations. In the property development business, there are also rental locations as part of the company's own business operations. No significant actual or potential impacts on or dependencies on biodiversity and ecosystems were identified for our own business operations.

In the downstream value chain, the analyses show material impacts on biodiversity and ecosystems for insured customers who are active in agriculture and the construction or property development industry, for companies in which investments are made as part of capital investment, and for investments in industrialised countries. This is due to the economic activity of the companies concerned and industrialised countries.

The W&W Group's dependencies on biodiversity and ecosystems were analysed together with risks as part of the risk analysis.

In the case of construction measures, biological resources and ecosystems are shared with the general public. For this reason, the W&W Group's construction projects in Germany are subject to the legally prescribed environmental impact assessments with regard to environmentally relevant protected goods and the environmental assessments prescribed in the respective countries. This also determines the compensation and restoration measures to be taken by the companies of the W&W Group, if necessary.

Procedures relating to physical and transition risks and consideration of systemic risks related to biodiversity and ecosystems

Sustainability risks from the loss or disruption of biodiversity and ecosystems are assessed qualitatively as part of the ESG risk analysis of risk management. The loss or disruption of biodiversity in geographical areas can potentially have a negative impact on the economic performance and thus the creditworthiness of the companies, affected regions and countries located there. Accordingly, potential negative effects on the W&W Group's investments and credit risk portfolios cannot be ruled out in the medium to long term. This may also have an impact on the business, product and investment policy.

The qualitative assessment of physical risks and transition risks associated with biodiversity and ecosystems also includes systemic risks. In doing so, the W&W Group takes into account potential threats and uncertainties arising from the loss of biodiversity, which can affect entire ecosystems, economies and societies.

Process for identifying and assessing the material impacts, risks and opportunities associated with resource utilisation and the circular economy

The materiality assessment procedure described above is used to determine and assess the material impacts, risks and opportunities. In the case of environmental issues, the exposure analysis described in the aforementioned disclosure requirement, the hotspot analysis and the detailed analysis are regularly performed upstream, as material environmental issues in the W&W Group can always occur in the investment, loan and insurance portfolio in the case of corporate customers or investments in equity and debt instruments of companies.

Significant resource consumption and waste were identified in all parts of the W&W Group's value chain. It was found that the type of resource discharges and waste as well as the pass-through review possibilities differ considerably, so that fact-specific analyses are required. In our own business operations, we need to analyse our own waste generation with regard to electronic waste and residual waste. In the property development business, the need to deal with packaging materials on construction sites was indicated. The capital investment portfolio, on the other hand, requires a consideration of resource consumption and waste generation, which is indirectly associated with investments in companies and nations in industrialised countries. The activity of insuring tangible assets goes hand in hand with the acquisition and restoration of the insured property, which always includes the disposal of damaged or lost assets. In the property development business, the above analyses indicated the need for further investigation of the effects in connection with resource inflows.

Due to the nature of the material impacts identified in connection with resource inflows, resource outflows and waste, there was no approach to stakeholder consultation in the reporting period.

Process for identifying and assessing the material impacts, risks and opportunities in connection with corporate governance

The materiality assessment procedure described above is used to determine and assess the material impacts, risks and opportunities. In the case of governance issues, materiality analyses are based on the governance processes already implemented in the W&W Group and therefore focus on the conditions within the Group itself. The governance processes in the W&W Group were developed and established specifically for the requirements of the financial sector. Based on many years of expertise, the materiality of governance issues is analysed using existing empirical values.

Disclosure Requirement IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

List of disclosure requirements

The list of disclosure requirements that were followed in the preparation of this report based on the results of the materiality analysis can be found in the table of contents of the Group Sustainability Report.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The following table contains a list of datapoints deriving from other EU legislation listed in Appendix B of ESRS 2. Datapoints that are categorised as "not material" are indicated with the corresponding note. Datapoints that are not relevant due to the business activities or corporate governance of the W&W Group are recognised as "not relevant". In addition, datapoints that fall under the transitional provisions of Appendix C of ESRS 1 and whose disclosure is waived are marked accordingly in the table.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS	Disclosure requirement and related datapoint	Reference in the Group Sustainability Report
ESRS 2	ESRS 2 GOV-1, Board's gender diversity, paragraph 21(d)	Page 105, Disclosure requirement GOV-1, section Composition and diversity of the members of the administrative, management and supervisory bodies, paragraphs 1 and 2
ESRS 2	ESRS 2 GOV-1, Percentage of board members that are independent, paragraph 21(e)	Page 105, Disclosure requirement GOV-1, section Composition and diversity of the members of the administrative, management and supervisory bodies, paragraph 2
ESRS 2	ESRS 2 GOV-4, Statement on due diligence, paragraph 30	Page 108, Disclosure requirement GOV-4
ESRS 2	ESRS 2 SBM-1, Involvement in activities related to fossil fuels activities, paragraph 40(d) i	Page 112, Disclosure requirement SBM-1, section Statement on specific business areas
ESRS 2	ESRS 2 SBM-1, Involvment in activities related to chemical production, paragraph 40(d) ii	Page 112, Disclosure requirement SBM-1, section Statement on specific business areas
ESRS 2	ESRS 2 SBM-1, Involvement in activities related to controversial weapons, paragraph 40(d) iii	Page 112, Disclosure requirement SBM-1, section Statement on specific business areas
ESRS 2	ESRS 2 SBM-1, Involvement in activities related to the cultivation and production of tobacco, paragraph 40(d) iv	Page 112, Disclosure requirement SBM-1, section Statement on specific business areas
ESRS E1	ESRS E1-1, Transition plan to reach climate neutrality by 2050, paragraph 14	Page 142, Disclosure requirement E1-1
ESRS E1	ESRS E1-1, Undertakings excluded from Paris-aligned Benchmarks, paragraph 16(g)	not relevant
ESRS E1	ESRS E1-4, GHG emission reduction targets, paragraph 34	not material
ESRS E1	ESRS E1-5, Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Page 160, Disclosure requirement E1-5, table Energy consumption and energy mix
ESRS E1	ESRS E1-5, Energy consumption and mix, paragraph 37	Page 160, Disclosure requirement E1-5, table Energy consumption and energy mix
ESRS E1	ESRS E1-5, Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Page 160, disclosure requirement E1-5, supplement to table Energy consumption and energy mix
ESRS E1	ESRS E1-6, Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	Page 163, Disclosure requirement E1-6, tableTotal GHG emissions, broken down by Scope 1, Scope 2 and significant Scope 3 emissions
ESRS E1	ESRS E1-6, Gross GHG emissions intensity, paragraphs 53 to 55	Page 164, disclosure requirement E1-6, supplement to table Total GHG emissions, broken down by Scope 1, Scope 2 and significant Scope 3 emissions
ESRS E1	ESRS E1-7, GHG removals and carbon credits, paragraph 56	Page 171, Disclosure requirement E1-7, paragraph 1-5

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS	Disclosure requirement and related datapoint	Reference in the Group Sustainability Report
ESRS E1	ESRS E1-9, Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	not disclosed in accordance with ESRS 1 Appendix C
ESRS E1	ESRS E1-9, Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9, Location of significant assets at material physical risk, paragraph 66(c).	not disclosed in accordance with ESRS 1 Appendix C
ESRS E1	ESRS E1-9, Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67(c)	not disclosed in accordance with ESRS 1 Appendix C
ESRS E1	ESRS E1-9, Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	not disclosed in accordance with ESRS 1 Appendix C
ESRS E2	ESRS E2-4, Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	not material
ESRS E3	ESRS E3-1, Water and marine resources, paragraph 9	Page 172, Disclosure requirement E3-1
ESRS E3	ESRS E3-1, Dedicated policy, paragraph 13	not material
ESRS E3	ESRS E3-1, Sustainable oceans and seas, paragraph 14	not material
ESRS E3	ESRS E3-4, Total water recycled and reused, paragraph 28(c)	not material
ESRS E3	ESRS E3-4, Total water consumption in m^3 per net revenue on own operations, paragraph 29	not material
ESRS E4	ESRS 2 SBM-3 – E4, Activities negatively affecting biodiversity sensitive areas, paragraph 16(a) i	not material
ESRS E4	ESRS 2 SBM-3 – E4, Material negative impacts with regards to land degradation, desertification or soil sealing, paragraph 16(b)	not material
ESRS E4	ESRS 2 SBM-3 – E4, Operations that affect threatened species, paragraph 16(c)	not material
ESRS E4	ESRS E4-2, Sustainable land / agriculture practices or policies, paragraph 24(b)	not material
ESRS E4	ESRS E4-2, Sustainable oceans / seas practices or policies, paragraph 24(c)	not material
ESRS E4	ESRS E4-2, Policies to address deforestation, paragraph 24(d)	not material
ESRS E5	ESRS E5-5, Non-recycled waste, paragraph 37(d)	Page 182, Disclosure requirement E5-5, table Waste
ESRS E5	ESRS E5-5, Hazardous waste and radioactive waste, paragraph 39	Page 182, Disclosure requirement E5-5, table Waste
ESRS S1	ESRS 2 SBM-3 – S1, Risk of incidents of forced labour, paragraph 14(f)	Page 184, Disclosure requirement in connection with ESRS 2 SBM-3, paragraph 7
ESRS S1	ESRS 2 SBM-3 – S1, Risk of incidents of child labour, paragraph 14(g)	Page 184, Disclosure requirement in connection with ESRS 2 SBM-3, paragraph 7
ESRS S1	ESRS S1-1, Human rights policy commitments, paragraph 20	Page 190, Disclosure requirement S1-1, paragraphs 1-4
ESRS S1	ESRS S1-1, Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21	Page 190, Disclosure requirement S1-1, paragraph 5
ESRS S1	ESRS S1-1, Processes and measures for preventing trafficking in human beings, paragraph 22	Page 190, Disclosure requirement S1-1, paragraph 6
ESRS S1	ESRS S1-1, Workplace accident prevention policy or management system, paragraph 23	Page 191, Disclosure requirement S1-1, paragraph 7

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS	Disclosure requirement and related datapoint	Reference in the Group Sustainability Report
ESRS S1	ESRS S1-3, Grievance/complaints handling mechanisms, paragraph 32(c)	Page 192, Disclosure requirement S1-3, paragraph 2
ESRS S1	ESRS S1-14, Number of fatalities and number and rate of work-related accidents, paragraph 88(b) and (c)	Page 201, Disclosure requirement S1-14, table Health and safety
ESRS S1	ESRS S1-14, Number of days lost to injuries, accidents, fatalities or illness, paragraph 88(e)	Page 201, Disclosure requirement S1-14, table Health and safety
ESRS S1	ESRS S1-16, Unadjusted gender pay gap, paragraph 97(a)	Page 202, Disclosure requirement S1-16, paragraph 2
ESRS S1	ESRS S1-16, Excessive CEO pay ratio, paragraph 97(b)	Page 202, Disclosure requirement S1-16, paragraph 3
ESRS S1	ESRS S1-17, Incidents of discrimination, paragraph 103(a)	Page 203, Disclosure requirement S1-17, Table of incidents, complaints and severe impacts related to human rights
ESRS S1	ESRS S1-17, Non-respect UNGPs on Business and Human Rights and the OECD Guidelines, paragraph 104(a)	Page 203, Disclosure requirement S1-17, Table of incidents, complaints and severe impacts related to human rights
ESRS S2	ESRS 2 SBM3 – S2, Significant risk of child labour or forced labour in the value chain, paragraph 11(b)	Page 203, Disclosure requirements related to ESRS 2 SBM-3, section Labour in the supply chain, paragraph 4
ESRS S2	ESRS S2-1, Human rights policy commitments, paragraph 17	Page 206, Disclosure requirement S2-1, section Labour in the supply chain, paragraph 1 after table
ESRS S2	ESRS S2-1, Policies related to value chain workers, paragraph 18	Page 206, Disclosure requirement S2-1, section Labour in the supply chain, paragraph 1 after table
ESRS S2	ESRS S2-1, Non-respect of UNGPs on Business and Human Rights principles and the OECD guidelines, paragraph 19	Page 206, Disclosure requirement S2-1, section Labour in the supply chain, paragraph 1 after table
ESRS S2	ESRS S2-1, Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	Page 206, Disclosure requirement S2-1, section Labour in the supply chain, paragraph 1 after table
ESRS S2	ESRS S2-4, Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	not material
ESRS S3	ESRS S3-1, Human rights policy commitments, paragraph 16	not material
ESRS S3	ESRS S3-1, Non-respect of UNGPs on Business and Human Rights, ILO Principles or the OECD guidelines, paragraph 17	not material
ESRS S3	ESRS S3-4, Human rights issues and incidents, paragraph 36	not material
ESRS S4	ESRS S4-1, Policies related to consumers and end-users, paragraph 16	not material
ESRS S4	ESRS S4-1, Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17	not material
ESRS S4	ESRS S4-4, Human rights issues and incidents, paragraph 35	not material
ESRS G1	ESRS G1-1, United Nations Convention against Corruption, paragraph 10(b)	not relevant
ESRS G1	ESRS G1-1, Protection of whistleblowers, paragraph 10(d)	not relevant

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS	Disclosure requirement and related datapoint	Reference in the Group Sustainability Report
ESRS G1	ESRS G1-4, Fines for violations of anti-corruption and anti-bribery laws, paragraph 24(a)	Page 221, Disclosure requirement G1-4
ESRS G1	ESRS G1-4, Standards of anti-corruption and anti-bribery, paragraph 24(b)	Page 221, Disclosure requirement G1-4

Determination of essential information

With the exception of affected communities (ESRS S3), the sustainability topics specified by the topic-related ESRS standards were identified as material for the W&W Group. This means that the specified topics have either a material impact, significant risks, significant opportunities or a combination of two or three of these issues. There were no material company-specific sustainability-related issues in the W&W Group in the reporting period.

Thus, in addition to the general disclosure requirements of ESRS 2, the disclosure requirements regarding policies, measures and means as well as objectives of the standards ESRS E1, E2, E3, E4, E5, S1, S2, S4 and G1 are fulfilled. For the fulfilment of these disclosure requirements, it is irrelevant whether the material impacts, risks or opportunities occur in the upstream value chain, in the company's own business operations or in the downstream value chain. In the absence of policies, measures and objectives for material topics, the information is summarised in the topic-related disclosure requirement for the policies.

Disclosure requirements for key metrics of the topic-related ESRS standards are only disclosed if the respective key metrics also cover the relevant part of the value chain in which the material impacts, risks or opportunities were identified. The ESRS does not provide for the disclosure of key metrics relating to matters that are immaterial for the W&W Group.

Individual data points in disclosure requirements are not disclosed if the requirement in question is not relevant or not material for the W&W Group. Data points to be disclosed voluntarily are only reported if the information is useful for the understanding of this report.

Misstatements for data points or individual facts are included in the report to the extent that they are required by the ESRS standards or are useful for understanding the report.

The breakdown of revenue by relevant ESRS sectors in accordance with ESRS 2 SBM-1 is not possible in the reporting year, as the ESRS sectors have not yet been defined by the legislator. In accordance with the transitional provisions in Appendix C of ESRS 1, the expected financial impact in accordance with ESRS 2 SBM-3 and the environment-related ESRS standards is not disclosed in the first year of reporting.

Metrics

Minimum Disclosure Requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

The following overview contains a list of the key metrics stated in this sustainability statement. A brief description of the methods and significant assumptions is provided for each disclosure requirement with key metrics. A detailed description of the methods and significant disclosures relating to the key metrics is included under the relevant disclosure requirement. The overview also indicates whether the measurement of the respective key indicator was additionally validated by an external body other than the auditor responsible for this sustainability statement.

List of key metrics used to assess performance and effectiveness

List of key metrics used	Overview of the methods used	Validation of the measurement of the key indicator by an external body
Disclosure requirement E1-5 – Energy consumption and energy mix	Meter readings, evaluation of (utility) bills, calculations based on energy performance certificates and additional statistical methods	none
Disclosure requirement E1-6 – Gross GHG emissions of categories Scope 1, 2 and 3 as well as total GHG emissions	Conversion of energy consumption, enquiry of surveys by suppliers, logistics service providers and waste disposal service providers, evaluation of business trips, employee surveys; PCAF standards for financed and insured emissions	The transport-related emissions of all service providers are recorded in accordance with internationally recognised standards (Greenhouse Gas Protocol, Global Logistics Emissions Council (GLEC) and European/international standards EN 16258/ISO14083). In addition, the CO_2e calculation of DPAG and DHL is approved by the testing organisation SGS Institut Fresenius GmbH.
Disclosure requirement E1-7 – Removal of greenhouse gases and projects to reduce greenhouse gases financed through CO_2 certificates	GHG emissions to be offset are removed from the calculation according to disclosure requirement E1-6	All myclimate carbon offset projects in the energy sector are audited according to the criteria of the Gold Standard. The myclimate projects in the land use sector fulfil either the guidelines of Plan Vivo – the most renowned and experienced standard in this area – or the guidelines of the VCS, if they are additionally verified with the CCB (Climate, Community & Biodiversity) and/or SD-VISta standard (Sustainable Development Verified Impact Standard). atmosfair's climate protection projects are audited by TÜV according to the criteria of the CDM Gold Standard.
Disclosure requirement E5-5 – Resource outflows	Use of disposal-related expert certificates based on the waste balance of service providers and additional statistical methods	none
Disclosure requirement S1-6 – Characteristics of the undertaking's employees	Determination on the basis of data from the personnel administration and payroll system	none
Disclosure requirement S1-8 – Collective bargaining coverage and social dialogue	See disclosure requirement S1-6	none
Disclosure requirement S1-9 – Diversity metrics	See disclosure requirement S1-6	none
Disclosure requirement S1-10 – Adequate wages	See disclosure requirement S1-6	none
Disclosure requirement S1-11 – Social protection	See disclosure requirement S1-6	none
Disclosure requirement S1-13 – Training and skills development metrics	See disclosure requirement S1-6	none
Disclosure requirement S1-14 – Health and safety metrics	See disclosure requirement S1-6	none
Disclosure requirement S1-15 – Key metrics for work-life balance	See disclosure requirement S1-6	none
Disclosure requirement S1-16 – Remuneration metrics (pay gap and total remuneration)	See disclosure requirement S1-6	none

List of key metrics used to assess performance and effectiveness

List of key metrics used	Overview of the methods used	Validation of the measurement of the key indicator by an external body
Disclosure requirement S1-17 – Incidents, complaints and severe human rights impacts	See disclosure requirement S1-6	none

Environmental information

Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)

Taxonomy-aligned economic activities

With Regulation (EU) 2020/852 of 18 June 2020 (EU Taxonomy Regulation), the legislator established the criteria at a European level for determining whether an economic activity qualifies as environmentally sustainable for the purpose of establishing the degree to which an investment is environmentally sustainable.

Economic activities shall qualify as environmentally sustainable where such economic activities contribute substantially to one or more environmental objectives of the EU Taxonomy Regulation, do not significantly harm any of the other environmental objectives and are carried out in compliance with the minimum safeguards. Environmentally sustainable economic activities within the meaning of the EU Taxonomy Regulation are therefore also called taxonomy-aligned economic activities.

Economic activities are taxonomy-eligible but not taxonomy-aligned if they are described in the delegated acts to the EU Taxonomy Regulation, but these economic activities do not fulfil the technical assessment criteria for taxonomy aligned set out in these delegated acts. Economic activities that are not listed in the delegated acts to the EU Taxonomy Regulation are not taxonomy-eligible. Whether an economic activity is taxonomy-eligible or not is therefore a legislative determination that cannot be influenced by the affected company.

Nature and objectives of Taxonomy-aligned economic activities

For the companies of the W&W Group, references to economic activities that already align or could potentially align with the taxonomy in the future essentially result from the following circumstances. The companies of the W&W Group already carry out economic activities themselves that align with the taxonomy, or could potentially do so in the future, finance them or hold risk positions in connection with these economic activities.

The W&W Group's investments comprise real estate held by the company itself that is used by the company or by third parties. Within this kind of investment, the economic activity “acquisition and ownership of buildings” as defined in the delegated regulations supplementing the EU Taxonomy Regulation is carried out by the group itself. Some of these real estate assets comply with the technical screening criteria of the EU taxonomy and are therefore classified as environmentally sustainable, including the buildings on the W&W campus in Kornwestheim.

The W&W Group's investments in securities and other corporate financing are broadly diversified in terms of the economic activities financed. In the 2024 financial year, it was possible for the first time to identify a significant proportion of taxonomy-aligned risk exposures to financial companies that are required to prepare non-financial reports in these investments. These financial companies were obliged to disclose key metrics on taxonomy conformity for the first time in the course of 2024. For non-financial companies, the requirement was already met one year earlier.

In the lending and borrowing business, the companies of the W&W Group finance the economic activity "Acquisition and ownership of buildings" as well as other economic activities from the spectrum of economic activities "Construction and real estate", such as "Renovation of existing buildings". In the KPIs (Key Performance metrics) for taxonomy conformity, only the proportion of financing for buildings for which fulfilment of the technical evaluation criteria can be directly verified may be taken into account. The use of statistical analyses by third-party providers to determine approximate values would result in a significantly higher taxonomy alignment rate in the financed property portfolio. In this regard, please refer to the explanations in the separate section "Voluntary additional disclosures on the KPI in relation to investments".

In the W&W Group's insurance business, the economic activity "Non-life insurance: underwriting of climate-related perils” is taxonomy-eligible. There was no taxonomy-aligned performance of this economic activity in the reporting period.

Compliance with the EU Taxonomy Regulation in the business strategy and the importance of the financing of Taxonomy-aligned economic activities in the overall activity

A decision was made to introduce green product lines and components for the companies in the W&W Group. The financing products "Wohndarlehen Klima" or the unit-linked pension product "Genius" already offer options for labelling or taking into account conformity with the EU environmental taxonomy. Within the W&W Group, the possibilities of offering taxonomy-aligned product alternatives and components continue to be examined. In the long term, this will lead to an increase in the financing of taxonomy-aligned business activities by the W&W Group and taxonomy-aligned product offerings.

Residential buildings are responsible for a considerable proportion of overall CO_2 emissions in Germany. The financing of residential property and housing measures makes a significant contribution to the energy-efficient refurbishment of existing buildings and the construction of climate-friendly new buildings. This means that construction financing plays a central role in the climate transition. Since the 2021 financial year, the "Climate Turbo residential loan" has been offered for climate-friendly modernisation projects. In 2022, further products were added in the form of the "Wohndarlehen Klima Flex" and "Wohndarlehen Klima Classic" financing models for the purchase of property and the climate bonus for home loan and savings. Evidence of the energy efficiency of the financed buildings constitutes an important data basis for determining taxonomy conformity in the W&W Group's construction financing portfolio.

In the area of investments, a continuous expansion of the investment portfolio with sustainable investments and a continuous reduction of CO_2 emissions towards climate-neutral investments by 2050 are planned.

Nuclear energy and fossil gas related activities

All companies – regardless of the sector in which they operate – are obliged to disclose whether they carry out or finance activities in the areas of nuclear energy and fossil gas or hold risk positions in connection with these activities. The W&W Group does not carry out any activities in these areas itself or directly finance these activities. However, the W&W Group's investments include risk positions with companies that are involved in these areas. These are primarily equity or debt instruments of companies that are allocated to the "energy supply" sector.

The disclosures on activities in the areas of nuclear energy and fossil gas are applied to the *KPI relating to investments* in the W&W Group. The amounts stated in the relevant reporting forms are therefore the share of risk positions in these activities in the monetary value of the assets recognised for the KPI.

KPIs applied

For the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, the KPIs for insurance and reinsurance undertakings in accordance with Annexes IX and X of Delegated Regulation (EU) 2021/2178 are applied for the W&W Group using the relevant reporting templates. The inclusion of insurance and non-insurance companies of the W&W Group in the reporting templates and key figures is therefore standardised in accordance with the regulations for insurance and reinsurance companies. The statutory provisions as at 31 December 2024 were applied for the preparation of the disclosures in accordance with Article 8 of the EU Taxonomy Regulation. Interpretations of the EU Commission have been taken into account insofar as they have a clarifying effect with regard to the implementation of the disclosure requirements.

Overview of the KPIs and disclosure of the reporting templates

The KPIs of the W&W Group in accordance with Article 8 of the EU Taxonomy Regulation can be found in the following overview.

Results of the KPIs

in %	31.12.2024	31.12.2023
KPI related to investments (turnover-related)		
Taxonomy-aligned	4.1	2.7
Taxonomy-eligible, but not taxonomy-aligned	54.7	52.8
Not taxonomy eligible	41.2	44.5[1]
KPI related to investments (CapEx-related)		
Taxonomy-aligned	4.4	3.0
Taxonomy-eligible, but not taxonomy-aligned	54.6	52.3
Not taxonomy eligible	41.0	44.7[1]
KPI related to underwriting activities		
Taxonomy-aligned	-	-
Taxonomy-eligible, but not taxonomy-aligned	55.7	55.1
Not taxonomy eligible	44.3	44.9

1 Previous year's figure adjusted, see explanations in the appendix to the Group Sustainability Report, chapter KPI related to investments, section Adjustment of figures from the previous financial year

A detailed breakdown of the KPIs is provided in the corresponding reporting forms.

The reporting forms relevant to the W&W Group for the KPIs in accordance with Annexes X and XII of Delegated Regulation (EU) 2021/2178 are disclosed in the "Appendix to the Group Sustainability Report". The appendix also includes the background information to support the quantitative metrics in accordance with Annex XI of Delegated Regulation (EU) 2021/2178. These are assigned to the respective KPI and reporting form accordingly.

The appendix is attached to this Group Sustainability Report as the final chapter.

Voluntary additional information on the KPI related to investments

Only actual information may be used to determine the KPI related to investments. In the case of loans to finance buildings, this includes the submission of the energy performance certificate for the property in question. The use of data from third-party providers that can approximately determine the energy efficiency of buildings in a financing portfolio using statistical methods based on building information, such as the year of construction and location, is not permitted under the current interpretation of the legal requirements.

If statistically meaningful building information were to be used, the volume of financing for taxonomy-aligned properties would increase by around €3.1 billion (previous year: €1.5 billion). The KPI related to investments for the W&W Group would amount to 9.6% (previous year: 5.5%) (turnover-based) or 9.9% (previous year: 5.7 %) (CapEx-based).

Climate change (ESRS E1)

Strategy

Disclosure Requirement E1-1 – Transition plan for climate change mitigation

The W&W Group is currently reviewing the development and evaluation of a Group-wide transition plan. Specific targets, measures and a time frame have not yet been defined.

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportuni-ties and their interaction with strategy and business model (ESRS E1)

Types of climate-related risks in the W&W Group

In connection with climate change risks, the W&W Group is particularly exposed to physical risks due to an increase in extreme weather events in Europe, which primarily affect the insurance business of Württembergische Versicherung AG and, in the course of intra-Group reinsurance, also that of Wüstenrot & Württembergische AG. For personal insurers, the climate-specific physical effects on underwriting risks are of secondary importance.

In a global warming scenario of significantly more than 2.0 °C, strong to very strong effects on market price, counterparty and underwriting risk (in composite) would be expected. The probability of the scenario increases with increasing time horizon and is of a more long-term nature (> 30 years). Strong to very strong effects on the underwriting risk (in composite) were also caused by individual physical events relating to the risks of storm, hail and flooding. The number and severity of hail and flood hazards, in particular, are likely to increase with increasing global warming and with an increasing time horizon, but can also occur ad hoc (within a year).

In addition, transition risks arise, in particular, from capital investments and construction financing in the event of an abrupt intensification of the fight against climate change by politicians. Relevant transitory risks exist mainly in market price risk (in particular credit spread, interest rate, equity and investment risk, as well as property risk). Such transitory risks affect all companies in the W&W Group to a greater or lesser extent, depending on the investment volumes.

Market price risks can arise here, in particular, from the macroeconomic implications as a result of sudden and massive political activity to counteract the advancing climate change through stricter measures to reduce CO_2 emissions. Transitory risks may also arise in the credit risk of the customer lending business in the Housing division (Wüstenrot Bausparkasse AG). For example, effects on the liquidity and creditworthiness of borrowers (additional costs of energy requirements due to CO_2 emissions) as well as implications for the value stability of collateralised properties in the customer loan portfolio cannot be ruled out.

Resilience analysis

Description of the analysis

Climate-related physical risks are regularly taken into account in the W&W Group's business planning on the basis of historical loss experience and stochastic model forecasts. The current experience of the 2024 financial year from the extreme weather events in the W&W Group's core business area has been incorporated into the 2025 business plan as a planning approach in the normal scenario. In addition, the financial effects of the two largest 200-year events for Württembergische Versicherung AG and Wüstenrot & Württembergische AG resulting from the risks of storm, flood and hail are determined for one planning year in a loss scenario. Resilience to these climate-related risks is ensured in both the normal scenario and the damage scenario of the current business plan.

Observations and predictions about the effects of climate change are subject to great uncertainty, as both human activity and uncertainty about the complex geophysical relationships make the effects of climate change difficult to predict. Scenario analyses based on a longer observation horizon therefore offer a useful way of analysing and assessing the risks resulting from climate change. Based on the recommendations of the NGFS (Network for Greening the Financial System), the W&W Group analyses climate stress and its impact on risk-bearing capacity in the long term.

As mentioned above, business planning takes into account the developments of climate-related risks that are already foreseeable in the short to medium term, insofar as they can be sufficiently quantified directly or implicitly.

With regard to possible long-term effects, the W&W Group has decided to calculate the NGFS scenarios "Current Policies" and "Delayed Transition", which are each characterised by different degrees of physical and transitional risks.

- The Current Policies scenario assumes a mere continuation of the climate protection measures already in force today, i.e. no additional or more stringent measures are taken to raise the current level of political ambition. In this scenario, the temperature would rise by + 2 °C by 2050 and + 3 °C by 2100.
- The Delayed Transition scenario assumes that extended measures to reduce CO_2 emissions will not be taken until 2030. However, these measures are then very clear and lead to disruptive changes. This will result in high transition risks in the 2030s. As a result, the scenario aims to meet the Paris climate targets, i.e. to limit global warming to less than + 2 °C in the long term. The temperature would rise by around + 1.8 °C by 2050, before the measures taken should lead to a slow decline in global warming to around + 1.6 °C from 2060.

The short to medium-term effects are taken into account as part of the 2025 ff. business plan. This is based on assumptions from August 2024 and was executed by late autumn 2024. The climate stresses were calculated in the first half of 2024 as at the reporting date of 31 December 2023 on the basis of the assumptions for the EIOPA stress test for (re)insurance companies and pension funds (IORP stress test 2022).

The business planning comprises income statement and balance sheet planning with a three-year horizon from 2025 to 2027. Based on the business planning, an extended plan until 2029 for the solvency of the W&W Group is also prepared on the basis of the relevant regulatory requirements for the Solvency II Group and the financial conglomerate.

In the context of climate stress, the Delayed Transition Scenario is based on the year 2035, while the Current Policies Scenario is based on the year 2050 and 2100 on the basis of the reporting date figures as at 31 December 2023.

Result of the analysis

In the short to medium term, the results of the 2025 ff. business plan show sufficient resilience to climate-related risks based on the assumptions. The internally defined strategic targets and KPIs are classified as realistically achievable.

Ceteris paribus, the climate stresses analysed have a negative impact on the risk-bearing capacity of the W&W Group in the long term. Overall, the economic and regulatory risk-bearing capacity of the W&W Group and the S-II-Group would continue to be ensured under the assumptions made in both the transitional scenario with a temperature increase of less than 2 °C (delayed transition scenario) and the physical scenario with a temperature increase of more than 2 °C (current policies scenario).

Ability to adapt to climate change

At the core of the W&W Group's business model are the Insurance and Housing divisions. To date, there have been no changes to the actual business model or the main product portfolio due to physical climate risks.

In the Insurance division, an increase in losses from storms is leading to rising reinsurance premiums. Against the backdrop of increased claims frequency and higher reinsurance costs, the premiums for (primary) insurance products will continue to be reviewed through regular calculations and possible premium adjustments.

In the Housing division, the future topic of energy-efficient building modernisation is being further strengthened by the establishment of an energy consulting company and the introduction of product options that promote energy-efficient new construction, purchase and modernisation.

Impacts, risk and opportunity management

Disclosure Requirement E1-2 – Policies related to climate change mitigation and adaptation

The W&W Group has policies in connection with climate change. The areas of climate protection, adaptation to climate change, energy efficiency, the use of renewable energies and training are taken into account. The policies relate to the W&W Group's own business operations, services provided by the W&W Group in the Housing division, the settlement of claims in the Insurance division and the W&W Group's capital investments. The policies serve to counter the negative effects and risks of climate change and to seize opportunities.

No policies were established in the reporting period for the negative effects arising in connection with insuring retail and corporate customers.

The policies of the W&W Group in connection with climate change are explained below.

Own business operations

Policy	CO_2 neutral operation of our own buildings and vehicle fleet and constant reduction of our own energy consumption.
Most important contents	Reduction of absolute GHG emissions and compensation of the remaining Scope 1 and Scope 2 emissions of the W&W Group at the Kornwestheim, Ludwigsburg and Stuttgart locations as well as the entire vehicle fleet; reduction of consumption of the energy sources district heating, heating oil, gas, electricity, diesel and petrol.
General objectives	Reduce, avoid or offset negative impacts of GHG emissions from own operations.
References to material impacts, risks or opportunities	Negative impacts: Consequences of global warming due to GHG emissions
Monitoring process	Monitoring takes place as part of the sustainability strategy process. The sustainability strategy is updated annually as part of the Group strategy process. This also includes a review of the target achievement of the applicable sustainability strategy (target/actual comparison) and a strategic analysis.
Area of application	The W&W sustainability strategy applies throughout the Group. The policy described relates to issues that can be implemented in our own business operations.
Top level responsible for implementing the policy	Responsibility for sustainability lies with all members of the W&W Group's Executive Board, with overarching responsibility for the strategic focus on sustainability being assigned to the CEO.
Availability of the policy for stakeholders	The W&W sustainability strategy is updated annually and made available to all employees on the Group intranet.

The Group-wide sustainability strategy emphasises climate protection in its own business operations. The GHG-neutral operation of our own buildings and vehicle fleet through energy efficiency, the use of renewable energy sources and the compensation of the remaining CO_2 emissions are a priority goal. The energy efficiency measures also implicitly aim to adapt to climate change, in order to avoid rising energy costs.

Home loan savings and construction financing

Policy	Financing energy-efficient residential construction and energy-efficient refurbishment of existing properties are part of Wüstenrot Bausparkasse AG's business model.
Most important contents	All aspects that arise in connection with climate protection and adaptation to climate change through the offer of home loan and savings products and construction financing.
General objectives	With its financial products, Wüstenrot Bausparkasse AG gives all customers the opportunity to invest sustainably in their own future and thereby acquire or renovate their own sustainable living space. Wüstenrot Bausparkasse AG actively contributes to sustainable urban and property development. The aim is to support customers in their decision-making process by expanding the advisory skills of field sales partners in the area of energy-efficient modernisation.
References to material impacts, risks or opportunities	Negative impacts, risks and opportunities: In the medium term, there are transition risks that could have a negative impact on customers and collateral due to increased CO_2 prices, for example, and thus lead to increased counterparty default risks. Opportunities exist in financing the modernisation of buildings, which in turn also contributes to reducing the negative impact of GHG emissions.
Monitoring process	As part of the W&W Group's strategy process, selected qualitative and quantitative performance metrics from the area of sustainability are measured and analysed in a target/actual comparison. In addition, the risk strategy sets out the framework for integrating sustainability risks into risk management and defines the risk appetite.
Area of application	The business and risk strategies apply without restriction in Germany and Luxembourg and cover all business activities of Wüstenrot Bausparkasse AG.
Top level responsible for implementing the policy	The entire Executive Board of Wüstenrot Bausparkasse AG is responsible for the content and implementation of the business and risk strategy.

Based on the W&W sustainability strategy, the business strategy of Wüstenrot Bausparkasse AG supports the goals of climate protection, adaptation to climate change, energy efficiency and the use of renewable energies. With favourable customer conditions for sustainable investments, Wüstenrot Bausparkasse AG supports its customers, for example, in financing energy-efficient residential construction and the energy-efficient renovation of existing properties. To this end, Wüstenrot Bausparkasse AG has added climate options to its product portfolio and installed continuous qualification measures on the subject of energy-efficient modernisation in sales in order to be able to advise customers properly on modernisation issues.

Housing and urban development

Policy	The overarching policy is the sustainability strategy of Wüstenrot Haus- und Städtebau GmbH. The work packages anchored in the programme include the preparation of a greenhouse gas balance sheet and measures to reduce GHG emissions. The "Sustainable Construction Strategy" is anchored in the sustainability strategy for the property development sector.
Most important contents	The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH includes, among other things, all aspects that were identified as material in the materiality analysis for Wüstenrot Haus- und Städtebau GmbH. For example, the preparation of an annual greenhouse gas balance including the reduction of greenhouse gas emissions and the establishment and further development of property-related services and their optimisation are part of the sustainability strategy.
General objectives	The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH aims to minimise negative impacts and risks and to increase positive impacts and opportunities. The aim of drawing up a GHG balance sheet is to quantify the main sources of GHG emissions and derive reduction measures. The "Strategy for Sustainable Construction" aims to make the negative effects of the property development sector transparent and subsequently avoid or minimise them. Comparison calculations for the various options are used to determine energy aspects, for example.
References to material impacts, risks or opportunities	Negative impacts: Consequences of global warming due to GHG emissions and high energy consumption in the property development sector in the production of the building materials used.
Monitoring process	The sustainability strategy is tracked and monitored in regular meetings of the Controlling department of Wüstenrot Haus- und Städtebau GmbH.
Area of application	The scope of the policy includes Wüstenrot Haus- und Städtebau GmbH and its subsidiaries. The upstream value chain is covered by property development activities, the downstream value chain by property-related services and condominium and rental management.
Top level responsible for implementing the policy	The sustainability strategy was signed off on by the management of Wüstenrot Haus- und Städtebau GmbH.

The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH encompasses all aspects that were identified as material in the materiality analysis. This therefore includes climate protection and energy efficiency. Furthermore, adaptation to climate change is anchored as an element in the sustainability strategy as part of the assessment of taxonomy eligibility in the context of the EU taxonomy. In this regard, physical climate risks that could potentially affect the property portfolio are identified. As a further strategic measure, employees of Wüstenrot Haus- und Städtebau GmbH received further training on ESG-relevant topics as part of basic and expert training programmes.

Composite retail customers
Greenhouse gas emissions due to the use of fossil fuels were identified as a negative impact in connection with climate change in the downstream value chain for the W&W Group's Composite retail customers division.

Fossil fuels are used to a large extent by the policyholders of the motor vehicle insurance of the Group company Württembergische Versicherung AG when using vehicles with internal combustion engines and vehicles with electric motors when using electricity generated with fossil fuels.

Furthermore, fossil fuels are used to a significant extent by policyholders through the operation of gas and oil heating systems, which are insured by Württembergische Versicherung AG as part of residential building and liability insurance policies.

Württembergische Versicherung AG offers insurance cover for vehicles and heating systems of its retail customers that comply with the legal requirements. For motor vehicle insurance, Württembergische Versicherung AG is even obliged to accept applications for motor vehicle liability insurance in accordance with Section 5 of the *law on liability insurance for motor vehicle owners*. Due to the current legal requirements, in particular *Regulation (EU) 2023/851 with regard to a tightening of CO_2 emission standards for new passenger cars and new light commercial vehicles in line with the Union's more ambitious climate targets* and Section 72 of the *Act on Energy Conservation and the Use of Renewable Energies for Heating and*

Cooling in Buildings (Building Energy Act – GEG), a decline and ultimately an end to the use of fossil fuels is to be expected for vehicles and heating systems. In the reporting period, the W&W Group did not have any policies, measures or targets for dealing with the use of fossil fuels in the use of motor vehicles and gas and oil heating systems by private customers of property and casualty insurance. The W&W Group does not currently expect any additional positive impact on the usage behaviour of its retail customers in property and casualty insurance by setting policies, measures or targets that go beyond the existing legal requirements, and therefore refrains from doing so.

Composite corporate customers
Insofar as the following sections refer to composite corporate customers, the explanations relate to the following areas of Württembergische Versicherung AG: Corporate customers liability, Corporate customers property and Corporate customers commercial.

The W&W Group has not yet developed any policies specifically geared towards climate change for composite corporate customers. Nonetheless, the development of an ESG review process for new customers that takes various ESG risks into account was started in the reporting period. This review process should also include references to climate-related risks.

Underwriting risks

Policy	Integrated risk strategy – strategic definitions of underwriting risks
Most important contents	The integrated risk strategy – strategic definition of underwriting risks centrally defines principles, methods and objectives for dealing with underwriting risks within the W&W Group
General objectives	The aim is to maintain an appropriate balance between seizing business opportunities and taking risks and to only enter into insurance transactions where the risks are largely calculable and do not jeopardise the company's existence. Risks must be limited using suitable and appropriate hedging instruments (e.g. reinsurance).
References to material impacts, risks or opportunities	Risks: Within underwriting risks, physical risks (natural disaster risks), which are influenced by sustainability aspects such as climate change, are of particular relevance. Due to natural disasters, individual contractual risks can add up to accumulation risks.
Monitoring process	The W&W Group's risk strategy is reviewed at least once a year. The Group Board Risk, as the central body for coordinating risk management, monitors compliance with and implementation of the integrated risk strategy. The integrated risk strategy must be discussed with the Risk and Audit Committee and the Supervisory Board of W&W AG. The Insurance Risk Board manages and monitors risks in the Insurance division.
Area of application	The integrated risk strategy applies to both the W&W Group and W&W AG. It defines the strategic framework for the Group-wide risk management system and is therefore binding for the risk strategies to be drawn up in accordance with the Group Risk Policy in companies belonging to the Group in Germany and abroad. The individual W&W companies are obliged to transfer the integrated risk strategy to their area of responsibility and to specify it more precisely where necessary.
Top level responsible for implementing the policy	The Executive Board of W&W AG is jointly responsible for the regular review, adjustment and adoption of the integrated risk strategy.

The W&W Group's risk strategy defines the framework for integrating sustainability risks into risk management. In the areas of climate and environment, risk management takes account of physical risks (occurring not only due to extreme weather events and their consequences, but also in connection with long-term changes to climatic and environmental conditions) and transition risks (arising in connection with conversion to a low-carbon economy) as well as their mutual interdependencies.

Investments

Policy	Climate-neutral capital investment
Most important contents	Greenhouse gas neutrality of capital investments by 2050.
General objectives	Reduction of GHG emissions associated with capital investments as a contribution to climate protection.
References to material impacts, risks or opportunities	Negative impacts and risks: Consequences of global warming; physical risks and transition risks
Monitoring process	Climate-neutral investment by 2050 is part of the W&W Group's sustainability strategy, which complements the W&W Group's business strategy. The rolling Group strategy process of the W&W Group comprises the planning, implementation, assessment and adjustment of the business strategy.
Area of application	In future, the policy will be applied to all of the W&W Group's investments. In the reporting period, specific applications of the policy were limited to investments in the form of equity and debt instruments of financial and non-financial companies.
Top level responsible for implementing the policy	Responsibility for the sustainability of investments lies with the member of the Executive Board of W&W AG responsible for financial management / asset allocations in accordance with the schedule of responsibilities.
Reference to third-party standards or initiatives	The insurers organised in the German Insurance Association (GDV) are striving to achieve greenhouse gas neutrality for their investments by 2050. They are committed to the goal set out in the Paris Climate Agreement of limiting global warming to well below two degrees Celsius compared to the pre-industrial age and gradually harmonising financial flows with climate targets. They are working towards realising CO_2 reductions in portfolios by 2025 and gradually beyond, in line with scientific findings and the availability of measurement methods. W&W AG is organised in the GDV and is thus committed to the sustainability positioning of German insurers.

The policy of climate-neutral investment by 2050 takes into account the areas of climate protection, adaptation to climate change, energy efficiency and the use of renewable energies. In principle, climate neutrality is to be achieved by reducing GHG emissions and thus serves to minimise global warming. This policy is therefore part of the area of climate change. Nevertheless, adaptation to climate change, energy efficiency and the use of renewable energies play an important role in property investments. In terms of energy efficiency and the use of renewable energies, in particular, the policy envisages a continuous move towards climate neutrality. Alternative investments in renewable energies should also minimise GHG emissions in the investment portfolio.

Disclosure Requirement E1-3 – Actions and resources in relation to the climate change policies

Own business operations

In the reporting year, targeted measures were initiated, implemented and continued in our own business operations in order to maintain existing standards and ensure continuous stability. These measures are part of a package of measures to implement the policy of "CO_2 neutral operation of our own buildings and vehicle fleet and continuous reduction of our own energy consumption".

Expansion of the photovoltaic system: The existing photovoltaic system on the W&W campus, which is located on the car park roofs and has been in operation since August 2022, was expanded during the reporting period and extended to the 14 campus office roofs. All spaces on the multi-storey car parks and office roofs are thus filled. The new photovoltaic system with an area of 4,070m^2 was commissioned in 2024. In optimal weather conditions, it generates up to 850 MWh/year (previously 440 MWh/year) of electricity for the W&W campus. (Note: PV systems generate electricity according to real physical conditions that are not controllable. Major fluctuations between individual years are normal.)

Expansion of the e-mobility infrastructure: The e-mobility infrastructure is being continuously expanded and, in addition to the ongoing expansion of the e-vehicle fleet, also includes the development of an e-charging infrastructure at the W&W campus. The e-vehicle fleet was expanded from 54 e-vehicles to 92 e-vehicles in the reporting period (approx. 17.3% of the fleet on the reporting date). An expansion of approx. 20 vehicles (or approx. 4%) is planned for the 2025 financial year. The e-charging infrastructure at the W&W campus was expanded by 36 e-charging points for use by employees in the 2024 financial year.

100% green electricity: The W&W Group has been using 100% green electricity for the W&W Campus buildings since 2022. This was also the case in the 2024 financial year. Proof of the purchase of green electricity is provided by the energy supplier in the form of corresponding certificates. These certify that the electricity purchased comes entirely from plants that generate electricity from renewable energies. The certificates are checked annually for accuracy by a testing centre. The current certificate was issued by TÜV NORD CERT GmbH. The purchase of green electricity is determined each year by the W&W Service GmbH (WWS) management. The operational implementation is carried out by a new purchasing process on the part of WWS Purchasing.

Introduction of an energy management system: The introduction of an energy management system (EMS) in accordance with the DIN standard took place gradually in 2024. Since the beginning of 2024, energy consumption data in the campus buildings has been automatically recorded via an energy data management system – the Siemens Navigator. The energy consumption data can be evaluated there on a daily basis and enables an optimised analysis of energy consumption in real time. Atypical processes or inefficient energy consumers can be identified and measures can be taken to reduce energy consumption and increase efficiency.

Continuous optimisation as part of the DGNB certification of the campus: The first construction phase of the campus was awarded the German Sustainable Building Council (DGNB) Gold Seal in 2023. The certification process for the entire campus by DGNB begins in the 2024 reporting year. DGNB certification involves the continuous optimisation of operational processes in terms of sustainability at the site by defining targets, measuring and analysing relevant data and gradually implementing improvement measures in 3-year cycles. This takes into account the targets for reducing consumption and CO_2e emissions set out in the W&W sustainability strategy. The process steps carried out are based on the Plan-Do-Check-Act method (PDCA method). The operational areas affected and the DGNB-GIB criteria to be taken into account in the PDCA cycle are:

- ENV1-B: Climate protection and energy,
- ENV2-B: Water,
- ENV3-B: Recyclables management,
- ECO1-B: Operating costs,
- SOC1-B: Interior comfort.

The DGNB criteria for buildings in operation are categorised into three subject areas: ecological quality (ENV), economic quality (ECO) and socio-cultural and functional quality (SOC). The PDCA method is also the starting point for implementing the energy management system in accordance with the DIN standard. The process descriptions for the general certification procedure, data collection, analysis of measures and objectives have already been drawn up as part of the DGNB certification process. The objectives and measures designed in this context are currently being coordinated with internal decision-makers. This is followed by submission to the DGNB to obtain certification for the entire campus. Certification is expected in 2025.

Recycled paper towels: Since May 2023, paper towels have been collected separately on campus, processed by the service provider and resold as new paper products.

Turning coffee grounds into biogas: Since April 2024, coffee grounds have been collected separately on campus and fed into a biogas plant by a service provider.

Level sensors on data protection containers: To reduce the management of collection orders and collection frequencies, the campus switched to demand-based collection of data protection containers from January 2023. To this end, fill level sensors were installed on the data storage containers, which report the current fill levels using software (COT – Cloud of Things). In addition to optimum utilisation of the container volumes, this results in fewer journeys for collection.

Digital data protection information and insurance conditions: In the Insurance division, it was decided in the 2024 financial year to send data protection notices to customers digitally via a link in future and to replace the paper-based dispatch of General Terms and Conditions for Motor Insurance (GTCMI) with the paper-based dispatch of a QR code. Customers will still be able to request the documents in paper form if they wish. The switch to digital delivery of data protection notices began in November 2024 with the first product categories. The dispatch of a QR code instead of the GTCMI was initiated in September 2024 for the first product category.

The measures taken are being implemented as part of business operations at locations in Kornwestheim, Ludwigsburg and Stuttgart as well as for the W&W Group's vehicle fleet. It is currently not possible to quantitatively measure the achieved or expected reduction in greenhouse gas emissions.

Home loan and savings and construction financing
The financing of climate-friendly new buildings and the energy-efficient refurbishment of existing buildings contribute to reducing GHG emissions, which is derived from the business strategy of Wüstenrot Bausparkasse AG. To this end, Wüstenrot Bausparkasse AG offers a range of products tailored to this purpose: The "Wohndarlehen Klima Turbo", "Wohndarlehen Klima Classic" and "Wohndarlehen Klima Flex" programmes support customers who want to carry out energy-efficient renovations or build or buy energy-efficient properties. The climate options are offered to customers at special conditions compared to the standard variants in order to promote these climate-friendly projects. As at the reporting date, the rate discounts for the climate options were between 0.10 percentage points and 0.21 percentage points. These are intended to incentivise the implementation of climate-friendly measures.

By training its sales partners, Wüstenrot Bausparkasse AG is constantly trying to expand its advisory expertise in the area of climate-related measures so that it can support customers in their modernisation decisions. The qualification programme comprises three levels, which can be taken one after the other. The qualification levels start with the "green certificate" followed by the "green certificate plus" up to the "modernisation consultant". The modules cover topics such as: the basics of thermal insulation, the Building Energy Act, state subsidies and modules on building services. The "modernisation consultant" course ends with a final test and a certificate from the Bundesverband Gebäudemodernisierung BVGeM e. V., which is valid for two years. Wüstenrot Bausparkasse AG expects an increase in energy-efficient renovations and modernisations. Home loan and savings banks generally specialise in small-volume loans. The business model of Wüstenrot Bausparkasse AG is designed to offer energy-efficient refurbishment and modernisation to broad sections of the population.

The aim is to increase the share of sustainable financing in new business to more than 50% by 2025. The special conditions for climate loans are not limited in time. The proportion of sales partners with the additional qualification "green certificate" and "modernisation consultant" is to be gradually increased by 2025.

Housing and urban development
In the materiality analysis conducted by Wüstenrot Haus- und Städtebau GmbH, the greenhouse gas emissions from the production and construction phase of property development projects and the energy consumption associated with the production of building materials were identified as having a potentially negative impact. The classification of "potential" was selected because no property development project was initiated in 2024.

The two subjects identified as material are closely related. The connection lies in the choice of building materials used. Building materials that have a high greenhouse gas potential are generally associated with high energy consumption during production. The measures and objectives are therefore identical.

The reduction of greenhouse gas emissions in the manufacturing and construction phase with regard to climate protection and energy relates to the upstream value chain. As property development activities can potentially begin anywhere in Germany, the effects extend to the entire country. Wüstenrot Haus- und Städtebau GmbH plans to take the following measures to record and reduce the greenhouse gas emissions of the production and construction phase of property development projects as well as the energy consumption associated with the production of building materials:

Life cycle assessment:
- LCA software for life cycle assessment is to be introduced in 2025 and updated as the project progresses. In addition, the development of a policy regarding an approach anchored in property development projects from 2025 is planned. The expected result of the measure is a systematic collection of data on the environmental impact over the life cycle of the property. In the long term, this offers the possibility of ecological control of the company's own property development projects.

Comparison of options in construction:
- As part of the objective of option comparison calculations in construction, a policy is to be developed in 2025 that includes the procedure, documentation and reasons for the decision. The reasons for the decision include a presentation of the comparison of options. Comparisons of construction options should already be carried out in work phases 1 to 4 in order to prioritise building materials with low greenhouse gas emissions or energy consumption, provided that their use is also feasible from an economic point of view. The expected result of the measure is to increase data transparency with regard to emissions in order to ultimately be able to make decisions in favour of lower-energy or lower-emission variants.

Building materials:
- By the end of 2025, the request for data delivery with regard to building material documentation is to be integrated into contract documents. The expected result of this measure is to increase data transparency with regard to the building materials used.
- As part of the call for tenders, it should be noted that tenders focussing on biological materials, reused or recycled secondary components, products and materials are expressly encouraged. The relevant information must be integrated into the contract documents by the end of 2025. Preference should be given to the use of natural materials and reused or recycled secondary components, products and materials, subject to economic feasibility. In addition to the share of natural materials including packaging, the share of reused or recycled secondary components, products and materials including packaging is also to be determined. Target quotas are to be derived and determined for these variables by 2028. The intention behind this measure is to increase the share of natural materials and reused or recycled secondary components, products and materials.

In addition, the following actions has already been implemented:

Training:
- In 2023, in-house training courses were coordinated by the German Sustainable Building Council (DGNB) for employees in the relevant departments of Wüstenrot Haus- und Städtebau GmbH. The employees acquired basic knowledge as part of the DGNB registered professional training programme and advanced knowledge as part of the DGNB consultant training programme. In 2024, corresponding in-depth modules were attended, which are part of the training to become a DGNB consultant. The expected result of this measure is the corresponding qualification of the employees.

The greenhouse gas emissions of the managed properties in Wüstenrot Haus- und Städtebau GmbH's own portfolio were also identified as material. To reduce this, Wüstenrot Haus- und Städtebau GmbH is planning the following actions:

Green electricity contracts:
- The existing supply contracts for general electricity for rented properties in the company's own portfolio are to be converted to green electricity contracts by 2030. This measure relates to the company's own business activities and applies to all properties in which Wüstenrot Haus- und Städtebau GmbH has the capacity to act. There is no capacity to act if there is only ownership of individual flats in homeowners' associations. The stakeholder groups affected are the customers of the rental management company. The expected result of the measure is a reduction in emissions from rented properties in the company's own portfolio.

Energy performance certificates:
- By 30 June 2025, demand-oriented energy performance certificates are to be applied for all properties owned by Wüstenrot Haus- und Städtebau GmbH for which it has the capacity to act. The legal basis for this is the Building Energy Act (GEG). When selling, renting or leasing, demand or consumption-oriented energy certificates must be presented under certain condi-

tions. Demand-oriented energy certificates are required for new buildings. The expected result of this measure is an increase in data transparency.

In addition, the following actions have already been implemented:

Green electricity contracts:
- Determination of greenhouse gas emissions from heating and general electricity and examination of the possibility of converting existing general electricity contracts to green electricity. These two measures relate to the company's own business activities. The stakeholder groups affected by the conversion of general electricity to green electricity are the customers of the rental management company. The expected result of this measure is an increase in data transparency and a possible reduction in greenhouse gas emissions from rented properties in the company's own portfolio.

Sustainability clause:
- Introduction of a sustainability clause in newly concluded rental agreements to raise awareness of resource management. The introduction of a sustainability clause in newly concluded rental agreements relates to the downstream value chain in Germany, with a focus on Baden-Württemberg, and affects new rental management customers. The expected result of the measure is to sensitise tenants with regard to the use of resources.

Energy performance certificates:
- Documentation of the existing demand-oriented energy performance certificates for rental property portfolios. The expected result of the measure is an increase in data transparency.

Composite corporate customers
In the reporting period, there were exclusion criteria for composite corporate customers relating to various ESG risks. These exclusion criteria also include references to climate-related risks. The application of the criteria provides for the exclusion of new business with policyholders whose activities are related to coal.

Furthermore, the development of an ESG review process was initiated in the reporting period. The knowledge gained from the review process is used to recognise ESG risks in the insurance portfolio and to ensure that the respective policyholder has taken measures with regard to its ESG risks. The aim is to support policyholders in their transformation.

The application of the exclusion criteria is fully established and is not time-limited as at the reporting date. The ESG review process is currently under development.

Underwriting risks
Risk limitation through the definition of underwriting guidelines
Physical risks from extreme weather events and natural disasters are limited in the area of underwriting risks through underwriting guidelines and reinsurance agreements, among other things. Risks are underwritten in accordance with defined guidelines and in compliance with defined maximum underwriting amounts. The underwriting guidelines ensure that financial risks are limited and that decisions are based on sound analyses (risk analysis, pre-loss analysis). In addition, the underwriting guidelines in the corporate client business contain ESG exclusions for climate-related risks.

Conclusion of reinsurance contracts to limit risk exposure
Adequate reinsurance protection for individual risks and for accumulation risks reduces the insurance risks in the property/casualty insurance segment. The use of current natural disaster models to determine the reinsurance structure ensures that the new findings resulting from climate change are taken into account. In the annual adjustment of the reinsurance programme, attention is also paid to its effect on the risk-bearing capacity . Great emphasis is placed on the solvency of the reinsurers. As a rule, underwriting trends are continually analysed and monitored by controlling premiums, costs, claims and benefits. The W&W insurance companies create appropriate provisions for claims incurred in the form of specific and general provisions. The technical liabilities and the structure of our provisions for benefits are explained in the notes to the consolidated financial statements.

Consideration of climate change risks in the claims forecast and premium calculation

Climate change risks are included in claims forecasts and premium calculations for those insurance products that cover natural disasters (e.g. storm/hail, flooding, earthquakes in property, comprehensive cover). The annual forecasts from our own claims development are compared with the latest GDV measurement and model values (business statistics, net risk recommendations, natural disaster models) and checked for consistency, so that longer-term climate change-induced shifts with an impact on the insured risk are taken into account promptly and implicitly via the periodic calculations and premium adjustments to the portfolios. Pricing as part of risk and cost-oriented rate management is based on actuarial calculations and statistical analyses, with regional premium differences essentially based on GDV calculation recommendations.

Active accumulation loss management

To reduce operational risks in connection with extreme weather events, there is an active accumulation loss management system that is continuously optimised and adapted to changing challenges. This includes preventative measures, personnel measures and instruments for optimising work distribution and loss control:

- Cooperation with weather services for early warning systems to alert customers to impending weather events by text message;
- Use of digital technology for risk assessment and damage forecasting in the event of an imminent extreme weather event or directly after an extreme weather event has occurred, in order to be able to react quickly;
- Situationally defined work management in stages for an organised distribution of increased workload and telephony;
- Resource allocation with increasing incoming volumes for internal and claims field service;
- Prospective planning of personnel capacity expansion that will be oriented towards the expected increase in the number of claims;
- Robotics solutions to support claims processing.

Active accumulation loss management is designed to provide customers with fast and expert support even in extreme loss situations, regardless of the region affected. Active accumulation loss management with all its contents is designed to have a medium to long-term effect.

Investments

As a measure in connection with the "climate-neutral investment" policy, the W&W Group has defined the measurement and ongoing reduction of the relative carbon footprint (RCF). The RCF is a measure used to put the Scope 1 and Scope 2 emissions in CO_2 equivalents of the companies in which the W&W Group invests in relation to the volume invested in euros. The RCF is expressed in tonnes of CO_2 equivalent per million euro invested. The W&W Group had defined targets for the reduction of the RCF in the reporting period. The ongoing reduction of the RCF in the coming years is to be achieved by setting targets for capital investments.

In addition, there was an investment ban on coal as an accompanying measure in the reporting period. Turnover limits apply with regard to the companies in which investments are made. This measure is intended to limit the risk positions in fossil fuels in the context of investments in companies.

Due to the underlying methodology, RCF and the investment exclusion in connection with coal are limited to investments in the form of shares and corporate bonds in which investments are made. The investments of the W&W Group's major investors were included in the calculation of the RCF in the reporting period. These are W&W AG, Württembergische Lebensversicherung AG, Württembergische Versicherung AG, Württembergische Krankenversicherung AG, Allgemeine Rentenanstalt Pensionskasse AG and Wüstenrot Bausparkasse AG.

The application of the measure in connection with the RCF is provisionally underpinned by specific targets through the end of 2025. A decision on extending the measure, developing it further or replacing it with another measure as a contribution to the "climate-neutral investment" policy will be made at a later date. The measure to exclude investments in connection with coal was not subject to a time limit as at the reporting date.

Metrics and targets

Disclosure Requirement E1-4 – Targets related to climate change mitigation and adaptation

Own business operations

As part of the "CO_2 neutral operation of own buildings and vehicle fleet and constant reduction of own energy consumption" policy, the W&W Group has set GHG emission targets for the operation of its own buildings and vehicle fleet with regard to Scope 1 and Scope 2 gross emissions.

The target level set for the 2024 financial year is 2,800 t CO_2e, for the 2025 financial year 2,200 t CO_2e and for the 2026 financial year 2,100 t CO_2e. As this is an absolute target, no reference value or reference year was defined for measuring progress in the reporting year. The W&W Group is currently examining the extent to which future regulatory requirements could make it necessary to define a reference year and a reference value.

The scope of the target relates to the operation of the buildings at the Kornwestheim, Ludwigsburg and Stuttgart locations as well as the entire vehicle fleet of the W&W Group.

Target achievement is reviewed annually as part of a target/actual comparison. The target was achieved for the 2024 financial year. In particular, the move to the new DGNB-certified and taxonomy-compliant W&W campus and the new PV system on the office buildings contributed to this.

The target levels were defined on the basis of the expertise and experience of employees involved in the company's own business operations. The targets are agreed in the Sustainability Board and approved by the Executive Board. The target levels are not directly related to scientific findings or political objectives.

Home loan and savings and construction financing

The objectives in connection with climate change in conjunction with the business model of Wüstenrot Bausparkasse AG include the further training of sales staff and the share of the "Turbo" modernisation loan in new business.

Further training in sales

As at the reporting date, there was no GHG reduction target for the customer loan portfolio for the risk in the areas of climate protection and energy. Irrespective of this, GHG reduction measures have already been initiated. By financing construction activities and refurbishment measures, Wüstenrot Bausparkasse AG contributes to increased GHG emissions both in the upstream value chain and in the financed measure. Wüstenrot Bausparkasse AG has not defined any reduction targets for these risks in the areas of climate protection and energy as at the reporting date. With its product range of climate-friendly modernisation loans and the advisory expertise it has built up, Wüstenrot Bausparkasse AG sees an opportunity to reduce GHG emissions in the residential building segment in the long term through modernisation and building optimisation. Its qualified sales partners are to sensitise financiers to climate-friendly technologies. To this end, targets for the number of certified consultants with a "green certificate" and "modernisation consultants" were defined in the business strategy.

The target figures for 2025 and 2026 for consultants with a "green certificate" are at least 1,900 and 1,950 people respectively. For the sales force trained as certified "modernisation consultants", the target figures for 2025 and 2026 are at least 1,225 and 1,250 people respectively. The target figure is an absolute value and the target value is measured in the unit "number of persons". The target levels are not directly related to scientific findings.

The plan envisages 1,900 certified advisors with a "green certificate" by 2024. At the end of 2024, 1,833 people were certified. A target of 1,250 people has been set for the certification of "modernisation consultants". At the end of 2024, 1,167 people were qualified as "modernisation consultants". Persons who have undergone these qualification processes but are no longer working as sales partners for Wüstenrot Bausparkasse AG after the qualification programme are included in the above figures, as the planned value is based on the training courses carried out.

The business strategy of Wüstenrot Bausparkasse AG in the 2024 financial year takes into account targets up to and including 2026. All sales partners were taken into account as the basic population. The Executive Board of Wüstenrot Bausparkasse AG is responsible for the implementation of the business strategy and thus for each goal stated therein.

Share of new "Turbo" business

As at the reporting date, there was no GHG reduction target for the customer loan portfolio for the risk in the areas of climate protection and energy. Irrespective of this, the necessary GHG reduction measures have already been initiated. By financing construction activities and refurbishment measures, Wüstenrot Bausparkasse AG contributes to increased GHG emissions both in the upstream value chain and in the financed measure. Wüstenrot Bausparkasse AG has not defined any reduction targets for these risks in the areas of climate protection and energy as at the reporting date. With its product range of climate-friendly modernisation loans and the advisory expertise it has built up, Wüstenrot Bausparkasse AG sees an opportunity to reduce GHG emissions in the residential building segment in the long term through modernisation and building optimisation. In this context, Wüstenrot Bausparkasse AG has defined a corresponding sales target for the "Turbo" modernisation loan.

The target figures for 2025 and 2026 for the climate option of the "Turbo" modernisation loan are each more than 50% of new business. This is a relative value in relation to the loan amounts in the unit "euro". The target levels are not directly related to scientific findings.

The business strategy of Wüstenrot Bausparkasse AG in the 2024 financial year takes into account targets up to and including 2026. All new business concluded in Germany is taken into account as the basic population. The Executive Board of Wüstenrot Bausparkasse AG is responsible for the implementation of the business strategy and thus for each of the objectives stated therein.

Housing and urban development

The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH covers all aspects that were identified as material in the materiality analysis. The targets described in the following section therefore correspond to the targets of the sustainability strategy of Wüstenrot Haus- und Städtebau GmbH.

Life cycle assessment:

- From 2030, 100% of newly initiated property development projects are to have a life cycle assessment. The target is assigned to the upstream value chain and represents a relative target. The reference value for the preparation of life cycle assessments is 0% of property development projects. As no property development projects were initiated in 2024, the year in which new property development projects are initiated is used as the reference year for the measurement. The preparation of life cycle assessments is to be piloted as part of future property development projects. Based on the results, target values for greenhouse gas emissions in the manufacturing and construction phases are to be defined. The data basis for measuring target achievement is the proportion of newly initiated property development projects that have a life cycle assessment.

Comparison of options in construction:

- From 2026, a comparison calculation for construction is to be prepared for 100% of newly initiated property development projects. The target is assigned to the upstream value chain and represents a relative target. The absolute number of newly initiated property development projects in the respective financial year represents the reference value for the target. As no property development projects were initiated in 2024, the following year is used as the reference year for the measurement in which new property development projects are initiated. The share of newly initiated property development projects with an option comparison calculation serves as the data basis.

Training:

- By 2030, 50% of project managers in the residential and commercial construction sector are to be trained in the preparation of life cycle assessments and building material documentation. The evaluation of project manager training is based on the total number of all project managers and their completion of training and therefore represents a relative target. The definition as a relative target was deliberately chosen to ensure independence from fluctuation influences. The project managers in the residential and commercial construction sector are allocated to the company's own business operations. The reference value for completed training courses in the preparation of life cycle assessments and the preparation of building material documentation is 13%. The survey of training courses attended relates to the year 2024. As part of the interim target achievement, it can be seen that 13% of project managers in the residential and commercial construction sector had already been trained in life cycle assessment methodology by 31 December 2024. In addition, 54% of project managers in residential and commercial construction were trained as DGNB consultants in 2024, 8% as DGNB ESG managers and 67% as DGNB registered professionals. The proportion of project managers in the residential and commercial construction sector who have already completed the respective training courses serves as a data basis based on internal documentation.

Green electricity contracts:

- By 2030, greenhouse gas emissions from the general electricity used in rented properties with capacity to act are to be reduced by 100% compared to the reference year 2024. This is to be achieved by switching to green electricity contracts for 100% of the properties in our own portfolio where Wüstenrot Haus- und Städtebau GmbH has the capacity to act. There is no capacity to act if there is only ownership of individual flats in homeowners' associations. Greenhouse gas emission savings are measured here in the unit of measurement t CO_2 equivalents (t CO_2e). The rented properties in our own portfolio are the subject of our own business activities. The reference value is the greenhouse gas emissions of the general electricity of the rented property portfolio from 2024, for which Wüstenrot Haus- und Städtebau GmbH has a capacity to act. In the greenhouse gas balance year 2024, this amounted to 34.9 t CO_2e. The interim goal is to conclude green electricity contracts for general electricity for 50% of the properties in our own portfolio by 2026. The greenhouse gas balance of Wüstenrot Haus- und Städtebau GmbH serves as the data basis for measuring target achievement.

Sustainability clause:

- From 1 September 2024, a sustainability clause is to be integrated into 100% of newly concluded tenancy agreements to raise awareness of resource use. The target applies to Wüstenrot Haus- und Städtebau GmbH's own portfolio properties under rental management and is a relative target. The sensitisation of tenants within the framework of a sustainability clause extends to the downstream value chain in Germany, with a focus on Baden-Württemberg. The system-based review of the inclusion of the sustainability clause in rental agreement documents serves as the data basis for measuring target achievement. The launch took place as planned on 1 September 2024.

Energy performance certificates:

- By the end of 2025, needs-based energy performance certificates should be available for 100% of the properties in our own portfolio. This is a relative target and applies to all properties for which Wüstenrot Haus- und Städtebau GmbH has the capacity to act. Real estate in the company's own portfolio is the object of its own business activities. The reference year for the target is 2024. As at 31 December 2024, 100% of the properties with the capacity to act in our own portfolio had needs-based energy performance certificates. The objective of creating demand-oriented energy certificates was formulated on the basis of the Building Energy Act (GEG). Under certain conditions, the law stipulates that a needs- or consumption-based energy certificate must be presented when selling, letting or leasing a property. For new buildings, however, a demand-oriented energy performance certificate is required. Wüstenrot Haus- und Städtebau GmbH has decided to apply for demand-oriented energy certificates for all of its own properties with existing capacity to act. The internal documentation of the energy performance certificates serves as the data basis for measuring target achievement.

The targets of Wüstenrot Haus- und Städtebau GmbH described above are based on internal targets. With the exception of the objective on energy certificates, they are not geared towards national or international political goals.

The targets were defined and adopted independently and are therefore not directly based on scientific findings. Stakeholders were not involved in the definition of the objectives.

Composite Corporate Clients

No measurable result-oriented targets within the meaning of the ESRS have been defined for the application of the exclusion criteria for composite corporate customers.

Whether a corresponding insurance commitment is entered into is decided on a case-by-case basis. No measurable targets could be derived from the ESG review process as at the reporting date.

The application of the exclusion criteria as part of the underwriting criteria is ensured as part of the internal control system.

Underwriting risks
In connection with the integrated risk strategy policy – strategic specifications for underwriting risks, no measurable, result-oriented targets in the sense of the ESRS were defined. Underwriting risks are essentially measured using both the internal economic model and the standard model. Scenario analyses (stress tests) are used as an early warning function and additional assessment of possible risk threats. This is intended to create additional transparency regarding risk exposure. In addition, the risk situation is assessed and evaluated by analysing other key metrics (key figure controlling). Internal target ratios, threshold values and qualitative requirements for the fulfilment of risk-bearing capacity are defined for this purpose. Defined risk early warning metrics are used to recognise potential risks at an early stage and identify critical developments. Further information on this can be found in the *Disclosure requirements in connection with ESRS 2 SBM-3 – material impacts, risks and opportunities and their interaction with strategy and business model (ESRS E1)*.

The W&W Group's risk governance is designed to manage Group-wide risks and risks relating to individual companies. Within the business organisation, key functions are implemented that are structured according to the policy of three lines ("three-line model"). The three lines comprise operational decentralised risk management, risk controlling and risk management as well as internal auditing to review the appropriateness of the internal control system and the effectiveness of corporate processes.

Investments
The reduction of the relative carbon footprint (RCF) was set as a target for the W&W Group in connection with the "climate-neutral investment" policy. This target makes a first significant measurable contribution to achieving the goal of climate-neutral investments by 2050 and thus reducing GHG emissions resulting from investments.

The target level adopted by the reporting date relates to the 2025 financial year and amounts to an RCF of 51.12 t CO_2e / € million. This is a relative target. This target for GHG emissions resulting from capital investments relates to the downstream value chain.

The starting level for the RCF was set at 56.80 t CO_2e / € million as at 31 December 2021. The target is to reduce the RCF by 10% cumulatively in the financial years 2023 to 2025, resulting in calculated interim targets of 54.91 t CO_2e / € million for the 2023 financial year and 53.01 t CO_2e / € million in the 2024 financial year. The level of the interim targets set to date was not derived from a climate scenario. Further interim targets for achieving climate-neutral investments by 2050 will be set after the reduction in GHG emissions achieved in 2025 has been evaluated.

The respective company data available from the external data provider ISS ESG serves as the data source for determining the RCF. According to current scientific knowledge, the reduction of GHG emissions is a suitable means of counteracting global warming. Setting targets for the RCF creates a potential indirect influence on the companies in which investments are made.

When setting targets for the RCF, internal stakeholders in the form of the company's management and employees contribute their knowledge and experience.

The RCF for the 2024 financial year is 31.50 t CO_2e / € million, a reduction of 19.5% compared to the previous year's RCF of 39.13 t CO_2e / € million. The calculated interim target for the 2024 financial year was therefore exceeded; however, it should be noted that the RCF is subject to a certain degree of volatility due to market-based portfolio reallocations, which can also lead to increases in the calculated value in the meantime. The RCF is calculated by the Group company W&W Asset Management GmbH.

Disclosure Requirement E1-5 – Energy consumption and mix

The following table shows the energy consumption and the energy mix of the W&W Group that is generated or available in its own business operations. As the W&W Group also operates in a high climate impact sector, energy consumption is broken down into high climate impact and other sectors. The economic activities of the W&W Group in high climate impact sectors are limited to Sector L (Real estate activities). This is represented on the one hand by the Group company Wüstenrot Haus- und Städtebau GmbH, which acts as a property developer. Second, according to the interpretation of own business operations applicable on the reporting date, investment properties are also allocated to own business operations. These therefore also fall under the high climate impact sector L.

Energy consumption and energy mix

	1.1.2024 to 31.12.2024	
	in MWh	in %
Total energy consumption from fossil sources	**107,366**	**57.6**
Total fossil energy consumption of high climate impact sectors	94,493	50.7
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products	69	0.0
Fuel consumption from natural gas	42,057	22.6
Fuel consumption from other fossil sources	659	0.4
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	51,708	27.7
Total consumption of fossil energy in other sectors	12,873	6.9
Total energy consumption from nuclear sources	**579**	**0.3**
Total energy consumption from renewable sources	**78,617**	**42.1**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	3,731	2.0
Consumption from purchased or received electricity, heat, steam and cooling from renewable sources	74,244	39.8
Consumption of self-generated non-fuel renewable energy	642	0.3
Total energy consumption	**186,562**	**100.0**
of which total energy consumption of high climate impact sectors	154,709	82.9
of which total energy consumption of other sectors	31,853	17.1

The energy intensity of the high climate impact sectors of the W&W Group amounts to 0.9268 GWh per € million in sales in the 2024 financial year. The disclosure of energy intensity therefore relates exclusively to the activities of the W&W Group in Sector L (Real estate activities) through the Group company Wüstenrot Haus- und Städtebau GmbH and the W&W Group's investments in property.

The total net income of the W&W Group for the 2024 finan-cial year of €6,310 million is reported under "Sales" as a subset of the consolidated profit from continuing opera-tions before income taxes in the income statement of the W&W Group. Net revenue from activities in high climate impactclimate-intensive sectors, which are used to calcu-late energy intensity, totalled €167 million. Other net in-come (sales) totalled €6,143 million.

Methods and significant assumptions for determining energy consumption

Own operating sites

To determine energy consumption in the W&W Group's own operating facilities (excluding the operating facilities of Wüstenrot Haus- und Städtebau GmbH, see the following section), the consumption of the energy sources used in the company's own operations – electricity, district heating, heating oil, gas, diesel and petrol – is taken into account. The energy consumption data is recorded for the W&W Campus, Stuttgart, Karlsruhe, Ludwigsburg and Bad Vilbel locations. The values collected in this way using primary data represent 92% of the area in square metres considered in this section.

Due to insufficient data quality and availability, as well as the heterogeneous level of detail in the service charge settlements, extrapolations are carried out for the branch offices. For this purpose, the consumption of the main locations per square metre determined using primary data is calculated and extrapolated to the number of square metres of the branch offices. This calculation method contains uncertainties that are due to location-specific differences, such as different energy efficiency classes of buildings. The branch offices do not have server rooms or canteens. It can therefore be assumed that the stated method tends to overestimate actual consumption.

For the energy mix in the extrapolation, it is assumed that the percentage distribution of heating energy between district heating (15%) and fossil fuels (85%) corresponds to the average for German office buildings according to the BMWBS (Federal Ministry of Housing, Urban Development and Building). For reporting purposes, fossil fuels are allocated to the energy source "gas", as this is the most common energy source in German buildings according to the Federal Statistical Office.

The energy consumption data for the operation of the vehicle fleet is determined monthly via the DKV Mobility system and by Stadtwerke Ludwigsburg as the operator of the charging infrastructure at the Kornwestheim and Ludwigsburg sites. The fuelling and loading data of all leased vehicles and vehicles owned by the company are analysed. The data shows fuel consumption in litres for petrol and diesel and in kWh for electricity. To calculate emissions, fuel consumption is converted into kWh using factors from the Global Emissions Model for Integrated Systems (GEMIS).

Housing and urban development properties

The properties in the building and urban development sector are rented properties in Wüstenrot Haus- und Städtebau GmbH's own portfolio and its own business premises. There are several levels of data origin. Actual consumption data for the respective reporting year, e.g. from utility bills or annual utility cost assessment statements, is used. As these are not usually available at the end of the reporting year, real consumption data from the previous year is used. If a property was newly added to the portfolio in the reporting year and therefore no (previous) annual statement is available, data from the demand- or consumption-based building energy certificate is used. This is based on the final energy requirement from the energy performance certificate. The energy consumption from heating is determined from the data in the requirement certificate with the respective energy source. In the event of a lack of information in the energy performance certificate, the breakdown of Scope 1 and Scope 2 emissions and the distribution across different energy sources is based on a source from the German Federal Environment Agency (final energy consumption by energy source and sector).

If the energy performance certificate describes a heat pump to cover the heat demand that obtains its electricity both from its own photovoltaic system (Scope 1) and from an external electricity purchase (Scope 2), the assumption is made that the CO_2 emissions from a heat pump stated in the energy performance certificate are fully allocated to Scope 2. This is based on the assumption that the greenhouse gas emissions from our own photovoltaic system amount to 0 t CO_2e.

If no total consumption is shown on the utility service charge / building-wide cost statements, the (pro rata) consumption is determined on the basis of the costs incurred. Consumption values are therefore estimated accordingly with the help of published average annual prices from the Federal Statistical Office.

If no information is available on the composition of the various energy sources of the electricity and district heating network, the composition of district heating and electricity from the respective municipal utility or the local electricity provider is estimated on the basis of an internet search. If this information is not reliably available, the electricity/energy mix for Germany is used.

Assumptions are also made if flats or properties are sold during the year, as the new owner then prepares the annual utility cost assessment statement. In this case, the consumption for the corresponding year up to the date of sale is assumed pro rata on the basis of the last annual invoice.

Investment property

The energy consumption of the investment properties is taken as the final energy requirement for the properties in question. The final energy requirement is derived from the available final energy requirement and consumption data from the respective energy performance certificates of the individual properties. If the energy performance certificate contains information on the proportion of the final energy requirement in kWh/(m^2a) for heat and the proportion of the final energy requirement in kWh/(m^2a) for electricity, this information is used for the calculation. If the relevant information is not available from the energy performance certificate, an imputed distribution of the final energy of 80% to heat and 20% to electricity is applied. The resulting value of the final energy in kWh/(m^2a) is multiplied by the net floor area of the property in question as stated in the energy performance certificate.

The corresponding information in the energy performance certificates is also used to allocate the energy consumption to the respective energy sources. If the energy source of a direct fossil fuel consumption cannot be clearly determined, it is allocated under fuel consumption from other fossil sources.

Disclosure Requirement E1-6 – Gross Scopes 1, 2 ,3 ando Total GHG emissions

The following table shows the gross GHG emissions of the W&W Group:

Total GHG emissions, broken down into Scope 1, Scope 2 and significant Scope 3 emissions

in t CO_2e	1.1.2024 to 31.12.2024
Scope 1 GHG emissions	
Scope 1 GHG gross emissions	15,354
of which investment property	12,769
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (in %)	-
Scope GHG emissions	
Location-based Scope 2 GHG gross emissions	28,680
of which investment property	22,346
Market-based Scope 2 GHG gross emissions	23,619
of which investment property	22,346
Significant Scope 3 GHG emissions	
Total indirect (Scope 3) gross GHG emissions	1,114,111
1 Purchased goods and services	4,719
3 Activities related to fuels and energy (not included in Scope 1 or Scope 2)	1,538
4 Upstream transport and distribution	500
5 Waste generated in operations	107
6 Business traveling	941
7 Employee commuting	6,613
13 Downstream leased assets	2,625
of which investment property	2,588
15 Investments	1,097,068
Total GHG emissions	
Total GHG emissions (location-based)	1,158,145
Total GHG emissions (market-based)	1,153,084

Scope 1 GHG emissions amounting to 13,341 t CO_2e are attributable to the Group consolidated for accounting purposes under commercial law (W&W Group). In addition, Scope 1 GHG emissions of 2,013 t CO_2e result from non-consolidated subsidiaries.

In the case of location-based Scope 2 GHG emissions, 26,744 t CO_2e of these are attributable to the Group consolidated for accounting purposes and 1,936 t CO_2e to non-consolidated subsidiaries. In the case of market-related Scope 2 GHG emissions, 21,682 t CO_2e are attributable to the Group consolidated for accounting purposes and 1,937 t CO_2e to non-consolidated subsidiaries.

W&W AG does not have operational control with regard to associated companies, joint ventures or contractual agreements that are joint arrangements (joint ventures/operations).

GHG emissions from non-consolidated subsidiaries result primarily from properties held for the purposes of the W&W Group's capital investments that are owned by the subsidiaries. In addition, GHG emissions from Scopes 1, 2 and 3 of non-consolidated subsidiaries are also taken into account if they originate from the company's own operating activities and the upstream and downstream value chain of these subsidiaries and a corresponding measurement is possible.

The share of contractual instruments in the W&W Group's Scope 2 emissions is 5.4%. The contractual instruments are energy supply contracts for the purchase of electricity from renewable sources.

The percentage of Scope 3 GHG emissions calculated on the basis of primary data from suppliers or other partners in the value chain amounts to 2.5% for the W&W Group.

In addition to the Scope 3 GHG emissions shown in the table above, biogenic Scope 3 GHG emissions totalling 5 t CO_2e were generated in the reporting period as part of waste treatment.

Greenhouse gas intensity on the basis of sales revenue
The intensity of the W&W Group's greenhouse gas emissions in the 2024 financial year amounts to 183.5 t CO_2e per € million in sales revenue for each location and 182.7 t CO_2e per € million in sales revenue for each market.

The total net income of the W&W Group for the 2024 financial year of €6,310 million is reported under "Sales" as a subset of the consolidated profit from continuing operations before income taxes in the income statement of the W&W Group. Sales revenues are included in full in the calculation of greenhouse gas intensity.

Methods and significant assumptions for determining gross GHG emissions

Own operating sites

Greenhouse gas emissions are determined in Scope 1 for heating oil, gas, diesel and petrol, and in Scope 2 for electricity and district heating, for all energy consumption types specified in the disclosure requirement E1-5. Greenhouse gas emissions from the consumption of refrigerants are also reported in Scope 1. The calculation is based on conversion factors from the Federal Environment Agency, the Federal Ministry of Economics, Statista, Stadtwerke Karlsruhe and Ludwigsburg, the Swiss Federal Office for the Environment, Defra and ENTSO-E for the Czech Republic site. The conversion factors are updated annually. No additional biogenic CO_2 emissions were incurred in Scope 1.

To calculate emissions using the location-based method, the electricity consumption determined at the main sites and branch offices as well as from the vehicle fleet is multiplied by the emission factors for the German electricity mix, and for the site in Prague by the Czech electricity mix. The percentage share of biomass or biogenic CO_2 is not separated in the emission factors used.

To calculate emissions using the market-based method, the identified electricity consumption at the main locations is multiplied by the supplier-specific emission factors provided by the suppliers. All electricity purchased at the main locations is emission-free green electricity. The electricity consumption determined for the branch offices and the vehicle fleet can only be calculated on a location-based basis due to the lack of availability of supplier-specific emission factors and is included in this form in the market-based values. The share of green electricity for the electricity consumption of the branch offices and the vehicle fleet is estimated according to the share of green electricity in the German and Czech electricity mix. Only the market-based method is used to calculate district heating emissions, as there is no choice of district heating supplier. Of the 1,057 t CO_2e Scope 2 emissions from our own operating sites, 685 t CO_2e are from conventionally generated electricity and 372 t CO_2e from district heating. The share of contractual instruments in the Scope 2 emissions of our own operating facilities is 100%.

To determine the greenhouse gas emissions of the Scope 3 category "Purchased goods and services" (Scope 3 Category 1), the purchasing and invoicing volume of the W&W Group in the financial year is assessed. Reinsurance and services are excluded from the analysis for the 2024 financial year, as the classification and, where applicable, measurement of these categories are not yet secured by standards. Due to the large number of suppliers in the W&W Group, suppliers were selected that together account for over 75% of the purchasing volume analysed. Using a standardised questionnaire, these suppliers were asked to provide information on how high the greenhouse gas emissions were in connection with the products purchased by the W&W Group in the financial year. For the 2024 financial year, feedback was received for 66% of the purchasing volume analysed, with a total of 4,719 t CO_2e reported. Of the reported greenhouse gas emissions, the suppliers calculated 99.8% in relation to the specific goods purchased and 0.2% as a proportion of their sales with the W&W Group in relation to their total emissions. No extrapolation is made from the calculated emissions to the remaining purchasing volume. A high estimation error would be expected for this extrapolation, as the various products purchased differ greatly in terms of the greenhouse gas emissions caused.

Indirect greenhouse gas emissions resulting from upstream chains of energy and fuel use are considered under the Scope 3 category "Activities related to fuels and energy (not included in Scope 1 or Scope 2)" (Scope 3 Category 3). This concerns the upstream chains of the energy sources relevant to the W&W Group: diesel, petrol, heating oil, gas, green electricity and district heating. Analogous to the procedure for emissions of Scopes 1 and 2, these consumption data sets are linked with conversion factors from the Federal Environment Agency for upstream chain emissions.

To determine the greenhouse gas emissions of the Scope 3 category "Upstream transport and distribution" (Scope 3 category 4), postal and parcel shipments that are sent directly to customers, business partners, etc. or whose dispatch is commissioned by marketing are taken into account. The shipment volumes are provided by the service providers used by the W&W Group, Deutsche Post AG (DPAG), DHL and Deutscher Versand Service GmbH (dvs), by means of posting overviews in their business customer portals. These overviews already contain the corresponding CO_2e values. All service providers state that their calculations take all greenhouse gases into account and that the entire transport chain is considered. Furthermore, all service providers disclose all logistics-relevant emissions from Scopes 1 to 3.

As part of the disclosure of the waste generated in accordance with the requirements of ESRS E5, the quantities of waste and the respective types of waste treatment were determined. For the primary data collected at the main sites, the waste management service provider transmits the amount of CO_2e produced in the form of expert certificates and provides the corresponding conversion factors. These fall under the Scope 3 category "Waste generation in companies" (Scope 3 category 5). To calculate the GHG emissions from waste treatment at the branch offices, the average CO_2e value per person at the main locations is extrapolated to the number of employees at the branch offices. In addition to the GHG emissions shown in the table, 5 tonnes of biogenic CO_2 emissions were generated during waste treatment in the reporting year.

Data from the onesto travel portal is used to determine greenhouse gas emissions in the Scope 3 category "Business travel" (Scope 3 category 6). This is used by the W&W Group as a platform for booking and managing business trips for aircraft, hire cars and pool vehicles as well as hotel accommodation and allows the corresponding data to be retrieved. For bookings of means of transport and hotel accommodation outside of onesto, the data is determined by analysing the relevant G/L accounts from SAP. Business trips made with Deutsche Bahn (DB) are not included, as DB local and long-distance trains for business customers run on 100% green electricity. To calculate greenhouse gas emissions, the data collected on business trips is linked to conversion factors. The emissions for hotel overnight stays are calculated on the basis of the number of rooms and overnight stays using emission factors from the Federal Environment Agency. For flights, information is available on the flight route in kilometres and the departure and destination airports, so that greenhouse gas emissions can be calculated using Defra emission factors for domestic, European and international flights. The calculation of greenhouse gas emissions from taxi journeys is based on the invoiced costs using the average costs per kilometre from the Statista platform and the average emissions value for petrol cars from the Federal Environment Agency. The greenhouse gas emissions for invoiced fuel bills are calculated using the average diesel and petrol price from the ADAC, the average consumption and the average emissions value for diesel and petrol cars from the Federal Environment Agency. The calculation of greenhouse gas emissions for billed journeys by private car is based on the available kilometre data and the average emissions value for cars from the Federal Environment Agency. The calculation of greenhouse gas emissions from rental car journeys is based on the data provided by the contractual partner for the ACRISS rental car classification on fuel type and kilometres driven as well as emission factors from the UK Government that match the ACRISS classes. For the calculation of greenhouse gas emissions for the use of public transport, it is assumed that an average of 20 km was travelled per invoiced cost item, as public transport is typically used for the "last mile" between the long-distance means of transport and the place of arrival on business trips. This distance is calculated using the average of the Federal Environment Agency's conversion factors for all means of local transport.

To determine the greenhouse gas emissions of the Scope 3 category "Commuting employees" (Scope 3 category 7), data on the outward and return journeys to the workplace are collected by means of an employee survey. Commuter emissions are calculated on the basis of the data collected using conversion factors taken from recognised international sources such as ecoinvent as well as studies and databases from government authorities and independent institutes. These emission factors are combined with the data on commuting distances, means of transport and commuting days to calculate the emissions per employee in CO_2e. The average emissions calculated for all participants in the survey are then extrapolated to the total number of office staff.

Of the Scope 3 emissions described for own operating sites, 100% of the data for Scope 3 categories 1 and 4 was calculated using primary data. 92% of category 3 was calculated using primary data, as this proportion is generated at the main locations for which primary data is collected. 85% of category 5 for waste generated in work processes was calculated using primary data, as this proportion of waste is generated at the main sites for which corresponding disposal records are available. Categories 6 and 7 were calculated at 0% with primary data, as the actual consumption of the identified use of transport and accommodation services for commuting and business trips can only be estimated.

Housing and urban development properties

The attributable GHG emissions relate to rented flats and properties in the company's own portfolio as well as to Wüstenrot Haus- und Städtebau GmbH's own business premises.

Greenhouse gas emissions are determined in Scope 1 for heating energy and in Scope 2 for electricity and district heating, for all energy consumption types specified in the disclosure requirement E1-5. GHG emissions from refrigerants and process energy (emergency power generators) are also reported in Scope 1. GHG emissions are determined on the basis of individual consumption data and the associated emission factors. If GHG emissions are determined on the basis of energy performance certificate data, the absolute GHG emissions (kg/a) of the local climate, which are stated on some energy performance certificates, are used. Alternatively, the GHG emissions are determined using the area and the specific GHG emissions [kg/m²a]. Sources or databases for the emission factors used are the Federal Environment Agency, GEMIS 5.1, Defra and the current IPCC Assessment Report (AR6).

As part of the Scope 1 calculation for refrigerants, it is assumed that the refrigerant refill quantity corresponds to the amount of refrigerant escaping (leakage). The Global Warming Potential (GWP) is taken from the latest IPCC Assessment Report. In the case of properties or residential units that have been newly added to the property portfolio, it is assumed that there are no leaks and therefore no losses of refrigerants. The assumption is made on the basis that these properties or residential units are generally located in new buildings.

To determine Scope 2 GHG emissions from electricity, a distinction is made between location-based and market-based emissions. The location-based method reflects the average emissions intensity of the electricity and, if available, district heating network in which the energy consumption takes place. The electricity consumption is multiplied by the emission factor of the German electricity mix. The market-based method takes into account the specific emissions of the electricity and district heating purchased. The respective consumptions are multiplied by the supplier-specific emission factor. If no information on supplier-specific emission factors is available, emission factors for district heating and electricity from the respective municipal utility or local electricity provider are estimated on the basis of internet research. If this does not lead to a result, the emission factor of the German electricity mix is applied. If only a location-based calculation can be made due to a lack of availability of supplier-specific emission factors, the values determined are taken into account in this form in the market-based values. Only the market-based method is used to calculate district heating emissions, as there is no choice of district heating supplier.

To determine the greenhouse gas emissions of the Scope 3 category "Activities related to fuels and energy (not included in Scope 1 or 2)" (Scope 3 Category 3), indirect GHG emissions are considered that arise from upstream chains of energy and fuel use and are not included in Scope 1 and 2. The individual consumption figures are multiplied by the respective emission factors of the upstream chain. These GHG emissions are allocated to the upstream value chain.

Emissions from tenants' individual consumption of electricity and heat from the rented flats and properties of Wüstenrot Haus- und Städtebau GmbH are recorded in the Scope 3 category "Downstream rented/leased assets" (Scope 3 category 13). These GHG emissions are allocated to the downstream value chain.

The consumption of tenant electricity and heat is determined using an estimate. A formula from the German Association of Energy Consumers is used for tenant electricity. It is assumed that two residents live in each flat and that there are four large electrical appliances per flat. The latter assumption is based on a source from the Federal Statistical Office. As neither the supplier-specific emission factors are known for the rented properties nor whether green electricity contracts have been concluded, a conventional German electricity mix with a corresponding emission factor is assumed. Individual consumption of tenant heat only exists if there is no central heating. The annual tenant heating is therefore estimated using the average heating energy requirement by year of construction and living space.

Of the Scope 3 emissions described for properties in the housing and urban development sector, 0% of the data for Scope 3 categories 3 and 13 was calculated using primary data. Energy suppliers do not report any upstream chain emissions for Scope 3 emissions in Category 3. Scope 3 category 13 includes emissions from the consumption of tenant electricity and tenant heating. No primary data is available here, as the tenants' consumption data cannot be viewed.

Investment property

The attributable GHG emissions from investments in real estate are determined on the basis of the net floor area in square metres and include GHG emissions from Scopes 1, 2 and 3 in connection with real estate.

Scope 1 GHG emissions in this context are direct greenhouse gas emissions resulting from combustion processes in the property. This includes, for example, fuel consumption in heating oil/natural gas/coal-fired heating systems, small combined heat and power plants (mini, micro and nano) as well as combustion engines and generators.

Indirect greenhouse gas emissions from energy consumption necessary for the operation of the property, whose direct emissions from combustion/production processes take place outside the property, are classified as Scope 2

GHG emissions. This includes all electricity and district heating consumption in the property.

Scope 3 GHG emissions from real estate are all other indirect greenhouse gas emissions in the upstream and downstream value chain that are associated with the use of buildings. These Scope 3 issues are allocated to the Scope 3 category "Downstream leased/rented assets" (Scope 3 category 13) if they relate to properties that are under the operational control of the W&W Group. Properties for which there is no operational control are recognised in the Scope 3 category "Investments" (Scope 3 category 15).

In accordance with the PCAF standards, the data used in the W&W Group for properties generally corresponds to the data quality of score 3 (emissions data according to demand or consumption-oriented building energy certificates). If no corresponding data quality is available, estimates are made on the basis of suitable comparative objects.

Home loan and savings and construction financing

The attributable gross GHG emissions in the home loan and savings and construction financing business relate to Scope 3 GHG emissions. These GHG emissions correspond to the Scope 1 and Scope 2 GHG emissions of the properties collateralised in rem in the customer lending business. They are allocated to the Scope 3 category "Investments" (Scope 3 category 15). The calculation is based on the specifications of the corresponding PCAF methodology. Where available, the relevant basic data is taken directly from the demand or consumption-oriented building energy certificates of the properties. If no building energy performance certificate is available for the property, the GHG emissions are estimated on the basis of the property type, year of construction and living space. This is supported by an external data provider.

The data quality level according to PCAF for properties with an existing demand or consumption-oriented building energy certificate corresponds to score 3. For the imputed estimate without an existing building energy certificate, the data quality level corresponds to score 4 or score 5.

Composite retail customers and composite corporate customers

GHG emissions in connection with insuring retail and corporate customers are allocated to the Scope 3 category "Investments" (Scope 3 category 15).

The W&W Group applies the "Standard-C Insurance Associated Emissions" of the Partnership for Carbon Accounting Financials (PCAF) in version 1 of November 2022 to determine these insurance associated emissions (IAE), hereinafter also referred to as insurance-related emissions. Consequently, only the portfolios currently covered by the standard are included in the calculation. For the insurance sector, these include the GHG emissions associated with the insurance portfolio in the areas of "commercial insurance" and "private motor vehicle insurance".

An external service provider was engaged to calculate the insurance-related emissions.

The portfolio data is deducted as at 30 September of each financial year. No extrapolation is made for the fourth quarter of the respective year. As the majority of policy renewals and new policies are concluded on 1 January of each year, no significant changes in the composition of the insurance portfolio are expected in the last quarter of the year. Accordingly, the portfolio composition is considered representative for the year as a whole.

The basic calculation method follows the logic of an attribution factor by which the total GHG emissions of an insured company or motor vehicle are allocated proportionately to the insurance benefit. The attribution factor for motor vehicle insurance is calculated by the ratio of the insurance premium to the total operating costs of the vehicle. For commercial insurance, the attribution factor is calculated from the ratio of the insurance premium to the turnover of the insured company. The calculation can be simplified using the policy of emission intensity, which assumes a linear correlation between CO_2 emissions and the kilometres driven or between the turnover of the insured customer and the emissions of the insured customer. This simplification is explicitly permitted by the PCAF standard and is applied by the W&W Group.

The methodology and significant assumptions in the motor vehicle portfolio are described below.

The annual total cost of ownership of each vehicle is estimated on the basis of comprehensive data from the Allgemeiner Deutscher Automobil-Club (ADAC), taking into account depreciation, fixed costs, operating costs and workshop costs. The estimate is assigned in descending order via HSN/TSN, HSN/fuel type/kW bands, fuel type/kW bands or via kW bands. For individual segments such as motorbikes, expert estimates are used due to a lack of data. For the classic car segment, the average total cost of ownership of the passenger car portfolio is used due to a lack of available data.

The GHG emissions per vehicle are calculated by multiplying the emissions intensity by the mileage specified in the insurance policy. The emissions intensity (CO_2 emissions per kilometre) is based on the database of the European Environment Agency (EEA). For electric and hybrid vehicles, the kWh per kilometre are converted into emissions based on the national energy mix. The data also comes from the database of the European Environment Agency. For hydrogen vehicles, the emissions intensity is assumed on the basis of the most commonly used vehicle model. The data used for this also comes from the EEA database and the ADAC.

In the absence of data for vehicles registered before 2010, the available CO_2 data for the affected vehicles is extrapolated based on the data of the International Council on Clean Transport (ICCT) using the annual rate of change in CO_2 emissions. The EEA data is then aggregated to the HSN/TSN logic. The emissions intensities for the "motorbikes" and "motorhomes" segments are derived taking into account the engine power, manufacturer and, in the case of "motorbikes", the fuel type based on EEA data and data from the International Energy Agency (IEA). An emissions intensity of 292g/km was assumed for classic cars.

According to the PCAF, the data quality for classic cars, motorbikes and motorhomes has a score of 4. The remaining passenger car portfolio has a score of 2 for data quality.

The methodology and significant assumptions in the commercial/industrial portfolio are described below.

In accordance with the PCAF standard, the attribution factor for commercial and industrial insurance is calculated from the ratio of the insurance premium to the insured customer's sales revenue. By using the policy of emissions intensity, the calculation can be simplified as follows: The attributable emissions are calculated by multiplying the insurance premium by the emissions intensity.

Based on publicly available emissions data, the external service provider developed a model of emissions intensities per industrial sector and country. This model is based on the emissions data published by companies as part of the Carbon Disclosure Project (CDP), supplemented with company information on turnover and its geographical distribution. Furthermore, data on the national energy mix and purchasing power parities are also included in the calculation to adjust the model. As this model shows the average values of a company in a specific industrial sector and a specific country, the calculated GHG emissions attributable to the insurance benefit are to be assessed with the PCAF data score 5.

The emissions intensities per industrial sector determined in this way are allocated to the insurance portfolio at the policyholder level and multiplied by the respective insurance premium at this level. The result represents the GHG emissions attributable to the insurance benefit. If it is not possible to allocate the emissions intensity at the policyholder level, the average emissions intensity of the W&W Group's insurance portfolio in the respective line of business is used as a basis.

The analysis carried out in the reporting period was based on the emissions intensities per sub-industry collected for the first time for the internal pilot project in 2023, i.e. the emissions intensities were kept stable over this period. From 2025, these are to be updated on an annual basis.

Investments

To determine the GHG emissions resulting from the investment, methods are used that are based on the guidelines of the Partnership for Carbon Accounting Financials (PCAF). The attributable GHG emissions of the respective investments represent Scope 3 GHG emissions for the W&W Group as an investor and are allocated to the Scope 3 category "Investments" (Scope 3 category 15).

The W&W Group recognises the proportionate GHG emissions of Scopes 1 and 2 of the financed economic activities as attributable GHG emissions from capital investments. Economic activities are financed primarily through direct and indirect investments in equity and debt instruments of companies. In the case of investments in companies, the W&W Group's share of GHG emissions corresponds to the share of the respective enterprise value financed by the W&W Group (Enterprise Value including Cash - EVIC).

The W&W Group does not attribute GHG emissions to investments in debt instruments issued by governments and international organisations.

The calculation of the GHG emissions attributable to the W&W Group from investments is primarily based on the information collected and collated by the data provider ISS ESG. The latest information provided by ISS ESG is used to determine the proportionate GHG emissions. The information obtained from ISS ESG is not classified as primary data for the W&W Group, irrespective of the collection methodology used by ISS ESG.

For forms of investment for which no PCAF methods existed as at the reporting date, it was not possible to make reliable estimates of the attributable GHG emissions.

Inventory for Scope 3 emissions

Scope 3 categories 1, 3 to 7 as well as 13 and 15 were identified as significant for the W&W Group in the reporting year. Scope 3 categories 2, 8 to 12 and 14 were excluded from the inventory:

- Scope 3 category 2 "Capital goods" is not applicable as the W&W Group does not operate any production facilities and the Group company Wüstenrot Haus- und Städtebau GmbH did not initiate any property development projects in the 2024 financial year. All goods and services purchased by the W&W Group are recognised under Scope 3 category 1 "Purchased goods and services".
- Scope 3 category 8 "Upstream leased assets" is not applicable as the W&W Group does not lease any production facilities. GHG emissions from the use of leased vehicles are reported under Scope 1 or Scope 2 emissions.
- Scope 3 category 9 "Downstream transportation" is not applicable with regard to the transport of physical products, as the W&W Group does not sell any physical products. The W&W Group's insurance and financial products are distributed by various field sales organisations. The greenhouse gas emissions of salaried sales representatives are recognised as part of the company's own business operations in the reported Scope 3 categories. The greenhouse gas emissions of the independent sales force are categorised as applicable but not significant, as they do not reach a relevant level for the Scope 3 emissions of the W&W Group and no criteria such as influence, transition risks or stakeholder positions are applicable.
- Scope 3 category 10 "Processing of sold products" is not applicable as the W&W Group does not manufacture or sell any intermediate products.
- Scope 3 category 11 "Use of sold products" is not reported, as the W&W Group's physical products are exclusively properties in the property development sector, which are either sold or transferred to Wüstenrot Haus- und Städtebau GmbH's own portfolio. The methodology for the use/utilisation of properties sold is currently being developed. If an acquisition enters the company's own portfolio, it is categorised in *Scope 1, Scope 2* and *Scope 3 – Category 13: Downstream rented/leased assets*.
- Scope 3 category 12 "End-of-life treatment of sold products" is not reported, as the W&W Group's physical products are exclusively properties in the property development sector, whose end-of-life treatment is classified as applicable but not significant, as they do not reach a relevant level for the W&W Group's Scope 3 emissions and no criteria such as influence or stakeholder views are applicable.
- Scope 3 category 14 "Franchises" is not applicable as there is no franchise in the W&W Group.

Disclosure Requirement E1-7 – GHG removals and GHG mitigations projects financed through carbon credits

The Scope 1 and Scope 2 greenhouse gas emissions generated by the W&W Group at the main locations and the entire vehicle fleet are offset by purchasing CO_2 certificates. The data sources for the information on CO_2 certificates are certificates from the service providers atmosfair and myclimate, each of which contains all the necessary information.

The offsetting of Scope 1 and Scope 2 greenhouse gas emissions at the main locations is carried out by the service provider atmosfair. CO_2 certificates are purchased annually in accordance with the quantity of emissions determined. Details of the annually changing projects subsidised by atmosfair are published on the service provider's website. All CO_2 certificates purchased by atmosfair in one year are cancelled in the same year.

The offsetting of greenhouse gas emissions from the vehicle fleet is carried out by myclimate via the service provider DKV Mobility. In addition, a climate protection contribution per litre of petrol or diesel is paid to myclimate for offsetting. Only the direct emissions caused by fuel consumption (tank-to-wheel) are taken into account. The offset emissions are distributed across various projects in the myclimate portfolio. Details of the annually changing projects are published on the websites of the service providers. Some of the CO_2 certificates acquired in one year are only cancelled in the coming years, as they are used to finance projects that will take effect in the future. Of the CO_2 certificates acquired by myclimate up to and including the reporting year, 4,923 tonnes of CO_2 will be retired by 2027.

CO_2 certificates that are used as part of services are excluded from the analysis. This includes the certificates of Deutsche Bahn and the letter and parcel service providers. Also excluded are GHG removal activities or reversals both in the W&W Group's own value chain and in the upstream and downstream value chain, as no GHG removal activities were carried out in the W&W Group during the reporting period and none are known in the upstream and downstream value chain.

The W&W Group does not use CO_2 certificates separately from greenhouse gas emissions.

All CO_2 certificates financed by the W&W Group are verified in accordance with the Gold Standard, Plan Vivo or VCS.

CO_2 certificates cancelled in the reporting year

in t CO_2e	1.1.2024 to 31.12.2024
Total carbon credits cancelled in the reporting year	**1,004**
of which share from reduction projects	1,004
of which gold standard	1,004
of which share from projects within the EU	-
of which share of carbon credits that qualify as corresponding adjustment	-

The W&W Group has publicly asserted its greenhouse gas neutrality in connection with the use of CO_2 certificates in relation to Scope 1 and Scope 2 emissions at the main administrative locations.

The assertion is not accompanied by GHG emission reduction targets in accordance with the E1-4 disclosure requirement. So far, there is no concrete target for 2024 and no derivation of science-based 1.5-degree pathways.

The W&W Group has set the goal of continuously reducing CO_2 emissions through the use of ecological energy sources for its own operating sites as part of its own business operations. This is expressed in the sustainability strategy through the goal of "CO_2 neutral operation of own buildings and vehicle fleet". In our own business operations, Scope 1 and Scope 2 emissions from the operation of our own buildings and vehicle fleet are offset by CO_2 certificates.

The objectives of the sustainability strategy in our own business operations are based on three levels. The first level is aimed at a constant reduction in the company's own energy consumption (both renewable and non-renewable energy). For example, since the CO_2 intensity of the German electricity mix is not yet zero and renewable energies have priority in the power supply, the W&W Group can contribute to reducing CO_2 emissions from energy generation by using less electricity. The second level aims to reduce CO_2 emissions in the operation of our own buildings and vehicle fleet. The move to the new head office buildings and the increased use of electric vehicles in the fleet have already led to significant CO_2 reductions. The third level is aimed at offsetting the remaining CO_2 emissions from the operation of our own buildings and vehicle fleet.

The three levels also ensure that offsetting CO_2 emissions does not hinder the net-zero target.

Disclosure Requirement E1-8 – Internal carbon pricing

No internal carbon pricing scheme was applied in the W&W Group during the reporting period.

Pollution (ESRS E2)

Impact, risk and opportunity management

Disclosure Requirement E2-1 – Policies related to pollution

Particulate emissions from road traffic caused by abrasion from brakes, tyres and road surfaces were identified as a significant negative impact for the W&W Group in the downstream value chain. These particulate emissions result from the use of vehicles by policyholders of the motor vehicle and fleet insurance policies offered by the Group company Württembergische Versicherung AG. These emissions are independent of the drive type of the insured vehicles.

The W&W Group did not have any policies, measures or targets for dealing with particulate emissions from road traffic during the reporting period. There are various legal requirements and government measures aimed at reducing particulate matter pollution, including the 39th Ordinance on the Implementation of the Federal Immission Control Act, including the establishment of low emission zones and the EU emissions standards. The W&W Group would not expect any additional positive impact on the usage behaviour of policyholders if it were to adopt policies, measures or targets that go beyond the existing legal requirements, and therefore refrains from doing so.

Water and marine resources (ESRS E3)

Impact, risk and opportunity management

Disclosure Requirement E3-1 – Policies related to water and marine resources

In the reporting period, the W&W Group did not have any policies to counter the negative effects on the use of water and marine resources by corporate customers in property and casualty insurance or from investments.

As the insured corporate customers are subject to German and European legal requirements regarding the water cycle, no policies, measures or targets could be defined in the reporting period. Nevertheless, negative effects are prevented by the existing underwriting guidelines in the corporate customer segments. These include, among other things, a ban on underwriting for large consumers, such as power stations and smelters. Compliance with the underwriting guidelines is reviewed and monitored by the regular Group and specialist audits.

Due to the current lack of data on water and marine resources in relation to capital investments, the necessary basis for deriving suitable policies is lacking. As a result, no measures and targets could be defined in the reporting period.

Biodiversity and Ecosystems (ESRS E4)

Impact, risk and opportunity management

Disclosure Requirement E4-2 – Policies related to biodiversity and ecosystems

In connection with biodiversity and ecosystems, the W&W Group has a policy for building and urban development. No policies were applied in the reporting period for the effects of property and casualty insurance in the corporate customers segment or for investments.

As at the reporting date, the W&W Group was examining how it would like to position itself with regard to biodiversity and ecosystems for property and casualty insurance in the corporate customers segment. As a result, no measures and targets could be defined in the reporting period.

Due to the current lack of data on biodiversity and ecosystems in relation to capital investments, the necessary basis for deriving suitable policies is lacking. As a result, no measures and targets could be defined in the reporting period.

Housing and urban development

The policy for housing and urban development is applied in the W&W Group by the Group company Wüstenrot Haus- und Städtebau GmbH.

Policy	The overarching policy is the sustainability strategy of Wüstenrot Haus- und Städtebau GmbH. The "Sustainable Construction Strategy" is anchored in this for the property development sector.
Most important contents	The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH includes, among other things, all aspects that were identified as material in the materiality analysis for Wüstenrot Haus- und Städtebau GmbH. For example, the preparation of an annual greenhouse gas balance including the reduction of greenhouse gas emissions and the establishment and further development of property-related services and their optimisation are part of the sustainability strategy.
General objectives	The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH aims to minimise negative impacts and risks and to increase positive impacts and opportunities. The "Strategy for Sustainable Construction" aims to make the negative effects of the property development sector transparent and subsequently avoid or minimise them. For example, surface sealing is to be minimised.
References to material impacts, risks or opportunities	Negative effects: In terms of biodiversity, potential negative impacts on the environment and society due to soil sealing were identified during the construction phase of property development projects. As no property development projects were started in the 2024 financial year, the negative effects identified in connection with the property development business of Wüstenrot Haus- und Städtebau GmbH are of a potential nature.
Monitoring process	The sustainability strategy is tracked and monitored in regular meetings of the Controlling department of Wüstenrot Haus- und Städtebau GmbH.
Area of application	The area of application of the policy includes Wüstenrot Haus- und Städtebau GmbH and its subsidiaries. The upstream value chain is covered by property development activities, the downstream value chain by property-related services and condominium and rental management.
Top level responsible for implementing the policy	The sustainability strategy was signed off on by the management of Wüstenrot Haus- und Städtebau GmbH.

The "Sustainable Building Strategy" policy described includes the aspect of land use changes in the form of soil sealing of properties as a factor influencing the loss of biodiversity. When they potentially occur, they also have an impact on the condition of ecosystems due to soil sealing.

The "Sustainable Building Strategy" as part of the sustainability strategy of Wüstenrot Haus- und Städtebau GmbH addresses the potential significant negative effects of soil sealing in the property development business of Wüstenrot Haus- und Städtebau GmbH.

Disclosure Requirement E4-3 – Actions and resources related to biodiversity and ecosystems

Housing and urban development

In the materiality analysis carried out by Wüstenrot Haus- und Städtebau GmbH, the soil sealing that may be associated with a property development project was identified as having a potentially negative impact. The classification was made as potential, as no property development project was initiated in 2024. It is planned to develop a working policy to determine the degree and quality of soil sealing by property development projects. The working policy is to be firmly anchored in future projects of Wüstenrot Haus- und Städtebau GmbH. As part of a pilot project, an index value is also to be determined for the measurability of soil sealing, which will form the basis for deriving further actions.

The action relates to the upstream value chain in which the property development activities of Wüstenrot Haus- und Städtebau GmbH are anchored. Property development activities can take place throughout Germany. Anchoring and definition takes place during the planning phase.

The development of the described work policy is planned for the calendar year 2025.

The overriding principle of avoidance, minimisation and compensation should then be taken into account. If surface sealing cannot be avoided as part of the property development project, the sealed area should be kept to a minimum. Local authorities are already required to provide compensatory measures during the urban land-use planning stage. Wüstenrot Haus- und Städtebau GmbH is also examining the creation of additional compensation areas. The influence of Wüstenrot Haus- und Städtebau GmbH is limited in terms of site design, as legal provisions, for example in the form of building regulations, must be complied with.

Metrics and targets

Disclosure Requirement E4-4 – Targets related to biodiversity and ecosystems

Housing and urban development

The introduction of an index value to determine the degree and quality of soil sealing is expected to be piloted in the 2025 financial year and subsequently anchored in the documentation and work processes of the Residential and Commercial Construction department. Based on the findings when determining the index value, the department is to derive target values by 2028 and set a target level.

The effectiveness cannot yet be tracked as the index value is not yet available. The index value is expected to be developed in the 2025 financial year.

Resource use and circular economy (ESRS E5)

Impact, risk and opportunity management

Disclosure Requirement E5-1 – Policies related to resource use and circular economy

In connection with resource utilisation and the circular economy, the W&W Group applied policies in the reporting period to counteract negative effects in housing and urban construction and in claims settlement. No policies were used for the company's own business operations, the insurance of corporate clients or investments in the reporting period.

As part of the materiality analysis, waste was identified as a negative and material impact within the W&W Group. The waste is made up of conventional residual waste and electronic waste from the use of notebooks and corresponding hardware. The further handling of the negative effects on the environment in this regard is still being examined as at the reporting date. Accordingly, there are no policies, measures or targets for the future handling of waste generated as part of the company's own business operations.

As at the reporting date, the W&W Group was examining how it would like to position itself in terms of resource utilisation and the circular economy for property and casualty insurance in the corporate customer segment. As a result, no measures or targets could be defined in the reporting period.

Due to the current lack of data on resource utilisation and the circular economy in relation to capital investments, the necessary basis for deriving suitable policies is not yet present. As a result, no measures or targets could be defined in the reporting period.

Housing and urban development

The policy for housing and urban development is applied in the W&W Group by the Group company Wüstenrot Haus- und Städtebau GmbH.

Policy	The overarching policy is the sustainability strategy of Wüstenrot Haus- und Städtebau GmbH. The "Sustainable Construction Strategy" is anchored in this for the property development sector.
Most important contents	The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH includes, among other things, all aspects that were identified as material in the materiality analysis for Wüstenrot Haus- und Städtebau GmbH. For example, the preparation of an annual greenhouse gas balance including the reduction of greenhouse gas emissions and the establishment and further development of property-related services and their optimisation are part of the sustainability strategy.
General objectives	The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH aims to minimise negative impacts and risks and to increase positive impacts and opportunities. The "Strategy for Sustainable Construction" aims to make the negative effects of the property development sector transparent and subsequently avoid or minimise them. For example, the requirements of a new building should be weighed up in order to conserve existing resources as far as possible and reduce packaging waste.
References to material impacts, risks or opportunities	Negative effects: Under the aspect of circular economy, potential negative impacts on the environment and society were identified through resource inflows, including resource utilisation and packaging waste from building materials during the production and construction phase of property development projects. As no property development projects were started in the 2024 financial year, the negative effects identified in connection with the property development business of Wüstenrot Haus- und Städtebau GmbH are of a potential nature.
Monitoring process	The sustainability strategy is tracked and monitored in regular meetings of the Controlling department of Wüstenrot Haus- und Städtebau GmbH.
Area of application	The area of application of the policy includes Wüstenrot Haus- und Städtebau GmbH and its subsidiaries. The upstream value chain is covered by property development activities, the downstream value chain by property-related services and condominium and rental management.
Top level responsible for implementing the policy	The sustainability strategy was signed off on by the management of Wüstenrot Haus- und Städtebau GmbH.

With regard to the inflow and use of resources, the "Sustainable Building Strategy" aims to ensure sustainable realisation as early as the planning phase in the case of new buildings. This includes a decision in favour of the use of natural materials as well as reused or recycled secondary components, products and materials, subject to economic feasibility.

The "Sustainable Building Strategy" also stipulates an assessment of whether an existing building can be preserved. The waste hierarchy is taken into account to the extent that an audit result in favour of conservation can lead to a reduction in resource inflows and waste due to lower demand and possible reuse of building materials.

Claims settlement
The policy for claims settlement is applied in the W&W Group by the Group company Württembergische Versicherung AG.

Policy	Policy for the integration of individual measures towards more sustainable claims settlement on the basis of insurance policies
Most important contents	When settling claims, the claimant is offered assistance with processing and resource-saving options as part of the compensation payment.
General objectives	This is based on the contractual insurance and compensation obligations towards the contractual partner (policyholder). With resource-saving options in claims settlement, Württembergische Versicherung AG gives claimants the opportunity to forego resource- and cost-intensive repairs. This is done in favour of a monetary payment to the beneficiary if they make use of these options. Furthermore, in the context of claims settlement, attention is paid to the further utilisation of residual values, insofar as this is technically and economically possible. During disposal processes in the event of damage, the legal requirements for fractionation and recycling are complied with.
References to material impacts, risks or opportunities	Negative effects: The regulation of damages goes hand in hand with the negative effects of resource consumption. 1. In the event of an inflow of resources, the avoidance of material consumption by not restoring or replacing the insured object reduces negative effects. 2. A contribution is made to the outflow of resources through the use of residual values in the sense of a "second life", for example in the case of vehicles involved in an accident.
Monitoring process	The options are integrated into actuarial practice by means of work instructions. Some options are statistically analysed accordingly.
Area of application	The insurance policies generally apply to all policyholders in Germany. The effect of the activities is generated in the motor and liability (excluding personal injury) and property damage lines of Württembergische Versicherungen. In addition to the direct contractual partners, injured third parties can also be considered as claimants in the area of liability law.
Top level responsible for implementing the policy	The assumption of risks through the marketing of insurance contracts is the business model of Württembergische Versicherung AG. This results in the obligation to settle a claim. The management level of claims management at Württembergische Versicherung AG is responsible for the claims settlement process and the associated sustainability policies in the claims area.
Reference to third-party standards or initiatives	The basis for claims settlement is the applicable insurance contract and compensation law.
Availability of the policy for stakeholders	Claims settlement is handled by the internal insurance service as well as by our own and external experts and adjusters, who also offer sustainability options.

It is the sole decision of the claimant to turn away from primary raw materials and the sustainable procurement of renewable resources for restoration/replacement in the event of a claim. Details are governed by the respective insurance contract and tort law.

The policy avoids/minimises waste in some areas and focuses on repair with the aim of reuse in others.

Disclosure Requirement E5-2 – Actions and resources related to resource use and circular economy

Housing and urban development
In the materiality analysis of Wüstenrot Haus- und Städtebau GmbH, the inflow of resources caused by property development projects was identified as a potentially negative impact. The classification was made as potential, as no property development project was initiated in the 2024 financial year. Wüstenrot Haus- und Städtebau GmbH envisages the following actions to reduce the potentially negative impact:

Conservation audit:

- In 2025, a policy is to be developed that will serve as the basis for the inventory review. As part of an assessment of existing buildings, an analysis is carried out to determine whether a new building is actually necessary or whether an existing building can be retained. In the case of the result in favour of conservation, existing resources can be reused, which leads to a lower inflow of resources.

Building materials:

- By the end of 2025, the request for data delivery with regard to building material documentation is to be integrated into contract documents. The expected result of this measure is to increase data transparency with regard to the building materials used.
- As part of the call for tenders, it should be noted that tenders focussing on natural materials, reused or recycled secondary components, products and materials are expressly encouraged. The relevant information must be integrated into the contract documents by the end of 2025. Preferential use of natural materials and reused or recycled secondary components, products and materials should be given, provided that this is economically feasible and does not conflict with authorisation aspects. In addition to the proportion of natural materials including packaging, the proportion of reused or recycled secondary components, products and materials including packaging is also to be determined. Target quotas are to be derived and determined for these variables by 2028. The intention behind this measure is to increase the proportion of natural materials used or reused or recycled secondary components, products and materials.

The materiality analysis conducted by Wüstenrot Haus- und Städtebau GmbH also identified a potential negative impact in relation to packaging waste from building materials on the construction sites of property development projects. Wüstenrot Haus- und Städtebau GmbH envisages the following actions to reduce the potentially negative impact:

Conservation audit:

- In 2025, a policy is to be developed that will serve as the basis for the inventory review. As part of an assessment of existing buildings, an analysis is carried out to determine whether a new building is actually necessary or whether an existing building can be retained. In the case of electing for conservation, packaging waste can be reduced as existing resources can be reused.

Documentation of packaging waste:

- By the end of 2025, the request for data delivery regarding documentation for packaging waste from construction materials is to be integrated into contract documents. The expected result of this measure is to increase data transparency with regard to the packaging waste generated during the construction phase.

The actions relate to the upstream value chain, in which the property development activities of Wüstenrot Haus- und Städtebau GmbH are anchored. Property development activities can take place throughout Germany. Anchoring and definition take place during the planning phase.

In 2025, work policies are to be developed for an inventory inspection and for the documentation of building materials and packaging waste from building materials. The integration of required information in tenders and contract documents must be ensured.

Claims settlement

Two measures relating to resource utilisation and the circular economy are being pursued in claims settlement. The individual measures are a permanent part of the direct component of claims settlement on the basis of the insurance policy and therefore only apply in these cases. This means that the overall result is influenced by the random occurrence of losses.

- Measure 1: Professional brokerage of residual value offers via residual value exchanges (motor vehicle damage)
- Measure 2: Notional settlement in the event of a claim to avoid extensive repairs

Measure 2 is dependent on the claimant's economic considerations and is therefore actively offered in the event of a claim. In terms of the insurance contract and compensation law, the claimant has freedom of choice here.

Description of Measure 1: In the event of more extensive damage to a motor vehicle, primarily as a result of an accident, a repair may no longer be economically viable in relation to the value of the vehicle on the day of the damage. Generally, however, technical possibilities remain so that a residual value can still be determined for which there is also a market. Württembergische Versicherung AG arranges offers for a damaged vehicle via a residual value exchange. In this way, the premature destruction of resources is avoided.

Description of Measure 2: In the event of damage to motor vehicles, parts of buildings or movable property caused by an insured event, the injured party can generally choose between a repair or replacement and a notional settlement of the claim. Injured parties are often prepared to forego a repair and live with the damage in the event of a fictitious settlement of their claim. Claimants from motor vehicle, liability and property policies are equally affected. Here, too, the unnecessary use of new resources and the destruction of in part less damaged resources as waste is avoided.

Both measures are a direct part of claims settlement and are used permanently without a time horizon in suitable claims cases.

Metrics and targets

Disclosure Requirement E5-3 – Targets related to resource use and circular economy

Housing and urban development

The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH encompasses all aspects that were identified as material in the materiality analysis. The targets described in the following section therefore correspond to the targets of the sustainability strategy of Wüstenrot Haus- und Städtebau GmbH.

Wüstenrot Haus- und Städtebau GmbH has set the following targets to reduce the potentially negative impact of the inflow of resources caused by property development projects:

Conservation audit:

- From 2025, 100% of newly initiated property development projects are to be examined as part of an inventory review to determine whether a new build is actually necessary. The coverage of 100% of newly initiated property development projects is a relative target. The absolute number of newly initiated property development projects in the respective financial year represents the reference value for the target. As no property development projects were initiated in 2024, the year in which new property development projects are initiated is used as the reference year for the measurement. An inventory review is already being carried out for new construction projects. The necessary documentation is to be compiled in 2025. An inventory review is carried out on the basis of internal evaluation criteria. This is worked out accordingly and documented internally. This objective is at the prevention level of the waste hierarchy if the result of the audit is in favour of conservation.

Building materials:

- From 2030, data transparency is to be achieved in 100% of property development projects as part of the building materials documentation. To this end, a collection of data is being compiled to serve as a basis for deriving target quotas for increasing the proportion of natural materials used or reused or recycled secondary components, products and materials. This should also be used to create reports. The 100% coverage is a relative target. The population of the target represents the absolute number of property development projects in the financial year. As no property development projects were initiated in 2024, the year in which new property development projects are initiated is used as the reference year for the measurement. In order to achieve this goal, building material documentation will be set up for newly initiated property development projects from 2025 onward. Product datasheets from building product manufacturers and the ÖKOBAUDAT building product database are to be used as data sources for this. This objective cannot initially be located directly at a single level of the waste hierarchy. However, the objective is seen as a necessary prerequisite in order to be able to derive further measures and objectives in the area of building materials once data transparency has been achieved, which can then be directly assigned to a level of the waste hierarchy.

Wüstenrot Haus- und Städtebau GmbH has set the following targets to reduce the potential negative impact of packaging waste from building materials on construction sites of property development projects:

Conservation audit:

- From 2025 onward, 100% of newly initiated property development projects are to be examined as part of an inventory review to determine whether a new build is actually necessary. The coverage of 100% of newly initiated property development projects is a relative target. The absolute number of newly initiated property development projects in the respective financial year represents the reference value for the target. As no property development projects were initiated in 2024, the year in which new property development projects are initiated is used as the reference year for the measurement. An inventory review is already being carried out for new construction projects. The necessary documentation is to be created in 2025. An inventory review is carried out on the basis of internal evaluation criteria. This is worked out accordingly and documented internally. This objective is at the prevention level of the waste hierarchy if the result of the audit is in favour of conservation.

Documentation of packaging waste:

- From 2030, data transparency is to be achieved in 100% of property development projects as part of the documentation for packaging waste from construction materials. To this end, a collection of data is being compiled that will serve as the basis for deriving target quotas for the reduction of packaging waste from construction materials and for creating reports. The 100% coverage is a relative target. The population of the target represents the absolute number of property development projects in the respective financial year. As no property development projects were initiated in 2024, the year in which new property development projects are initiated is used as the reference year for the measurement. The data source used is a supply from the respective trades regarding their packaging waste. This flows into the overall documentation of the respective property development project. This objective cannot initially be located directly at one level of the waste hierarchy. However, the objective is seen as a necessary prerequisite in order to be able to derive further measures and objectives with regard to packaging waste from building materials once data transparency has been achieved, which can then be directly assigned to a level of the waste hierarchy.

The objectives described relate in each case to the upstream value chain in which the property development activities of Wüstenrot Haus- und Städtebau GmbH are anchored. Property development activities can take place throughout Germany. The targets are based on internal objectives and are not geared towards national or international political goals. The objectives were defined and adopted independently and are therefore not directly based on scientific findings. Stakeholders were not involved in the definition of the objectives.

Provided that there are no economic or authorisation-related aspects to the contrary, the use of natural, reused or recycled secondary components, products and materials within property development projects is to be preferred. This increases the recycling-oriented material utilisation rate and minimises the use of primary raw materials.

No ecological thresholds or company-specific breakdowns were taken into account when setting the targets. The objectives are set on a voluntary basis.

Claims settlement

No measurable and result-oriented targets have been defined for measure 1 "Professional brokerage of residual value offers via residual value exchanges (motor vehicle damage)" and measure 2 "Fictitious settlement in the event of damage to avoid extensive repairs". The background to this is that, on the one hand, the individual measures are directly influenced by the random occurrence of damage as part of the claims settlement; on the other hand, the success depends largely on the claimant, who has freedom of choice here.

As a direct component of claims settlement, the measures are also tracked for effectiveness without direct targeting. Tracking is based on work instructions for the operational areas. Accordingly, training measures help to ensure that the measures are actively offered to the injured party by both internal and external sales staff. Measure 2 "Notional settlement in the event of a claim to avoid extensive repairs" can be evaluated via regular internal reporting. Measure 1 "Professional brokerage of residual value offers via residual value exchanges (motor vehicle damage)" can be mapped using a reporting system created by a service provider.

For Measure 2 "Notional settlement in the event of a claim to avoid extensive repairs", an increase in notional settlement in relation to the respective number of claims is seen as progress. However, a decline can only be viewed relatively critically against the backdrop of various influencing factors and cannot be immediately labelled negatively. Measure 1 "Professional brokerage of residual value offers via residual value exchanges (motor vehicle damage)" is comparable, but the assessment here must be even more cautious due to considerable uncertainties. Generally, the calendar year is calculated as the reference period.

Disclosure Requirement E5-4 – Resource inflows

Housing and urban development

The property development activities of the Group company Wüstenrot Haus- und Städtebau GmbH are associated with significant inflows of resources in the upstream value chain. These resource inflows include the use of building materials, building components and technical equipment. Furthermore, significant packaging waste is generated by construction materials in connection with the resource inflows.

As no property development activities were initiated in the reporting period, the associated inflow of resources was not recorded.

Disclosure Requirement E5-5 – Resource outflows

The waste generated in the W&W Group's own business operations in the financial year is broken down in the following table according to the waste hierarchy and, in the case of disposal, according to the type of waste treatment.

Waste

	1.1.2024 to 31.12.2024	
	in tonnes	in %
Hazardous waste diverted from disposal	**9**	**1.4**
Hazardous waste diverted in preparation for reuse	-	-
Hazardous waste diverted for recycling	9	1.4
Hazardous waste diverted for other recovery operations	0	0.0
Non-hazardous waste diverted from disposal	**618**	**96.1**
Non-hazardous waste diverted for preparation for reuse	9	1.4
Non-hazardous waste diverted for recycling	257	39.9
Non-hazardous waste diverted for other recovery operations	352	54.8
Hazardous waste destined for disposal	**0**	**0.1**
Hazardous waste destined for incineration	0	0.0
Hazardous waste destined for landfill	0	0.0
Hazardous waste destined for other types of disposal	0	0.0
Non-hazardous waste destined for disposal	**15**	**2.4**
Non-hazardous waste destined for incineration	6	1.0
Non-hazardous waste destined for landfill	9	1.4
Non-hazardous waste destined for other types of disposal	0	0.0
Total amount of waste generated	**643**	**100**
of which total amount of non-recycled waste	368	57.3
Total amount of hazardous non-radioactive waste	**9**	**1.4**
Total amount of hazardous radioactive waste	**-**	**-**

The W&W Group's own business operations primarily generate office waste.

Office waste includes, in particular, paper waste, residual waste and plastic packaging as well as electronic waste from defective IT devices. The latter consist mainly of plastics and metals and may contain a small amount of rare earths. Canteen waste also accumulates as biomass and, at irregular intervals, bulky waste, e.g. from defective office furniture.

To determine the total amount of waste generated, all types of waste produced at the W&W Group's operating sites are recorded. Mainly non-hazardous waste is produced. A small amount of hazardous waste is also produced, including monitors, batteries, paints, varnishes and lubricating oils. There is no radioactive waste.

Primary data from the service providers is collected for the main locations in Kornwestheim, Karlsruhe, Stuttgart (Rotebühlstrasse 74), Ludwigsburg (Hohenzollernstrasse

46, Elmar-Doch-Strasse 38-40) and Bad Vilbel. This corresponds to a primary data coverage of 87%. The waste volumes of the other locations are extrapolated due to limited and time-delayed data availability and quality of the ancillary cost statements and correspond to 13% of the total waste volume.

The main source of data for the collection of waste volumes at the above-mentioned main locations are expert certificates for disposal-related Group sustainability reporting, which are provided annually by disposal service providers. These certificates are based on the quantities of waste recorded during the year and documented by means of waste disposal certificates. The above certificates do not include bulky waste, residual bones and coffee grounds, which are disposed of separately. Bulky waste is disposed of at the local recycling centre and documented using a weighing slip. Leftover bones and coffee grounds are taken to a biogas plant and recorded by counting the containers produced. The type of disposal is also available for all waste via the disposal certificates.

For the extrapolation of waste at the other locations, a waste volume per person is calculated on the basis of the primary data. The calculated waste per person is extrapolated based on the number of employees at the other locations. For the type of disposal of the calculated waste volume at the other locations, the average ratio of disposal types in Germany according to Eurostat's "Waste statistics" is assumed. The average ratio of disposal types in the Czech Republic and Luxembourg is assumed for the Prague and Luxembourg sites.

Social information

Own workforce (ESRS S1)

Strategy

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS S1)

The material positive and negative impacts in connection with the company's labour force described in the disclosure requirement *SBM-3 - Significant effects, risks and opportunities and their interaction with strategy and business model* affect all permanent employees of the W&W Group.

The economic activities of the W&W Group have the same environmental, social and governance-related effects on its employees as they do on customers and non-customers. The company's employees can participate in product-related impacts in the same way as customers and, as part of society, are affected by all impacts on people and the environment.

According to the information available to the W&W Group, the negative impact of the unadjusted gender pay gap on the company's workforce is widespread in the financial sector in Germany and tends to be above average compared to other sectors in Germany. In the W&W Group, the unadjusted gender pay gap is less pronounced compared to a hypothetical average company in the financial sector in Germany, i.e. there is a stronger approximation to equal pay in comparison.

The positive effects on the company's workforce are the positive effects mentioned in the SBM-3 disclosure requirement in the form of flexible working hours and forms, promotion of skills development and suitable training and further education, work-life balance, comprehensive company health management, comprehensive health protection, safe workplaces and collective agreements. The description of the activities that lead to the positive impacts is provided in the disclosure requirement S1-4 – Taking action to address material impacts on the organisation's workforce. These apply to all locations of the W&W Group and apply to all employees.

The W&W Group assumes that the risk of more difficult recruitment due to demographic change and a shortage of skilled labour will be mitigated by the aforementioned positive effects. The W&W Group also expects the forecast medium to long-term reduction in the unadjusted gender pay gap to minimise the risk of future recruitment.

As at the reporting date, the W&W Group had no restructuring programmes or job losses as a result of negative environmental impacts and none are planned or under consideration. Rather, the business potential in connection with the financing of modernisation measures and energy-efficient refurbishment of residential buildings offers the company's employees career development opportunities.

There is no identifiable risk of incidents of forced or child labour for the employees of the W&W Group.

The W&W Group's personnel policy is based on the view that activities of equal value should also be remunerated equally. There is therefore currently no recognisable risk of new hires being affected by the unadjusted gender pay gap. The existing pay gap is seen as a development of different employment biographies of the company's employees.

The opportunity arising from the ongoing qualification of the company's workforce and the risk of more difficult recruitment due to demographic change and a shortage of skilled labour affect the company's entire workforce.

Impact, risk and opportunity management

Disclosure Requirement S1-1 – Policies related to own workforce

Policy	Personnel strategy
Most important contents	As part of the W&W Group's human resources strategy, the W&W Group supports its employees through consistent employee development measures, in particular through future-oriented skills and junior staff development programmes and talent development. Employees are continuously developed through transparent career paths and career policies, future-oriented learning opportunities and skills development.
General objectives	The overriding aim of the HR strategy is to attract, develop and inspire employees. The personnel strategy focuses on the following objectives: - Recruitment of employees through modern and efficient processes and tools. - Employee enthusiasm through high employer attractiveness and a good work culture. - Continuous employee development for empowerment and skills development.
References to material impacts, risks or opportunities	The HR strategy refers to the negative effects on the company's workforce and risks such as reduced or increased staffing requirements due to demographic change and a shortage of skilled labour, as well as the pay gap. The HR strategy also refers to positive effects such as flexible working hours and forms, the promotion of skills development and suitable training and further education, work-life balance, comprehensive company health management, comprehensive health protection, safe workplaces and collective agreements. Other key topics include the recruitment, development and enthusiasm of employees, which should lead to a qualitatively and quantitatively appropriate personnel structure in order to maintain competitiveness and marketability.
Monitoring process	The HR strategy is reviewed once a year or on an ad hoc basis, taking into account the business strategy. The personnel policy targets are also regularly monitored by the Group Human Resources department and the W&W Group's Executive Board.
Area of application	The HR strategy applies to all employees within the W&W Group in Germany.
Top level responsible for implementing the policy	The Executive Board and the Group Human Resources department are responsible for implementing the HR strategy.
Consideration of the interests of stakeholders	The Supervisory Board and the Executive Board were involved in defining the personnel strategy.
Availability of the policy for stakeholders	The HR strategy is published in the internal information system and can therefore be viewed by all employees.

Policy	Company regulations on mobile working and flexible working hours
Most important contents	Company regulations on mobile working: Employees can work on a mobile basis in accordance with company regulations. Company regulation on flexible working hours: The company regulations allow employees to work flexible hours thanks to a wide range of working hours and flexitime options.
General objectives	The aim is to attract and retain employees as an attractive employer, e.g. through a better work-life balance.
References to material impacts, risks or opportunities	The company regulations have a positive effect on employee satisfaction and motivation. According to the W&W Group, this results in lower staff turnover, reduced absenteeism and increased productivity.
Monitoring process	Monitoring processes are regulated in the company regulations or are carried out as part of regular processes, particularly by managers.
Area of application	The company regulations apply to all employees within the W&W Group in Germany.
Top level responsible for implementing the policy	The Executive Board and the Group Human Resources department are responsible for implementing these regulations.
Consideration of the interests of stakeholders	The Executive Board, the Group Human Resources department and the employee representatives were involved.
Availability of the policy for stakeholders	The company regulations are published in the internal information system and can therefore be viewed by all employees.

Policy	Remuneration principles
Most important contents	The companies of the W&W Group are almost exclusively bound by the relevant industry collective labour agreements. Due to applicable collective bargaining and internal collective bargaining regulations, employees in the W&W Group are remunerated equally for the same activities. The design of the remuneration systems in the W&W Group is intended to combine the implementation of strategic objectives and the human resources requirements for remuneration systems with those of risk management and regulatory requirements.
General objectives	The remuneration systems of the W&W Group comply with the respective legal requirements and are reviewed annually and adjusted if necessary. This objective is already achieved through the application of the relevant sectoral collective agreements. The remuneration systems in the W&W Group are to be designed in accordance with the business strategy, the risk strategy and the Group Risk Policy in such a way that they contribute to securing the existence and corporate success of the W&W Group. Harmful incentives and rewards for poor performance should be avoided in the interest of an active risk culture. The total remuneration of employees is designed to attract, retain and motivate employees in the best possible way.
References to material impacts, risks or opportunities	The application of the sector collective agreements and the remuneration systems of the W&W Group based on them ensures that it is irrelevant for the remuneration whether the position is filled by a woman or a man. For new hires, there is no recognisable risk of being affected by the pay gap. The existing pay gap is seen as a development of different employment biographies of the company's employees. In addition, the application of sector collective agreements creates security and transparency for the company's workforce and ensures fair conditions for all employees. The W&W Group believes that this strengthens social harmony within the W&W Group.
Monitoring process	The appropriateness of the remuneration systems is reviewed annually in a regular process by the Compliance and Internal Audit departments.
Area of application	These remuneration principles apply to all employees within the W&W Group in Germany.
Top level responsible for implementing the policy	The Executive Board, the Group Human Resources department and managers are responsible for implementing the remuneration principles.
Consideration of the interests of stakeholders	The Executive Board, the Group Human Resources department and, where necessary, the Supervisory Board and employee representatives were involved.
Availability of the policy for stakeholders	The remuneration principles are published for employees in the internal information system.

Policy	Occupational health and safety standards, company regulations
Most important contents	The occupational health and safety standards and the company regulations govern the tasks and roles of board members, managing directors, managers and all persons with special functions in occupational health and safety, e.g. occupational health and safety specialists, safety officers, first aid providers, etc.
General objectives	The company regulations on risk assessment govern the implementation of the Occupational Health and Safety Act and the associated ordinances on the identification and assessment of work-related health risks, the definition of suitable occupational health and safety measures, the review of their effectiveness and their documentation. The company regulation on occupational integration management (BEM) serves to promote the health and ability to work of employees.
References to material impacts, risks or opportunities	These regulations have an impact on employee behaviour due to the corresponding sensitisation. Comprehensive occupational health management reduces health risks and achieves comprehensive health protection. The W&W Group actively supports a health-promoting environment and provides incentives for health-conscious behaviour on the part of employees, thereby increasing the attractiveness of the W&W Group as an employer. According to the W&W Group, this will also counteract the shortage of skilled labour.
Monitoring process	Every year, employees are sensitised to occupational health and safety through automated web-based training (WBT). Comprehensive risk assessments are also carried out regularly.
Area of application	The occupational health and safety standards and the company regulations apply to all employees within the W&W Group in Germany.
Top level responsible for implementing the policy	The Executive Board and managers are responsible for implementation in their direct area of responsibility.
Consideration of the interests of stakeholders	The Executive Board, occupational health and safety, the company doctor, the Group HR department and the employee representatives were involved.
Availability of the policy for stakeholders	The occupational health and safety standards and company regulations have been published in the internal information system.

Policy	Code of Conduct and Code of Conduct Handbook
Most important contents	The W&W Code of Conduct and the handbook define the minimum standard for the W&W Group that governs the behaviour of all board members, managers and company employees in the office and in the field, as well as in relation to customers, competitors, business partners, authorities and our shareholders. This is not only about the practical implementation of applicable laws and regulations, but also about ethically impeccable behaviour, which includes measures against violence and harassment in the workplace in day-to-day work.
General objectives	Creation of an orientation framework for compliant and ethical behaviour by all employees.
References to material impacts, risks or opportunities	The W&W Group believes that the Code of Conduct and the handbook reduce the risk of discriminatory behaviour and promote equal treatment and equal opportunities. The measures established by the W&W Group against violence and harassment in the workplace have a positive effect on employees in the opinion of the W&W Group. This increases the attractiveness of the W&W Group as an employer, counteracts the pay gap and, in the opinion of the W&W Group, counteracts the shortage of skilled labour.
Monitoring process	Compliance with the Code of Conduct and the handbook is monitored by managers and also by the Compliance and Internal Audit departments, among others.
Area of application	The W&W Code of Conduct and the handbook apply to all employees within the W&W Group in Germany.
Top level responsible for implementing the policy	The Executive Board is responsible for implementing the Code of Conduct.
Consideration of the interests of stakeholders	The interests of stakeholders were represented in the preparation of the Code of Conduct and the handbook, in particular by the Compliance department in consultation with the relevant specialist departments.
Availability of the policy for stakeholders	The Code of Conduct and the handbook have been published for employees in the internal information system. The Code of Conduct can also be viewed on the W&W AG's website.

Policy	Diversity guide
Most important contents	In the Diversity Guidelines, the W&W Group commits to creating a prejudice-free, positive and productive working atmosphere that prevents discrimination within the company and supports equal opportunities. The most important contents are: Gender balance Diversity of origin and worldviews Diversity across age groups LGBTIQ[1] Community Inclusion for people with disabilities.
General objectives	Optimising recruitment and appointment processes, expanding the framework conditions for an unprejudiced and attractive working environment, increasing diversity in potential development and management positions.
References to material impacts, risks or opportunities	According to the W&W Group, the diversity guideline supports a stronger and more creative working environment that delivers better results because diversity supports top performance. This increases satisfaction and company loyalty. In our opinion, diversity better reflects customer groups, as a diverse workforce can respond quickly to a wide range of customer requirements and needs, thus contributing to a positive corporate image for applicants and customers alike. According to the W&W Group, the attractiveness of the W&W Group as an employer is increased, the pay gap is counteracted and the shortage of skilled labour is counteracted as a result.
Area of application	These guidelines apply to all employees within the W&W Group in Germany.
Top level responsible for implementing the policy	Managers, Group HR management and the Executive Board are responsible for implementing the diversity policies.
Reference to third-party standards or initiatives	The W&W Group has signed the Diversity Charter.
Consideration of the interests of stakeholders	The employees and the Executive Board were involved.
Availability of the policy for stakeholders	The diversity guidelines have been published for employees in the internal information system.

1 LGBTIQ is an abbreviation that stands for lesbian, gay, bisexual, trans, intersex and queer. These are all descriptions of sexual orientations and forms of identity.

The Executive Board recognises its corporate responsibility to guarantee the principles of the United Nations and to implement them through relevant regulations.

Respect for human rights, including labour rights, among the company's workforce is achieved through compliance with the principles of the United Nations, which have long been guaranteed within the W&W Group and implemented through relevant regulations. For example, the W&W Group drew up the aforementioned Code of Conduct some time ago. The W&W Group received several awards in 2024, such as the Corporate Health Award and the Total E-Quality rating.

The employee representatives are involved in the development of the Code of Conduct or the whistleblower system, for example. Employees are informed via the internal information system.

Compliance with regulatory requirements is supported by various preventive measures. These include, for example:

- working time recording to protect the statutory working time regulations
- workplace inspections
- occupational safety
- escalation mechanisms; not only works councils but also whistleblower system.

Compliance with the principles of the United Nations has long been guaranteed within the W&W Group and implemented through relevant regulations. The W&W Group ensures this through the Code of Conduct and the Declaration of Human Rights, among other things.

As national legislation is complied with at the W&W locations, practices that violate human rights, forced labour and child labour are prohibited. In the Code of Conduct and the associated manual, the W&W Group rejects all forms of discrimination in employment and occupation, child labour and other violations of human rights. In addition, the ban on forced and child labour is explicitly enshrined in the Declaration of Principles on Respect for Human Rights and Human Rights Due Diligence.

To prevent accidents at work, the W&W Group has a policy for occupational health and safety standards and company regulations. The measures taken in this context are presented in the disclosure requirement S1-4 Measures.

The policy Diversity guidelines and the policy The Code of Conduct and Code of Conduct Handbook aim to eliminate discrimination (including harassment) and promote equal opportunities, diversity and inclusion. The measures taken in this context are presented in the disclosure requirement S1-4 Measures . Race, ethnic origin, skin colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national origin and social background are components of the Code of Conduct and the Diversity Guidelines and thus also of the culture of appreciation and diversity practised in the W&W Group. Under German law, the W&W Group is obliged to fill at least 5% of jobs with employees with severe disabilities or equivalent status or to pay a compensatory levy (Sections 154-160 of the German Social Code (SGB IX)). Accordingly, the W&W Group is committed to supporting and integrating people with disabilities in its Diversity Guidelines. This includes checking whether vacant positions can be filled by severely disabled persons and persons of equal status. This is preferred to the payment of a compensatory levy.

Disclosure Requirement S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

The W&W Group uses various (dialogue) formats to ensure employee participation. This includes, for example

- annual employee satisfaction surveys
- regular dialogue between employees and their managers (feedback and development meetings)
- company meetings that are also regularly attended by the respective Executive Board and the head of the Group Human Resources department as guests to provide detailed information and be available to answer employees' questions.

Furthermore, the W&W Group attaches great importance to trusting and open cooperation with employee representatives. The W&W Group maintains a regular and constructive dialogue in order to jointly develop solutions for the concerns of its own employees and to ensure that their rights and interests are fully protected. The aim is to promote a collaborative partnership based on mutual respect and transparency. The company's own employees are involved both directly and through employee representatives. The Executive Board and the head of the Group Human Resources department bear operational responsibility for inclusion and for ensuring that the results are incorporated into a corporate policy. The W&W Group believes that the aforementioned (dialogue) formats are effective instruments for incorporating the views of its own employees into decisions and activities. This is also shown by the results of the annual employee survey. If necessary, measures are developed in the individual units based on the survey results.

The W&W Group gains insights into the views of employees who are particularly vulnerable or at risk of disadvantage through information obtained when carrying out a holistic risk assessment or company integration management. The exchange within the women's network "FiT" ("Women in Top Positions") or measures from the contact point "FairSprechen" also serve this purpose. Through close cooperation with the employee representatives, the representative body for severely disabled employees, the company medical service and the external service provider for life coaching, the W&W Group also gains insights into the views of this group of people.

Disclosure Requirement S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

Inthe opinion and experience of the W&W Group, the dialogue formats mentioned in the disclosure requirement S1-2 are effective methods for improving the negative effects of the gender pay gap on people in its workforce. The regular feedback and development meetings between employees and their managers and the very low number of enquiries in accordance with the Remuneration Transparency Act are of particular importance. Furthermore, the W&W Group has set up the complaints office in the HR department required by Section 15 of the German General Equal Treatment Act (AGG). Since 2019, the Group-wide interdisciplinary internal contact centre "FairSprechen" has been in place for any conflict in connection with the employment relationship, e.g. bullying, sexual harassment, discrimination. In addition, employees can contact the works council or the internal whistleblower system to initiate corrective measures. The publicly accessible complaints management system on the W&W AG website can also be used to receive and process any information on possible negative effects on employees. The measures are rated as very effective, as evaluations after an agreed period of time ensure whether the measures taken have led to a resolution of the conflict.

The channels through which employees can contact the complaints office under the AGG and the "FairSprechen" contact point are the works councils, the company medical service, the representative body for severely disabled employees and the HR department. The W&W Group made a conscious decision to set up the channels itself. The "FairSprechen" contact point has a process for handling complaints in connection with employee matters. The channels are regularly referred to at works meetings. Information on the channels is also available via the internal information system. As part of Diversity Days, for example, attention is drawn to the channels via exhibition booths on the W&W campus. Employees also receive a leaflet on the contact and complaints centres when they start work.

The complaints centre is responsible for taking the appropriate, necessary and reasonable measures to prevent discrimination in individual cases. The "FairSprechen" contact point is responsible for providing advice on internal and external offers of assistance and supports employees in the event of conflicts or cases of discrimination.

Employees are aware of the complaints centre and the "FairSprechen" contact point: Both the company's own employees and employee representatives rely on these positions. This is demonstrated by the application and recommendation of the contact centre as well as the positive feedback from those seeking advice. The strategy set out in the Code of Conduct and the Diversity Guidelines also includes measures to protect individuals. There are various ways for employees to receive support and help if they are affected themselves. The information that reaches the complaints centre or the contact point is treated with absolute confidentiality and is only passed on to others with the consent of the person concerned.

Disclosure Requirement S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Measures and resources in relation to material sustainability aspects

Actions for secure employment

The HR Marketing 2.0 measure aims to increase the attractiveness of the employer brand and to manage the internal labour market to attract new employees in order to prevent the potential shortage of skilled workers. The employee referral programme, active sourcing and university partnerships have been successful in this regard. The Leadership Booster programme aims to convey the W&W understanding of leadership to managers and to enable them to implement it. In this context, the management workshop on positive leadership and the programmes on New Work and Artificial Intelligence were developed further. The aim of the Best Ager programme is to promote the performance and further development of experienced employees throughout Germany and to increase their loyalty beyond the standard retirement age. The Strategic KPI Dashboard measure enables the Executive Board to constantly monitor the accuracy of HR measures by systematically providing it with selected, strategically relevant HR management metrics.

The measures apply to all employees of the W&W Group.

The measures were launched and completed in 2024 by incorporating them into regular HR processes.

Actions to reconcile professional and personal life

There are regulations that enable employees to work on a mobile or hybrid basis. The aim is to achieve a high level of employee satisfaction through a balanced relationship between mobile and on-site work, thereby reducing staff turnover.

There are also measures in place to reconcile work and family life. This includes professional and free support for employees with childcare and emergency childcare, caring for relatives and other difficult life situations. In addition, a subsidised Ludwigsburg KiTa cooperation arrangement provides 19 KiTa places for employees' children.

According to the W&W Group, the measures help employees to better harmonise the different demands of their professional and private lives.

The actions apply to all employees of the W&W Group.

The actions apply for the year 2024.

Actions for occupational health and safety

Occupational health and safety measures include comprehensive risk assessments, safety inspections, ergonomic counselling, emergency drills, first aid courses, fire safety training and awareness measures. The awareness measures implemented include training and sensitisation courses for managers and employees on mental and physical health as well as information events organised by the company contact persons on the subject of addiction. Occupational health management consists of various components. There is a varied company sports programme with a double-digit number of sports on and near the W&W campus. In addition, all employees have the opportunity to take part in various health campaigns, health seminars and health lectures free of charge. Comprehensive medical care is provided by the company medical service. All locations offer the opportunity to organise and take part in a twice-weekly physical activity break to prevent physical complaints, which takes place during working hours. Psychological counselling and support is provided by external service providers in emergencies.

The W&W Group believes that the actions for occupational health and safety contribute to maintaining and promoting the physical and mental health of employees and to the attractiveness of the W&W Group as an employer.

They are open to all employees of the W&W Group.

The actions apply for the year 2024.

Actions against violence and harassment in the workplace

The W&W Group is committed to creating a working environment in which fairness, respect and appreciation are guaranteed. The "FairSprechen" contact point plays a central role in supporting employees in cases of discrimination, violence and harassment in the workplace and other conflicts. The contact point offers employees the opportunity to receive support in a protected environment in the event of a conflict or inappropriate behaviour. The contact point can also provide external conflict counsellors to help resolve conflicts. In addition, employees at all hierarchical levels of the W&W Group are trained on the content of the W&W Group's Code of Conduct on the basis of a training policy published via the internal information system. On the one hand, the training courses take place in person (e.g. when new employees/board members join the organisation or at the request of specialist departments). Further, the employees of the W&W Group must complete a mandatory web-based training pro gramme every year; actual participation is monitored by the responsible managers. Training videos are also provided via an internal platform.

The actions apply to all employees of the W&W Group.

The (training) actions take place during the year and will continue in the future.

Actions to promote diversity

In order to ensure that diversity is and remains a sustainable part of the W&W culture, existing activities were continued and further activities were developed in the 2024 financial year. With the start of Diversity Day 2024, measures were taken on the topic of age diversity. The Best Agers Programme was designed and implemented specifically for older employees of the W&W Group.

For years, the W&W Group has been implementing various measures to realise the equal participation of women in management by setting targets for achieving quotas for women in the first two management levels. Existing activities for equal opportunities, such as the independent contact point "FairSprechen", were consistently continued.

The most important measure in the reporting year on the topic of age diversity was the "Lebensphase+" programme. Accompanying personnel instruments support and enable the targeted, structural promotion of women and thus equal opportunities. In order to increase the proportion of women in management positions, corresponding language was included in the target agreements for the upper management level. The "FiT" (Women in Top Positions) women's network, which has been established in the W&W Group for many years, organised various events in 2024.

The actions will continue beyond 2024.

Actions for appropriate remuneration (and collective bargaining)

The W&W Group is subject to the collective wage agreements for the private insurance industry, the private banking industry and the company wage agreement of W&W Service GmbH. The pay scale ensures appropriate remuneration regardless of gender. Women and men above the pay scale as well as senior executives are remunerated according to their position. This is ensured by an external evaluation system. Within this system, only the function or activity is described and evaluated. No distinction is made between the sexes in the assessment. Job descriptions and evaluations are reviewed regularly and on an ad hoc basis. The aim is to have up-to-date job descriptions as a basis for salary comparisons. Actual salaries are compared with salary benchmark data on an ad hoc basis.

The actions apply to all employees of the W&W Group in Germany.

These actions will continue beyond 2024.

Actions for qualification and skills development

In 2024, the W&W Group carried out training initiatives on artificial intelligence and prompting as well as on the topics of new work and the future of work. These were aimed at all employees of the W&W Group. Workshops on W&W's understanding of leadership and programmes on stress management and resilience, leadership roles and age diversity were also held as part of management development. The skills development programmes cover the W&W career paths (technical expert, project manager and manager) and take the form of modular training units. The Potential Development Process (PEP) within the W&W Group supports high-potential employees on their path to a career at W&W right through to taking on a target position. By participating in career-specific development programmes, high-potential employees are supported and encouraged in their new target position. The PEP is flanked by systematic and valid personnel diagnostics in the form of a potential and staffing check. This is complemented by the Premium Management Programme (PMP), which is designed to facilitate the subsequent assumption of a leadership and management position within the W&W Group. In line with W&W's understanding of management, further qualification and development actions are offered in management development.

The actions apply to all employees of the W&W Group in Germany.

With the exception of the training campaign on artificial intelligence and prompting, which was initiated and completed in 2024, the actions will be continued beyond 2024.

Actions to prevent or minimise material negative impacts

In order to prevent the unadjusted gender pay gap in future and to reduce the existing pay gap, classification in the pay scale is based on allocation to the relevant pay scale groups. In the non-tariff area, an external job evaluation system is used to evaluate and determine the salary of the position, regardless of the gender of the job holder. This means that equivalent work is also remunerated equally. There is therefore currently no recognisable risk of new hires being affected by the unadjusted gender pay gap. The existing pay gap is an unadjusted gender pay gap and does not currently take into account the justified deviations due to different qualifications and professional experience of the respective job holders.

As a remedial measure, an analysis is being carried out as part of a project to determine the adjusted gender pay gap in order to take a closer look at the reported difference.

To close the unadjusted pay gap, measures to promote women are being intensified. This creates an attractive working environment and increases employer attractiveness.

The effectiveness can only be assessed after the end of the project in 2025/2026 and the necessary steps can be determined on this basis.

Ensuring that own practices do not have a material negative impact

As at the reporting date, the W&W Group had no restructuring programmes or job losses as a result of negative environmental impacts, and none are planned or under consideration. Rather, the business potential in connection with the financing of modernisation measures and energy-efficient refurbishment of residential buildings offers the company's employees career development opportunities.

Allocation of resources to manage the material impact

The allocated resources are utilised for the management of material impacts as part of regular line activities.

Metrics and targets

Disclosure Requirement S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Objectives for the management of material impacts, risks and opportunities

Target: employee satisfaction

The employee survey is designed to measure employee satisfaction with the company. A high level of satisfaction expresses a high level of enthusiasm among employees for the company. The goal of employee satisfaction is linked to the positive effects of flexible working hours, the promotion of skills development and appropriate training and further education, work-life balance, comprehensive company health management and comprehensive health protection as well as safe workplaces. Furthermore, the risk of demographic change and a shortage of skilled labour and the opportunity to provide employees with ongoing qualifications are also taken into account here. A high level of satisfaction indicates a high level of attractiveness as an employer, which the W&W Group believes counteracts the shortage of skilled labour. The W&W Group has defined a fixed target level for the question of the probability of recommendation as an employer to friends and acquaintances. In the reporting period, this should correspond to at least to the 2019 result of 75%.

This target was exceeded again in 2024. All employees of the W&W Group in Germany are surveyed in the employee satisfaction survey. The target for the reporting period should be at least equal to the 2019 result of 75%. The online survey takes place annually. The target applies to the respective financial year. The online survey is conducted by an external survey institute. Employee satisfaction is an objective of the business, sustainability and HR strategy adopted by the Executive Board. Group HR management was involved. Employee satisfaction is consistently at a high level above the target value.

Target further training

Training days are measured in order to ensure the development of employees as anchored in the HR strategy. The goal of further training is associated with the positive impact of promoting skills development as well as suitable training and further education and the opportunity to continuously qualify the company's own workforce. The target for 2024 was an average of 17 hours of further training per employee. All employees of the W&W Group in Germany are included in the calculation of training hours. The reference value is training hours per employee, and it relates to the year 2024. The target applies to the respective financial year. The target for 2030 is 24 hours of further training per employee. The objective of the annual training programme is determined in awareness of the rapid technological change and changing requirements of the new world of work, to ensure employability and by analysing the training efforts in the industry, while at the same time taking into account the sustainability for the W&W Group. Increasing the rate of further training is a goal in the sustainability and HR strategy adopted by the Executive Board. Group HR management was involved. The target value will rise continuously over the next three years. Training hours are analysed on an ongoing basis and displayed to managers in the HR dashboard to help them achieve their targets. New training courses and available spaces at events are advertised in the management newsletter, for example, in order to publicise IDD-relevant training courses for distributors in the insurance sector and mandatory training courses (e.g. occupational safety training, data protection training) in the financial year.

Target proportion of women in management positions

The proportion of women is managed and measured in order to achieve gender balance in management positions. In accordance with legal requirements, W&W AG has set a target quota of 30% women at the first and second management levels by 2027. In accordance with legal requirements, the other Group companies have set a target quota of 25% women at the first and second management levels by 2027. The target for the proportion of women in management positions is linked to the negative impact of the unadjusted gender pay gap as well as the risk of demographic change and a shortage of skilled labour and the opportunity to continuously qualify employees. All employees of the W&W Group in Germany are included in the calculation of the quota of women. The reference value is the percentage of women at the respective management level and refers to the year 2024. The target is set for the period 2022 to 2027. An annual increase in the target value is planned. An increased proportion of women in management positions has the potential to increase the performance and innovative strength of the W&W Group, as mixed teams are more creative, efficient and successful. This also reflects our customer group. A higher proportion of women contributes to greater employer attractiveness and thus increased employee satisfaction and -loyalty. The Executive Board has adopted the target for the women's quota. Group HR management was involved. The share of women is regularly reported to the Executive Board in the management cockpit, and the achievement of the target value is reviewed.

Defining and tracking the realisation of objectives, identifying findings or opportunities for improvement

In the W&W Group, the company's labour force targets are set on the basis of the business strategy and the sustainability and HR strategy.

The objectives are achieved through operationalisation, which generally allows measurement using key metrics.

If target achievement falls short of expectations, measures for improvement are reviewed and taken if necessary.

Disclosure Requirement S1-6 – Characteristics of the undertaking's employees

The data basis for the information on the employees of the company (employees within the meaning of the German Commercial Code) of the W&W Group is the SAP-BW data warehouse, which pulls the status data at the end of each month from SAP-HCM, as the leading personnel administration and payroll system (policy of historical truth). Not included are bodies, trainees and interns/working students. Persons employed by the W&W Group via leasing contracts are also not included in the number of employees.

The details of employees are based on the legal policy, i.e. all heads are counted. If persons have several employment contracts in the Group for (supervisory) legal reasons, these are still only counted once. Executive bodies do not count as employees.

Unless explicitly stated, the information relates to the reporting date at the end of the year. If average figures are included, the values of all monthly segments/quarters of the financial year are added together and divided by 12/4.

The number of employees of the company corresponds to the information on personnel figures in the summarised management report.

The employee turnover rate was 7.4% in the reporting period. 559 employees left the W&W Group.

Number of employees by gender

Number of employees (number of persons)	31.12.2024
Gender	
Male	3,625
Female	3,943
Other[1]	-
Not specified	2
Total number of employees	**7,570**

1 Gender according to employees' own information

Number of employees in countries in which the W&W Group has at least 50 employees who account for at least 10% of the total number of employees of the W&W Group

Number of employees (number of persons)	31.12.2024
Country	
Germany	7,448

Employees by type of contract, broken down by gender

Number of employees (number of persons)	Female	Male	Other[1]	Not specified	In total
					31.12.2024
Number of employees	3,943	3,625	-	2	7,570
Number of employees with permanent employment contracts	3,832	3,580	-	2	7,414
Number of employees with fixed-term contracts	111	45	-	-	156
Number of zero-hours staff	-	-	-	-	-
Number of full-time employees	2,137	3,358	-	2	5,497
Number of part-time employees	1,806	267	-	-	2,073

1 Gender according to employees' own information

Disclosure Requirement S1-8 – Collective bargaining coverage and social dialogue

All employees have an assignment in the payroll accounting system, which shows which collective agreement assignment is applicable. No collective labour agreement within the meaning of this report applies to employees assigned to Adam Riese.

There is no agreement with the employees on representation by a European Works Council, a Works Council of a Societas Europaea (SE) or a Works Council of a Societas Cooperativa Europaea (SCE).

Collective agreement coverage and social dialogue

	Collective agreement coverage		Social dialogue
	Employees – EEA (for countries with > 50 employees accounting for > 10% of the total)	Employees – Non-EEA countries (estimate for regions with > 50 employees accounting for > 10% of the total)	Workplace representation (EEA only) (for countries with > 50 employees accounting for > 10% of the total)
	31.12.2024	31.12.2024	31.12.2024
Coverage rate			
0-19%	-	-	-
20-39%	-	-	-
40-59%	-	-	-
60-79%	-	-	-
80-100%	Germany	-	Germany

Disclosure Requirement S1-9 – Diversity metrics

For the presentation of women in management positions in accordance with the applicable law, the W&W Group must apply the Management Positions Act II and has set targets through 2027 for the two levels below the Executive Board (F1/F2) in accordance with this legislation. These are considered the highest management level of the W&W Group and are considered together for the purposes of this report. The key indicator at the end of the year is given as the ratio of female managers to total managers.

For the presentation of age diversity as a diversity parameter, the employees of the W&W Group are divided into younger (employees under 30 years of age), middle-aged (employees between 30 and 50 years of age) and older (employees over 50 years of age) persons at the end of the year, and the percentage distribution is shown.

Distribution of employees by age group

	31.12.2024
	in %
Number of employees	
Employees under 30 years of age	9.4
Employees between the ages of 30 and 50	44.0
Employees over the age of 50	46.6

Gender distribution at the top management level

	31.12.2024	
	Number of persons	in %
Number of employees		
Male	330	76.4
Female	102	23.6
Other[1]	-	-
Not specified	n.a.	n.a.

1 Gender according to employees' own information

Disclosure Requirement S1-10 – Adequate wages

All employees receive appropriate remuneration. Reference to the presentation in *S1-1 Policies in connection with own work force on the remuneration principles policy*.

The companies of the W&W Group are bound by the relevant sectoral collective labour agreements and by company agreements based on these. This ensures at least the "minimum wage set in accordance with Directive (EU) 2022/2041 of the European Parliament and of the Council as at 19 Octobre 2022 on adequate minimum wages in the European Union".

Disclosure Requirement S1-11 – Social protection

Employment relationships in the W&W Group are subject to social security contributions. The sectoral collective agreements also apply.

Disclosure Requirement S1-13 – Training and skills development metrics

The form for the annual feedback and development meeting is made available to all not-retired employees at the beginning of the year – actual implementation depends on any resignation, change of management responsibility, validity or duration of the meeting result from the previous period. The implementation rate refers to the total number of interviews to be conducted in the year.

All training and qualification measures carried out in the financial year and recorded in learning management are recognised in hours. In addition, informal learning takes place in a variety of forms that are not included in the calculated key indicator.

Performance reviews and further training

		1.1.2024 to 31.12.2024				
		Female	Male	Other[1]	Not specified	In total
Percentage of employees who have participated in regular performance reviews	in %	87.1	86.4	-	n.a.	86.8
Average number of training hours per employee	in hours	14.9	20.3	-	n.a.	17.5

1 Gender according to employees' own information

Disclosure Requirement S1-14 – Health and safety metrics

All work-related injuries and cases of illness that are recorded and reported to the employers' liability insurance association are regularly analysed and serve as KPIs for monitoring the health protection measures and standards in the W&W Group.

Health protection and safety

		1.1.2024 to 31.12.2024
Percentage of own workforce covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	in %	100
Percentage of own workforce covered by a health and safety management system that is based on legal requirements and/or recognised standards or guidelines and has been audited internally and/or audited or certified by an external party.	in %	-
Number of fatalities among the workforce due to work-related injuries and illnesses	Number	-
of which number of fatalities among its workforce as a result of work-related injuries	Number	-
of which number of deaths among its employees due to work-related illnesses	Number	-
Number of reportable occupational accidents among its employees	Number	34
Rate of reportable occupational accidents among its workforce	per 1 million hours worked	4
Number of fatalities of other workers due to work-related injuries and illnesses at company sites	Number	-
of which number of fatalities of other workers due to work-related injuries at company sites	Number	-
of which number of deaths of other employees due to work-related illnesses at company locations	Number	-
Number of cases of notifiable work-related illnesses among its workforce	Number	34
of which cases of work-related illness diagnosed during the reporting period in persons who were part of the company's workforce in the past (if included in the total number of cases of reportable work-related illness)	Number	-
Number of days lost due to work-related injuries and fatalities as a result of occupational accidents, work-related illnesses and fatalities due to illnesses among its workforce	Number	650

Disclosure Requirement S1-15 –Work-life balance metrics

All employees are entitled to time off for family reasons, so the degree of coverage is 100%. This is ensured by statutory and collectively agreed regulations for the W&W Group. All persons who have taken time off for family reasons at least once in the financial year – differentiated by gender – are included in the percentage analysis.

Taking leave for family reasons

in %	1.1.2024 to 31.12.2024
Proportion of eligible employees who have taken leave for family reasons	
Male	3.9
Female	13.4
Other[1]	-
Not specified	n.a.
Total	**8.8**

1 Gender according to employees' own information

Disclosure Requirement S1-16 – Remuneration metrics (pay gap and total remuneration)

The data collection method used to determine the unadjusted gender pay gap in the W&W Group complies with the reporting requirements of the Federal Statistical Office. All fixed and variable remuneration paid in the financial year is included in the calculation of gross hourly earnings. Company cars are included in the fixed remuneration via deferred compensation. Benefits in kind, such as the possible use of the Silent Room, are not part of remuneration at the W&W Group and are therefore not an aspect to be taken into account.

The percentage pay gap between male and female employees in the W&W Group is 17.2%.

In the reporting period, the ratio of the total annual remuneration for the highest-paid individual in the W&W Group to the median total annual remuneration of all employees of the W&W Group was 26.6. The total annual remuneration of the highest-paid individual in the W&W Group is based on the contractual total annual Group target remuneration with 100% target achievement. To calculate the median of the total annual remuneration of all employees, the fixed remuneration including 100% target achievement is taken into account for the variable components.

Disclosure Requirement S1-17 – Incidents, complaints and severe human rights impacts

The W&W Group had no expenses for fines, sanctions and compensation payments in connection with complaints, discrimination and harassment in the financial year.

Incidents, complaints and serious impacts related to human rights

		1.1.2024 to 31.12.2024
Total number of reported cases of discrimination, including harassment	Number	2
Number of grievances submitted through channels where people in the organisation's workforce can raise concerns (including grievance mechanisms)	Number	19
Number of complaints submitted to the OECD National Contact Points for Multinational Enterprises	Number	-
Total amount of significant fines, sanctions and damages in connection with the incidents and complaints described above	in €	-
Number of serious human rights incidents involving the company's labour force	Number	-
Number of serious incidents of breaches of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises with regard to human rights in relation to the company's workforce	Number	-
Total amount of fines, sanctions and compensation payments in connection with the incidents described above	in €	-
Number of serious human rights incidents in which the company has played a role in ensuring remedy for those affected	Number	-

Workers in the value chain (ESRS S2)

Strategy

Disclosure Requirement related to ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS S2)

Workers in the supply chain

Negative social impacts on human rights in the upstream value chain of the W&W Group cannot be completely ruled out. The W&W Group has not identified any significant risks in relation to its supply chain.

In connection with potential negative effects on human rights in the upstream value chain of the W&W Group, all employees of business partners, suppliers and service providers of the W&W Group and, in turn, all employees of their subcontractors and suppliers are affected. Due to the W&W Group's business model, potential negative effects on human rights may arise, particularly when purchasing goods and services from international companies.

Due to the W&W Group's business model, there are no known systemic negative effects in the upstream value chain. Individual matters were being clarified at the time of reporting.

It is not possible for the W&W Group to narrow down the geographical scope of possible incidents.

Company pension scheme and company health insurance

In connection with the company pension scheme of Württembergische Lebensversicherung AG and the company health insurance of Württembergische Krankenversicherung AG, employees are affected for whom the employer has concluded corresponding agreements with the relevant insurance company. The labour force is therefore in the downstream value chain. The positive effects result from the product features of the company pension scheme and company health insurance.

Impacts, risk and opportunity management

Disclosure Requirement S2-1 – Policies related to value chain workers

The W&W Group's policies regarding the labour force in the value chain relate to the upstream and downstream value chain. The policy of the declaration of principles to respect human rights and fulfil human rights and environmental due diligence obligations under the LkSG applies to direct suppliers and, where there is substantial knowledge, also to indirect suppliers in the upstream value chain. The W&W Group is committed to ensuring that human rights are respected by business partners, suppliers and service providers. Company pension schemes and company health insurance are policies aimed at employees of corporate customers of the W&W Group and are therefore part of the downstream value chain.

Workers in the supply chain

Policy	Declaration of principles on respect for human rights and fulfilment of human rights and environmental due diligence obligations by Wüstenrot & Württembergische AG in accordance with Section 6 LkSG
Most important contents	With the declaration of principles on respect for human rights and the exercise of human rights and environmental due diligence by W&W AG in accordance with Section 6 LkSG, the Executive Board acknowledges the corporate responsibility of W&W AG to respect the general, internationally recognised human rights and complies with the requirements of Section 6 (2) LkSG. The Declaration of Principles on Respect for Human Rights supplements the W&W Group's Code of Conduct. In addition, the policy statement describes the identification, analysis and management of risks in accordance with Section 2 LkSG. It also describes strategies for remedying recognised violations and the complaint mechanisms.
General objectives	The aim is to adequately comply with the associated human rights and environmental due diligence obligations under the LkSG and to prevent and minimise human rights and environmental risks or to put an end to violations of human rights or environmental obligations.
References to material impacts, risks or opportunities	Potential negative impact: The policy statement on respect for human rights describes processes to identify potential negative impacts and describes measures to preventively minimise potential negative impacts and remedy identified violations.
Monitoring process	The Human Rights Officer is responsible for monitoring compliance with the due diligence obligations. The Policy Statement is regularly reviewed and adapted to reflect current changes and processes.
Area of application	The Declaration of Principles on Respect for Human Rights is relevant for our employees and sales representatives of the exclusive sales organisations as well as for suppliers and service providers.
Top level responsible for implementing the policy	Overall responsibility for the implementation and further development of the principles for respecting human rights and fulfilling human rights and environmental due diligence obligations lies with the Executive Board or each member of the Executive Board for the department for which they are responsible.
Reference to third-party standards or initiatives	In addition to complying with all legal requirements for respecting human rights and environmental due diligence obligations under the LkSG, Wüstenrot & Württembergische AG is expressly committed to the principles of the internationally recognised frameworks and standards listed in the Annex in accordance with Section 2 (1) and Section 7 (3) sentence 2 of the LkSG.
Consideration of the interests of stakeholders	Wüstenrot & Württembergische AG fulfils the requirements of the legislator within the framework of the LkSG.
Availability of the policy for stakeholders	The declaration of principles is available on the W&W AG website at www.ww-ag.com/en/about-us/Sustainability.

Policy	Risk analysis according to Section 5 LkSG
Most important contents	The risk analysis serves to identify and assess human rights and environmental risks in the W&W Group's own business area and in the supply chain. If necessary, appropriate preventive measures are derived on the basis of the risk analysis in order to reduce material risks and align the W&W Group's management processes with the findings. The W&W Group is aware that it may only have limited influence along complex supply chains.
General objectives	The aim is to constantly increase transparency in the supply chains. The risk analysis is also a key milestone for the fulfilment of due diligence obligations in accordance with the LkSG.
References to material impacts, risks or opportunities	The W&W Group has implemented a risk analysis in order to gain knowledge of the human rights and environmental risks in its own business area and in the supply chains.
Monitoring process	The Human Rights Officer is responsible for monitoring compliance with the due diligence obligations.
Area of application	The divisions responsible for business relationships are responsible for identifying and assessing risks, complying with agreements and taking measures.
Top level responsible for implementing the policy	Overall responsibility for implementation lies with the Executive Board or each member of the Executive Board for the department for which they are responsible.
Reference to third-party standards or initiatives	Wüstenrot & Württembergische AG fulfils the requirements of the legislator within the framework of the LkSG.

The W&W Group has committed itself to respecting internationally recognised human rights in its Declaration of Principles on Respect for Human Rights and Human Rights Due Diligence. This commitment includes the labour rights of workers in the supply chain. Employees in the value chain have the opportunity to report their views and indications of potential violations of their rights to the W&W Group via the central whistleblower or complaints procedure. If potential or actual human rights violations are identified in the W&W Group's supply chain, the Group takes appropriate and effective measures in accordance with Section 7 (2-4) LkSG to minimise or, if possible, completely prevent them. In fulfilment of the requirements of the LkSG, the Declaration of Principles on Respect for Human Rights addresses the following risks, among others: Prohibition of child labour pursuant to Section 2 para. 2 nos. 1 and 2 LkSG and prohibition of forced labour and all forms of slavery Section 2 para. 2 no. 3 and 4 LkSG; whereby human trafficking is seen by law as a form of forced labour. In a Code of Conduct on sustainability for suppliers and service providers, the W&W Group has set out its expectations for a supply chain that complies with human rights. This is based on the applicable legal regulations in accordance with the W&W Code of Conduct. The content requirements of the Code of Conduct on sustainability for suppliers and service providers are part of every new contract of the companies of the W&W Group via contractual agreements. All existing supplier relationships were successively converted to the obligation to comply with human rights and environmental due diligence obligations in the supply chain as part of a risk-based approach. In the event of a permanent or serious breach by suppliers or service providers of the agreements made or legal regulations, the companies of the W&W Group generally reserve the right to terminate the business relationship in writing for extraordinary grounds for termination. The W&W Group has implemented the requirements of the LkSG, which represents a national implementation of the fundamental principles of the UN guidelines and is in line with the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. No violations of the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises Involving Workers in the Value Chain were reported in the reporting year.

Company pension scheme and company health insurance
The policy of company pension schemes and company health insurance and the associated positive social effects are an integral part of the insurance products offered by the Group companies Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG.

Policy	Company pension scheme (bAV) of Württembergische Lebensversicherung AG and company health insurance (bKV) of Württembergische Krankenversicherung AG
Most important contents	Increasing labour security in the value chain by providing better protection for workers.
General objectives	Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG aim to achieve a high level of customer and agent satisfaction, to be a reliable partner and to optimise cost structures. Occupational pension schemes and occupational health insurance are seen as growth markets.
References to material impacts, risks or opportunities	Positive effects: The safety of workers in the value chain is increased by providing better security for workers.
Monitoring process	Increasing the safety of labour in the value chain is a product-immanent characteristic and is therefore subject to the monitoring process of product quality and product compliance.
Area of application	Company pension schemes and company health insurance are anchored in the business strategy of Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG. The company pension scheme is open to the employees of those employers who conclude corresponding agreements with Württembergische Lebensversicherung AG. Employees whose employers do not offer a company pension scheme from Württembergische Lebensversicherung AG are eligible for private pension products. In principle, company health insurance can be taken out for companies based in Germany with at least three employees. There are some restrictions resulting from regulatory requirements, risk considerations and sustainability aspects. Specifically, all insured persons must be resident in Germany. In addition, there are sectors or groups of people that are not generally insurable under the bKV.
Top level responsible for implementing the policy	The business strategy of Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG is the responsibility of the Executive Board of the respective company.

Market studies and specific customer surveys are regularly conducted to check whether the general objectives regarding customer and company satisfaction have been achieved.

The positive effects of the company pension scheme and company health insurance result from the product's inherent characteristics.

Disclosure Requirement S2-2 – Processes for engaging with value chain workers about impacts

The W&W Group has no formal procedure for the systematic involvement of labour in the supply chain in decisions made by the W&W Group. Workers in the value chain can report impacts at any time via the central whistleblower or complaints procedure.

Disclosure Requirement S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

Workers in the supply chain

Approach and procedures for implementing or participating in remedial actions

If potential or actual human rights violations are identified in the context of the W&W Group's business activities or relationships, the Group takes appropriate measures in accordance with Section 7 (2-4) LkSG to minimise or, if possible, completely prevent them. If a violation of legal provisions is proven, appropriate measures will be taken.

Channels for concerns and needs

Workers in the value chain can report potential violations of human rights and environmental due diligence obligations via the W&W Group's whistleblower procedure or complaints procedure. This channel is open to everyone, regardless of whether a contractual or business relationship exists.

Procedures to support the availability of channels for concerns and needs

The W&W Group has set out its expectations of its business relationships in a Code of Conduct on sustainability. This also includes the requirement for suppliers to inform their suppliers and service providers about the W&W Group's complaints procedure, as well as the recognition of the right to form trade unions to represent the interests of the workforce.

Tracking problems and ensuring the effectiveness of the channels

The effectiveness of the complaints channel has been confirmed.

Knowledge and trust of workers in the value chain in procedures and protection of individuals against retaliation

The W&W Group does not separately determine whether workers in the value chain know and trust these structures or procedures. All information about the W&W Group's complaints procedure is processed confidentially and discreetly.

Disclosure Requirement S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Workers in the supply chain

The provisions of the LkSG have implemented measures that effectively help to minimise potential negative impacts on human rights in the supply chain. W&W Group has created a framework to fully fulfil the additional human rights and environmental due diligence obligations in accordance with the LkSG.

Complaints procedure: With the implementation of the LkSG in 2023, a separate category for human rights violations and environmental risks was introduced into the existing complaints management system in accordance with the LkSG requirements in order to process and clarify information, suspected cases or complaints regarding human rights violations in accordance with the W&W Group's complaints management system. Potential violations of human rights and environmental due diligence obligations can be reported via a web form on the W&W AG website freely accessible to stakeholders and third parties. If potential or actual human rights violations or infringements of environmental standards are identified in relation to the business activities or relationships of Wüstenrot & Württembergische AG or its Group companies, the Group takes appropriate measures in accordance with Section 7(2-4) LkSG (Supply Chain Act) to mitigate or, if possible, completely eliminate them within the scope of its possibilities. In the reporting year, neither potential nor actual human rights violations were reported via the complaints procedure.

Code of Conduct: The observance of human rights and environmental due diligence obligations is integrated into the supplier management and tendering procedures of the companies in the W&W Group by means of contractual obligations. In a Code of Conduct on sustainability for suppliers and service providers, the W&W Group has set out its expectations for a business relationship that complies with human rights. These requirements are part of every new contract between the companies of the W&W Group via contractual agreements. In the event of a permanent or serious breach of the agreements made or statutory regulations, the companies of the W&W Group reserve the right to terminate the business relationship for extraordinary cause. All existing supplier relationships were successively converted to the obligation to comply with human rights and environmental due diligence obligations in the supply chain as part of a risk-based approach.

Human Rights Commissioner and Human Rights Committee: A human rights coordinator has been set up in each procurement channel, who bears operational responsibility for implementation in the respective procurement channel. The permanent function of the W&W Group's Human Rights Officer is responsible for monitoring the implementation of the LkSG and the performance of risk analyses. The permanent function of a Human Rights Committee of the W&W Group has been established. The committee meets on an ad hoc basis or at least quarterly. In the event of violations, it serves to enforce measures and, if necessary, as an escalation framework.

In the event that a significant negative impact on labour in the value chain is identified, the W&W Group's Human Rights Committee acts in an advisory capacity with regard to possible suitable individual measures to remedy the situation. The W&W Group's Human Rights Committee is staffed at all times and is able to support compliance with the LkSG at short notice.

The measures taken by the W&W Group are effective means of preventing (Code of Conduct), recognising (complaints procedure and risk analysis) and mitigating (training) significant negative impacts on workers in the supply chain.

The W&W Group has not defined any measurable, results-oriented targets within the meaning of the ESRS in connection with potential negative effects on labour in the upstream value chain. The effective implementation and follow-up of the measures taken is ensured by the supervisory authorities. The Human Rights Officer monitors implementation and follow-up.

Company pension scheme and company health insurance

Company pension scheme

During the reporting period, the company pension scheme products "Genius" and "KlassikClever" were revised to form the "Genius Vorsorge" product. The aim was to ensure that the maturity benefits – i.e. specifically the guaranteed and potential annuity payments – are generally higher in future for the customers through suitable pricing and product design. In addition, suitable flexibilisation has put customers in a stronger position to be able to maintain their old-age provision contract. In addition, a special product variant for company pension schemes was designed to increase the willingness of employers to provide cover for their employees. This improves the increased security of the labour force as a positive social effect. A measurable objective in terms of sustainability reporting cannot be derived from this measure.

Cooperation between the company pension scheme and the company health insurance scheme

In the holistic approach concept 'Partner des Mittelstands', occupational pension schemes and occupational health insurance are marketed together as a company pension scheme. The collaboration has the effect of increasing the attractiveness of both products. The realisation of bKV is an important part of the overall package for the protection of employees. This will be strengthened by the measure.

A measurable objective in terms of sustainability reporting cannot be derived from this measure.

Occupational health insurance

In order to give as many employees as possible access to high-quality insurance cover, Württembergische Krankenversicherung AG expanded its product range in mid-2023 with the budget tariffs for company health insurance. The introduction of the bKV budget tariffs has meant that customers can be offered an even more flexible and customised range of products. This improves the positive social impact of labour protection. The introduction of the bKV budget tariffs in 2024 made it possible to target and acquire large corporate customers. This was supported by increased marketing and customer approach, which focussed primarily on bKV.

In November 2023, the application route was introduced in Xempus for the bKV budget tariffs. The implementation of the bKV tariffs in Xempus enables corporate customers to utilise simplified digital conclusion processes and enjoy direct access to offers and fast processing. This will increase acceptance among corporate customers and have a positive effect, as more employees will benefit from the improved health protection provided by bKV. The application route via Xempus is reviewed on an ongoing basis and adjusted if necessary. In addition, the functions for bKV are currently still limited and will be gradually expanded in the future. There is currently no concrete timetable; expansion stages may be included and implemented as part of the annual portfolio planning.

Consumers and end-users (ESRS S4)

Strategy

Disclosure Requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS S4)

Home loan and savings and construction financing
Wüstenrot Bausparkasse AG primarily offers financial products such as construction loans, home savings loans, home loan and savings contracts and deposit products. The business focus of Wüstenrot Bausparkasse AG is on business with retail customers. In addition, Wüstenrot Bausparkasse AG also has a small number of commercial and public-sector customers. The positive social impact from "Home loan and savings and construction financing" therefore relates to the "Home loan and savings" policy for retail customers who have concluded a home loan and savings contract with Wüstenrot Bausparkasse AG. In addition to retail customers, the "Financial education and provision for all" policy is also available to private individuals who are not customers of W&W Group companies.

Through the idea of construction savings and the contractual agreements, Wüstenrot Bausparkasse AG ensures that all customer groups can conclude a home loan and savings contract with the option of a home savings loan. Provided the minimum savings amount and minimum contract term are met, any customer can apply for a home savings loan to be paid out. The home loans and savings products are designed to be non-discriminatory in their contractual structure. The free advisory service in conjunction with free content on the topics of construction financing, modernisation and investments is freely available to all interested customer groups on the Wüstenrot Bausparkasse AG website.

Housing and urban development
As part of the materiality analysis of the service area of Wüstenrot Haus- und Städtebau GmbH, significant positive effects were identified for consumers/end users in redevelopment areas. These are related to access to high-quality information in the context of building modernisation and energy advice for consumers/end users in the field of urban development.

The end users affected by the positive effects in the area of urban development are building owners in the redevelopment areas managed by Wüstenrot Haus- und Städtebau GmbH. The respective clients are individual municipalities in Germany.

The implementation of building modernisation and energy consulting in refurbishment areas and the resulting potential implementation measures and greenhouse gas savings have a positive impact on the environment and society. The realisation of measures resulting from a building modernisation and energy consultation leads to energy savings for building owners if the proposed measures are implemented.

Private pension provision and private health insurance
All types of consumers/end users who have concluded corresponding contracts are affected by the effects of the private old-age provision of Württembergische Lebensversicherung AG and the private health insurance of Württembergische Krankenversicherung AG. The positive effects result from the product features of private pension provision and private health insurance.

The private retirement provision of Württembergische Lebensversicherung AG and private health insurance of Württembergische Krankenversicherung AG are exposed to significant risks from the expected change in demographic factors. These risks therefore arise from dependencies in connection with consumers/end users. The dependency exists in relation to the consumers/end users who are and will be part of the respective insurance collectives today and in the future.

Composite retail customers
Private liability insurance has a special position among composite retail customer insurance policies, as it is categorised as social protection. The positive effects as part of social protection result from the product features of private liability insurance. This affects all consumers/end users who have concluded a corresponding insurance contract with Württembergische Versicherung AG.

Impacts, risk and opportunity management

Disclosure Requirement S4-1 – Policies related to consumers and end-users

Policies relating to consumers and end users are closely linked to the products and services that the companies of the W&W Group offer their customers. Social impacts always relate to retail end customers and occur in the Housing division in connection with home loan savings/construction financing and housing and urban development. In the Insurance division, they result from insurance solutions for private insurance and pension provision.

Home loan and savings and construction financing

In its business activities, the Group company Wüstenrot Bausparkasse AG has two policies with positive effects on consumers and end users.

Policy	Home loan and savings
Main contents and general objectives	All customers of Wüstenrot Bausparkasse AG have the opportunity to utilise home loan and savings products from Wüstenrot Bausparkasse AG, regardless of their age. The contractual basis of the products of Wüstenrot Bausparkasse AG is described in the General Building Society Terms and Conditions (GBC), the General Terms and Conditions (GTC), the pre-contractual information (VVI) and the European Standardised Information Sheet (ESIS). The home loan and savings bank products are designed to be non-discriminatory in terms of their contractual structure.
References to material impacts, risks or opportunities	Positive effects: Access to building loans for all customer groups.
Area of application	The business and risk strategies apply without restriction in Germany and Luxembourg and cover all business activities of Wüstenrot Bausparkasse AG.
Top level responsible for implementing the policy	The entire Executive Board of Wüstenrot Bausparkasse AG is responsible for the content of all customer contract terms and conditions.

Policy	Financial education and provision for all
Main contents and general objectives	There are no fixed guidelines; end customers are informed depending on the market situation and political requirements. The aim is to achieve a high level of customer satisfaction and loyalty and, as a result, a high recommendation rate. In order to achieve a high level of customer satisfaction, Wüstenrot Bausparkasse AG supports customers online and on site in the fulfilment of their housing wishes. From the very outset of the information phase, Wüstenrot Bausparkasse AG positions itself as a partner in the area of living with the "Wohnwelt" at www.wuestenrot.de. Visitors will find information, property and service offers from a single source. The policy and offer for website visitors is continuously being refined. The satisfaction of visitors to the website is tracked with regular on-site surveys.
References to material impacts, risks or opportunities	Positive effects: Access to financial education and pension provision for all customer groups.
Area of application	The business and risk strategies apply without restriction in Germany and Luxembourg and cover all business activities of Wüstenrot Bausparkasse AG.
Top level responsible for implementing the policy	The entire Executive Board of Wüstenrot Bausparkasse AG is responsible for the content of all customer contract terms and conditions.

Housing and urban development

At the Group company Wüstenrot Haus- und Städtebau GmbH, the policy with a positive social impact is part of its sustainability strategy.

Policy	The overarching policy is the sustainability strategy of Wüstenrot Haus- und Städtebau GmbH. The "Sustainable Construction Strategy" is anchored in this for the property development sector.
Most important contents	The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH includes, among other things, all aspects that were identified as material in the materiality analysis for Wüstenrot Haus- und Städtebau GmbH. For example, the preparation of an annual greenhouse gas balance including the reduction of greenhouse gas emissions and the establishment and further development of property-related services and their optimisation are part of the sustainability strategy.
General objectives	The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH aims to minimise negative impacts and risks and to increase positive impacts and opportunities. As part of the sustainability strategy, a flow of information is anchored in the urban development work package as a fundamental prerequisite for upgrading and optimising the building stock in redevelopment areas. The number of redevelopment areas to be managed is to be either kept constant or increased and building modernisation and energy consultations are to be carried out.
References to material impacts, risks or opportunities	Positive effects: Access to high-quality information for consumers and end users. Access is granted to end consumers in the context of modernisation and energy consultations in redevelopment areas.
Monitoring process	The sustainability strategy is tracked and monitored in regular meetings of the Controlling department of Wüstenrot Haus- und Städtebau GmbH.
Area of application	The scope of the policy includes Wüstenrot Haus- und Städtebau GmbH and its subsidiaries. The upstream value chain is covered by property development activities, the downstream value chain by property-related services and condominium and rental management.
Top level responsible for implementing the policy	The sustainability strategy was signed off on by the management of Wüstenrot Haus- und Städtebau GmbH.

Access to information in the context of modernisation and energy consulting only applies to building owners in already commissioned redevelopment areas with a corresponding scope and need for modernisation in order to receive funding.

Private retirement provision and private health insurance

The policy of private retirement provision and private health insurance and the associated positive social effects are an integral part of the insurance products offered by the Group companies Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG.

Policy	Private retirement provision (pAV) of Württembergische Lebensversicherung AG and private health insurance (pKV) of Württembergische Krankenversicherung AG
Most important contents	Increasing the security of consumers/end users in the value chain by making consumers/end users more secure.
General objectives	Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG aim to achieve a high level of customer and agent satisfaction, to be a reliable partner and to optimise cost structures. pAV and pKV are seen as growth markets.
References to material impacts, risks or opportunities	Positive effects: The security of consumers/end users is increased by making consumers/end users more secure.
Monitoring process	Increasing the safety of consumers/end users is a product-immanent property and is therefore subject to the monitoring process of product quality and product compliance.
Area of application	Private retirement provision and private health insurance are anchored in the business strategy of Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG. Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG do not discriminate against consumers/end users in private retirement provision. Risk assessment and contract acceptance are carried out on the basis of statistically relevant characteristics.
Top level responsible for implementing the policy	The business strategy of Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG is the responsibility of the Executive Board of the respective company.

Market studies and specific customer surveys are regularly conducted to check whether the general objectives regarding customer and company satisfaction have been achieved.

The positive effects of private retirement provision and private health insurance result from the product's inherent characteristics.

Demographic factors such as changes in life expectancy and age distributions in the insurance portfolio create the risk of destabilising the sustainability of long-term personal insurance products. Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG can counter this risk through mitigating measures with regard to tariff and product adjustments, surplus declaration as well as reserving and accounting measures. As at the reporting date, there were no other separate policies, measures or targets to counteract risks arising from demographic change, nor are any considered necessary. Taking changes in the insurance collective into account in risk management is part of the business model.

Composite retail customers

The policy of personal liability insurance and the associated positive social impact are an integral part of this insurance product, which is provided for retail customers by the Group company Württembergische Versicherung AG.

Policy	Personal liability insurance from Württembergische Versicherung AG
Most important contents	In the event of a claim, personal liability insurance provides benefits that secure your livelihood and can therefore be categorised as social protection.
General objectives	Personal liability insurance is an important and long-term insurance product offered by Württembergische Versicherung AG.
References to material impacts, risks or opportunities	Positive effects: The financial existence of consumers/end users is protected against financially threatening events for which a consumer/end user is personally liable.
Monitoring process	The financial protection of consumers/end users is a product-immanent characteristic and is therefore subject to the monitoring process of product quality and product compliance.
Area of application	Personal liability insurance is anchored in the business strategy of Württembergische Versicherung AG. It can be concluded by all consumers/end users on a non-discriminatory basis.
Top level responsible for implementing the policy	The business strategy of Württembergische Versicherung AG is the responsibility of the company's Executive Board.

The positive effects of personal liability insurance result from the product's inherent characteristics. There are currently no specific measures or targets in relation to this product range in terms of sustainability reporting.

Disclosure Requirement S4-2 – Process for engaging with consumers and end-users about impacts

In the W&W Group, the views of customers are continuously incorporated into product development and the design of service offerings. In the various subsidiaries of the W&W Group, different departments are in direct or indirect contact with customers and pass on feedback to the specialist departments. At Wüstenrot Bausparkasse AG, the Product Management department is in direct contact with the sales partners who channel customer needs, and it receives and evaluates the feedback. At Württembergische insurances, the customer service and claims processing departments are in direct contact with customers and pass on feedback to the relevant specialist departments.

Product development also takes into account the needs and wishes of customers, which are ascertained through market research, customer surveys and feedback from sales partners. There is an ongoing dialogue between product management and the relevant specialist departments and sales partners.

The products on offer are regularly evaluated in trade and consumer magazines, as is the quality of service perceived by customers. These evaluations, including any suggestions for improvement described, are also incorporated into product development and the design of the service offerings.

Housing and urban development

The policy of the Group company Wüstenrot Haus- und Städtebau GmbH provides for intensive involvement of the affected consumers/end users in its sustainability strategy in the urban development work package. This inclusion is presented below.

Incorporating the views of consumers and/or end users into decisions or activities

As part of the actual positive impact identified through access to high-quality information in the context of building modernisation and energy consulting, the perspective of the end user is included through preparatory studies. This is carried out by the urban development department of Wüstenrot Haus- und Städtebau GmbH in each redevelopment area.

Cooperation with consumers and/or end users

The cooperation and integration of the perspectives of the end users takes place in the first step via the respective municipality that issues the order for a redevelopment area. The service provided is remunerated by the municipality. Building owners benefit from advice on modernising their buildings.

Phases, type and frequency of involvement

A survey of end users will be carried out as part of the preparatory studies; public participation formats will also be organised. In the direct provision of building modernisation and energy consulting services, the needs of owners and local authorities are regularly coordinated with the service profile of Wüstenrot Haus- und Städtebau GmbH.

Operational responsibility for the inclusion

Involving end users is an essential task for department heads, team leaders and project managers.

Evaluation of the effectiveness of cooperation with consumers and/or end users

The effectiveness of the cooperation with the client, the local authority, is evaluated in an annual kick-off meeting in the first quarter and in progress reports in the third quarter. The respective employees are trained in working with local authorities.

Insights into the perspectives of consumers and/or end users who are particularly vulnerable to impact and/or may be marginalised

As part of the preparatory study, the end users' point of view is first analysed. In the next steps, an initial consultation and, building on this, a building modernisation and energy consultation are carried out to clarify all the details. In selected cases, public participation and information events are organised.

Disclosure Requirement S4-4 –Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Home loan and savings and construction financing

Home loan and savings

With its product offerings, Wüstenrot Bausparkasse AG supports customers who want to renovate, build or buy energy-efficient homes with financing. The core idea of home loans and savings banks, which has been tried and tested for 100 years, is to provide an essential building block for solidly financed home ownership for a broad section of the population through collective, capital market-independent pre-savings combined with the right to a low-interest loan without excluding customer groups. This results in better affordability and more security for potential financiers.

Financial education and provision for all

Wüstenrot Bausparkasse AG offers millions of people throughout Germany personalised advice on all financial matters through its extensive network of its own sales force and partner and broker sales organisations. In addition to personal counselling, it also relies on formats such as regular web seminars for end customers, regular communication via central end customer channels such as a newsletter, social media and a customer magazine, flyers and guides.

End customer videos on the subject of energy-efficient refurbishment and product offers as well as calculators on its homepage on the topics of property purchase, building society savings and modernisation support customers in their financial decisions, independent of sales.

Wüstenrot Bausparkasse AG has not defined any measurable targets for the "Home loan and savings" and "Financial education and provision for all" policies because these policies are not considered measurable in the form of key metrics.

Housing and urban development

In order to ensure a high-quality flow of information, which has been identified as a prerequisite for upgrading and optimising the building stock in redevelopment areas, the number of redevelopment areas must be kept constant or increased. This requires the annual submission of new applications. Publication will take place the following spring. In order to ensure that the number of redevelopment areas increases or remains constant, the number of redevelopment areas is continuously monitored. A software programme is used to determine the CO_2 savings from measures implemented on buildings by private owners. As part of any building modernisation and energy consultation in the redevelopment areas, the current condition of the building is determined, including the current CO_2 emissions. The result of the consultation presents a potential refurbishment variant that shows the expected CO_2 emissions after realisation of the measures. However, the actual value can only be determined once the measures have been implemented.

The first step is to inform selected building owners about funding opportunities in the redevelopment area. If a second appointment is deemed necessary, this involves recording the current state of the building, including a presentation of energy and non-energy measures, as well as drawing up a cost framework and optimising the available funding. The redevelopment areas are located in Baden-Württemberg and Saxony.

It is predicted that the first building modernisations will be implemented within the next two years (by 2026).

Private retirement provision and private health insurance

Private pension plans

Occupational disability insurance was revised in the 2023 financial year. Due to the revision of the occupational group classification, some professions as well as schoolchildren and students can now be insured at a more favourable price. In addition, various risk assessments were reviewed and adjusted. As a result, consumers who were previously uninsurable due to sports and leisure risks or allergies, for example, can now also be covered by occupational disability insurance. In addition, insurance cover for consumers with certain pre-existing conditions has also been improved. In 2024, we also increased our efforts to address and secure these target groups, particularly schoolchildren and students, with these benefits.

During the reporting period, the "Genius" and "KlassikClever" private pension products were revised to form the "Genius Vorsorge" product. The aim was to ensure that the maturity benefits – i.e. specifically the guaranteed and potential annuity payments – are generally higher in future for the customers through suitable pricing and product design. In addition, suitable flexibilisation has put customers in a stronger position to be able to maintain their retirement provision contract.

Württembergische Lebensversicherung AG has also actively written to its customers to remind them to check their level of cover. It has reminded both customers with retirement provision contracts and those with occupational disability insurance to scrutinise whether their insurance cover is still sufficient for their needs and to increase it if necessary. This also maintained contact with existing customers and stabilised the customer relationships.

These measures will improve the increased protection of consumers/end users as a positive social impact. A measurable objective in terms of sustainability reporting cannot be derived from these improvement measures.

Private health insurance

The "Mein Vitalbudget" tariffs were added to the supplementary health insurance product range in 2024. These tariffs were introduced in autumn 2024 and are intended to create added value for customers by introducing entirely new products. This gives customers of Württembergische Krankenversicherung AG a better opportunity to take out the right insurance cover for their health and to remain flexible, as they can decide year by year which benefits are important and can be utilised within the scope of the benefits budget. This means that customers' individual needs are better covered and their social security is strengthened.

Metrics and targets

Disclosure Requirement S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Housing and urban development

Objectives for the management of material impacts, risks and opportunities

The sustainability strategy of Wüstenrot Haus- und Städtebau GmbH encompasses all aspects that were identified as material in the materiality analysis. The targets stated in the reporting therefore correspond to the targets of the sustainability strategy.

The upgrading and optimisation of the building stock in redevelopment areas requires an adequate flow of information. However, such a flow of information cannot be quantified in the form of a target indicator. Therefore, the success of any building modernisation and energy consultation, which is reflected in a consultation report with a refurbishment variant, must be expressed by an indicator. The indicator used to measure the positive impact of the consultation is the saving of CO_2 emissions by the consultation client in the recommended refurbishment variant. These CO_2 emissions are not part of the W&W Group's value chain. Although the reduction of CO_2 emissions at consulting customers therefore also represents a potential reduction of negative effects on climate change, it is not included in the gross GHG emissions of the W&W Group and the policies, measures and targets of the W&W Group with regard to climate change.

The target set by Wüstenrot Haus- und Städtebau GmbH is a reduction of around 4,000 t CO_2e by 2030 from the recommended refurbishment options in building modernisation and energy consulting reports. The CO_2 savings target is stated in absolute values in the unit of measurement t CO_2 equivalents (t CO_2e).

In the downstream value chain, building modernisation and energy consulting services are provided in designated refurbishment areas in Baden-Württemberg and Saxony. As of 31 December 2024, 133 redevelopment areas are managed by the Urban Development department of Wüstenrot Haus- und Städtebau GmbH, 93 of which are located in Baden-Württemberg and 40 in Saxony. As at the reporting date, the implementation of building modernisation and energy consulting services was spread across twelve redevelopment areas in nine municipalities. The term for a redevelopment area is eight to 14 years. It will take around two years to ensure that the comprehensive modernisation meets the requirements in full.

The basis for the reduction target of approx. 4,000 t CO2e is the current energy status of the buildings for which a building modernisation and energy consulting report is prepared. Every year, documentation is compiled that includes both the current condition of the buildings and the CO_2 savings according to the recommended refurbishment option. The reference year is 2024. The reduction of approx. 4,000 t CO_2e is targeted by 2030. The short-term goal, which is to be realised within a period of 24 months by 2026, is to introduce a building modernisation and energy consulting service from Wüstenrot Haus- und Städtebau GmbH in the urban development department.

The goal is not based on national or international targets. The target is not based directly on scientific data, but on an internal extrapolation. No stakeholders were involved in defining the objectives.

Procedure for defining the objectives

A separate extrapolation was carried out by initially assuming an average unrenovated detached house that emits 14 t CO_2e per year. It was then determined that 60% of emissions could be saved through refurbishment. With 500 modernisation measures, a reduction in CO_2 emissions of approx. 4,000 t CO_2e can be achieved.

Tracking the realisation of objectives

The target achievement of the reduction in CO_2 emissions is based on the recommended refurbishment variant, which is recorded in the building modernisation and energy consulting report. Documentation is compiled on an annual basis, covering both the current condition of the buildings and the CO_2 savings according to the recommended refurbishment option.

Governance information

Business conduct (ESRS G1)

Impacts, risk and opportunity management

Disclosure Requirement G1-1 – Business conduct policies and corporate culture

The foundation of the W&W Group's corporate culture is the community of values we live by. The W&W corporate values of community, added value, openness, courage, commitment, joy and sustainability make a decisive contribution to actively living this culture. The shared values strengthen the daily dialogue and cooperation between the employees of the W&W Group, especially on the W&W campus. Through this corporate culture, the W&W Group also sends a strong signal to its customers that it is a reliable partner. The main policies relating to aspects of corporate governance are presented below.

Policy	Code of Conduct and Code of Conduct Handbook
Most important contents	The W&W Code of Conduct, together with the handbook, sets out the minimum standard for the W&W Group, which regulates the behaviour of all board members, managers and company employees in the office and in the field, as well as in relation to customers, competitors, business partners, authorities and our shareholders. This is not only about the practical implementation of applicable laws and regulations, but also about ethically impeccable behaviour, which includes measures against violence and harassment in the workplace in day-to-day work.
General objectives	Creation of an orientation framework for compliant and ethical behaviour by all employees.
References to material impacts, risks or opportunities	The W&W Group believes that the Code of Conduct and the handbook have a positive impact on achieving general legal compliance and avoiding or reducing risks caused by violations. In addition to legal compliance, good governance also promotes ethically correct behaviour towards customers, suppliers, competitors and employees.
Monitoring process	Compliance with the Code of Conduct and the handbook is monitored by managers and also by the Compliance and Internal Audit departments, among others.
Area of application	The W&W Code of Conduct and the handbook apply to all employees within the W&W Group in Germany.
Top level responsible for implementing the policy	The Executive Board is responsible for implementing the Code of Conduct.
Consideration of the interests of stakeholders	The interests of stakeholders were represented in the preparation of the Code of Conduct and the handbook, in particular by the Compliance department in consultation with the relevant specialist departments.
Availability of the policy for stakeholders	The Code of Conduct and the handbook have been published for employees in the internal information system. The Code of Conduct can also be viewed on the W&W AG website.

Policy	Procedural rules of the reporting office of the central W&W whistleblower system ("Working instructions for the whistleblower system")
Most important contents	The procedural rules of the reporting office of the central W&W whistleblower system regulate the processing of such reports and are based on the relevant legal requirements.
General objectives	The general aim is to process information in compliance with the law.
References to material impacts, risks or opportunities	The W&W Group believes that the procedural rules of the reporting office of the central W&W whistleblower system have a positive effect on achieving general legal compliance and avoiding or reducing risks caused by violations.
Monitoring process	Monitoring compliance with the procedural rules of the reporting office of the central W&W whistleblower system is the responsibility of the Internal Audit department, among others.
Area of application	The procedural rules of the reporting office of the central W&W whistleblower system apply to these matters.
Top level responsible for implementing the policy	The Executive Board is responsible for implementing the procedural rules of the reporting office of the central W&W whistleblower system.
Consideration of the interests of stakeholders	The interests of stakeholders are taken into account in the procedural rules of the reporting office of the central W&W whistleblower system.
Availability of the policy for stakeholders	The procedural rules of the reporting office of the central W&W whistleblower system are published in the internal information system.

Policy	Code of Conduct Sustainability
Most important contents	The Sustainability Code of Conduct contains sustainability standards based in particular on the Supply Chain Sustainability Act (LkSG); these include a reference to employment relationships.
General objectives	Ensuring that services are utilised in accordance with the LkSG.
References to material impacts, risks or opportunities	The W&W Group believes that the Code of Conduct Sustainability has a positive impact on achieving general legal compliance and avoiding or reducing risks caused by violations.
Monitoring process	Monitoring compliance with the Code of Conduct Sustainability is the responsibility of the respective contracting W&W company and the W&W Group's Human Rights Officer, among others.
Area of application	The Code of Conduct Sustainability applies to the respective contracting supplier/service provider of a company of the W&W Group.
Top level responsible for implementing the policy	The respective management of a contracting W&W company is responsible for implementing the Code of Conduct Sustainability.
Consideration of the interests of stakeholders	The interests of stakeholders are taken into account in the Code of Conduct Sustainability.
Availability of the policy for stakeholders	The Sustainability Code of Conduct is published on the W&W AG website.

Mechanisms for identifying, reporting and investigating concerns

Employees can contact the Works Council, the complaints office under the General Equal Treatment Act (AGG) or the internal whistleblower system to initiate remedial measures. Information on possible negative effects on employees can also be received and processed via the publicly accessible complaints management system on the W&W AG website. The channels through which employees can contact the complaints office under the AGG and the FairSpeak contact point are the works councils, the company medical service, the representative body for severely disabled employees and the HR department. The processing of reports by the reporting office of the central W&W whistleblower system, which is located in Compliance, is carried out on the basis of a procedural regulation ("Whistleblower system work instruction"), the structure of which is based on the relevant legal requirements. In relation to suppliers and service providers (particularly those outside the Group), self-assessments are carried out as part of the Group-centred purchasing process and corresponding regulations (Code of Conduct Sustainability) become part of the contract. The Code of Conduct Sustainability contains sustainability standards based in particular on the LkSG; these include a reference to employment relationships.

Protection of whistleblowers
The W&W Group has set up a centralised whistleblower system that gives employees and external parties the opportunity to report violations that have already been committed or are very likely to be committed in connection with the W&W Group confidentially and, if desired, anonymously. The information can be submitted, in particular, via a digital whistleblower portal. A secure mailbox is created to enable secure, confidential and, if desired, anonymous communication with the internal reporting office (Compliance) of the W&W Group. The whistleblower system was set up by the W&W Group itself. Corresponding reports can also be submitted to the Reporting Centre via conventional reporting channels. Upon receipt of the report, the allegations are reviewed by the Code of Conduct Reporting Office. Depending on the results of the audit, further investigations may be carried out, in which other organisational units of the W&W Group will also be involved if necessary, subject to the principle of confidentiality. The whistleblower will receive feedback within three months of receiving the report, in which he or she will generally be informed about any measures planned or taken. The annual web-based training course on compliance makes employees aware of the whistleblower system. Further information on the whistleblower system is available via an internal channel (Wiki) as well as on the W&W AG website. The procedures are processed and coordinated by the W&W Group's Compliance unit as the reporting centre for the whistleblower system. Participation in web-based training on the topic of compliance, in which reference is made to the channels, is mandatory and is monitored by managers. The protection of whistleblowers, in particular, is ensured by enabling them to remain anonymous and by ensuring that their identity remains confidential. In addition, there is fundamental protection against reprisals.

Policy for training within the organisation on business conduct
The compliance function trains employees at all hierarchical levels of the W&W Group on the basis of a training policy published in the internal information system. All employees and managers must complete mandatory web-based training every year (Supervisory Board members are trained individually). In addition, relevant training videos are available in the internal information system. All employees are considered equally susceptible to corruption and correspondingly exposed to risk, regardless of their specific function, which is why corresponding training measures are aimed at employees at all hierarchical levels.

Disclosure Requirement G1-3 – Prevention and detection of corruption and bribery
The W&W Group pursues a zero-tolerance policy with regard to corruption and bribery (hereinafter also uniformly referred to as "corruption") in any form. This approach is primarily set out in the W&W Group's Code of Conduct, which applies throughout the Group, together with the associated explanatory manual, and is given concrete form in a wide range of Group and internal regulations, procedures and information with regard to combating corruption and its stringent enforcement. A Group-wide, institutionally and procedurally equipped compliance management system serves to prevent, detect and penalise corruption.

For example, in addition to special regulations and procedures for dealing with conflicts of interest, an internal control system has been implemented in the specialist areas that are particularly susceptible to corruption, which provides for comprehensive control measures such as the dual control principle. In connection with benefits, there is a review, reporting and authorisation procedure that differentiates according to their type and value as well as the hierarchical position of the employee concerned; this ensures the legally compliant handling of such transactions. Fraud risk analyses are also carried out at regular intervals with the aim of identifying corruption risks, among other things, and taking risk-mitigating measures where necessary. In relation to suppliers and service providers (particularly those outside the Group), self-assessments relating to corruption are carried out as part of the Group's centralised purchasing process and corresponding regulations (Code of Conduct for Sustainability) become part of the contract.

In addition to the aforementioned measures, an integral part of the fight against corruption is a corresponding training programme.

Employees and third parties are given the opportunity to report potential incidents of corruption via a centralised whistleblower system located in Compliance. The report can also be made online via a reporting portal that guarantees the anonymity of whistleblowers. The confidentiality of the identity of the whistleblowers and their protection against reprisals is guaranteed in accordance with the legal requirements.

Any incidents of corruption are responded to by disciplinary measures under labour law, up to and including termination of employment. It is also possible to file criminal charges and indemnification by asserting corresponding claims. Measures to optimise existing prevention procedures can also be considered. All of this also applies analogously to other service contracts.

Insofar as corruption incidents are investigated by the compliance function or internal audit, these are assigned to the 2nd or 3rd line of defence on the basis of the three lines of defence model and are therefore separate from the 1st line (management chain). However, the relevant separation of functions is also ensured insofar as special organisational units of the two segments of the W&W Group are involved in the investigation (e.g. fraud investigation units, customer complaint management).

There are reporting channels (regular and ad hoc reporting) for informing the respective management of a W&W Group company or the respective Supervisory Board.

100% of the functions exposed to risk, i.e. all own employees, managers and Supervisory Board members, are trained in anti-corruption. The focus is on general corruption issues based on the W&W Group's Code of Conduct.

On the one hand, the training courses take place in person and usually annually or on an ad hoc basis, e.g. when new employees/board members join the organisation or at the request of specialist departments. Secondly, mandatory web-based training must be completed annually. This consists of varying informative content and training videos on various aspects of fraud and corruption prevention and on the topic of (potential) conflicts of interest. For example, different risk situations and suspicious facts in connection with corruption or various constellations of potential conflicts of interest are highlighted, together with recommendations on how to deal with them appropriately. In addition, relevant training videos are available in the internal information system. In addition, special units specialising in fraud and corruption prevention carry out relevant training for relevant operational departments. This takes into account the special features of the respective segment of the W&W Group. The sales force partners of the two exclusive sales organisations of Wüstenrot and Württembergische (independent sales representatives) are also trained by the respective sales compliance units on fraud and corruption prevention (usually annually or on an ad hoc basis, in person or by providing web-based training).

Metrics and targets

Disclosure Requirement G1-4 – Incidents of corruption or bribery

Cases of corruption or bribery are countered by labour law measures. These range from warnings and reprimands to termination of the employment relationship. In addition, the filing of criminal charges and corresponding recourse measures may be considered. This range of measures also applies mutatis mutandis to service providers to whom such cases are attributable. There were no convictions or fines for breaches of corruption and bribery regulations in the 2024 financial year.

Disclosure Requirement G1-5 – Political influence and lobbying activities

Total amount of financial contributions

In the reporting year, financial contributions totalling €3,594 thousands (including €1,650 to Belgium) were made. These are exclusively membership fees. There were no benefits in kind, political donations or contributions to political parties in 2024.

The required data is read directly from the systems that are also used for financial accounting and financial reporting (SAP's S/4HANA platform).

Lobbying topics
The W&W Group itself (with the exception of Wüstenrot Bausparkasse AG) does not engage in any lobbying activities. Instead, the representation of interests vis-à-vis political decision-makers takes place via industry associations of the insurance industry, the credit industry and via professional associations of housing industry and urban development institutions as well as via compulsory membership in the respective regional chambers of commerce. The positions and statements of the associations in which companies of the W&W Group are members can be found on the respective websites as follows.

The memberships of the W&W companies:

Companies in the Insurance business division:

- aba Arbeitsgemeinschaft für betriebliche Altersversorgung e. V. https://www.aba-online.de/infothek/positionen/stellungnahmen
- Professional Association of Compliance Managers (BCM) e. V. https://www.compliance-verband.de/presse-publikationen/publikationen/
- BiPRO e. V. – Industry Institute for Process Optimisation https://bipro.net/
- Federal Association of Personnel Managers e. V. https://www.bpm.de/
- Federal Association of Labour Lawyers in Companies e. V. https://www.bvau.de/publikationen/
- DEKRA e. V. https://www.dekra.de/de/politische-interessenvertretung/
- DEUVET Federal Association of Oldtimers – Youngtimers e. V. https://deuvet.de/download/
- German Association for International Law of the Seahttps://www.seerecht.de/downloads/stellungnahmen/
- DIRK – German Investor Relations Federation e. V. https://www.dirk.org/
- IDI – Initiative Deutsche Infrastruktur e. V. https://www.deutsche-infrastruktur.org/downloads-mediathek/
- Society for Data Protection and Data Security e. V. https://www.gdd.de/aktuelles/
- Federation of the German Insurance Industry e. V. https://www.gdv.de/gdv/positionen#positionen.
- Women in Supervisory Boards (FidAR) e. V. https://www.fidar.de/presse-aktuelles/studien-veroeffentlichungen.html
- FIRM – Frankfurt Institute for Risk Management and Regulation https://firm.fm/news-und-papers/
- Association of Private Health Insurershttps://www.pkv.de/
- PRI – Principles for Responsible Investment https://www.unpri.org/policy/consultations-and-letters
- The United Nations Environment Programme https://www.unep.org/resources/filter/page=0/sort_by=publication_date/sort_order=desc/type=article/story_type=429
- German Association of Insurance Executives https://www.vga-koeln.de/index.php?id=unsere-positionen
- VOTUM Association of Independent Financial Services Companies in Europe https://www.votum-verband.de/aktuelles/

In addition, individual employees are members of the German Actuarial Association (DAV) e. V., which is also entered in the lobbyist register. The membership fees for this, amounting to €39 thousands, are paid by Württembergische Versicherungen.

In addition, the W&W Group is a signatory to the two voluntary initiatives Principles for Responsible Investment (PRI) and Principles for Sustainable Insurance (PSI). Both initiatives, which are affiliated with the financial initiative of the United Nations Environment Programme (UNEP) and the United Nations (UN), are committed to transforming the financial and insurance industry worldwide. With these additions, the W&W Group is increasingly anchoring environmental, social and corporate governance aspects in its insurance business on the one hand and emphasising the sustainable orientation of its investment business on the other. The positions, statements and activities can be found on the respective websites.

Companies in the Housing division:

Wüstenrot Bausparkasse AG represents its positions in public, in discussions with media representatives and by participating in events and congresses. The positions of Wüstenrot Bausparkasse AG represented in public generally correspond to the statements published by the respective interest groups on their websites (see table).

The company's interests are represented through its membership in the Verband der Privaten Bausparkassen e. V. (Federation of Home Loan and Savings Banks), based in Berlin. Bernd Hertweck, Chairman of the Executive Board of Wüstenrot Bausparkasse AG, is the elected Chairman of the Federation of Home Loan and Savings Banks and represents it externally together with the other members of the Federation's Executive Board and the Chief Executive Officer. In discussions with members of the German Bundestag, ministries and employees at ministerial level and the media, he advocates for the goals and positions of the federation.

In addition, Wüstenrot Bausparkasse AG is a member of the Arbeitsgemeinschaft der Baden-Württembergischen Bausparkassen (Working Group of Baden-Württemberg Home Loan and Savings Banks), the Deutscher Verband für Wohnungswesen (German Federation for Housing), Städtebau und Raumordnung e. V. (Urban Development and Regional Planning), the Verband deutscher Pfandbriefbanken (Federation of German Mortgage Banks), the Europäische Bausparkassenvereinigung (European Home Loan and Savings Bank Association) and the IUHF International Union for Housing Finance.

Positions on political, economic and social issues are published by the associations on their websites, in position papers and in annual reports, etc. (see table).

Wüstenrot Bauparkasse AG is also holding talks with members of the federal and state parliaments from the region.

The memberships of Wüstenrot Bausparkasse AG:

- Working Group of Baden-Württemberg Home Loan and Savings Banks https://www.arge-online.org/publikationen.html
- German Sustainable Building Council – DGNB e. V. https://www.dgnb.de/de/dgnb-richtig-nutzen/newsroom/stellungnahmen-und-positionspapiere
- German Federation for Housing, Urban and Regional Planning https://www.deutscher-verband.org/publikationen.html
- European Federation of Building Societies International Not-for-Profit Association (IVoG) https://www.efbs.org/de/publikationen/positionspapiere/
- vhw – Federal Association for Housing and Urban Development https://www.vhw.de/publikationen/
- Federation of Private Home Loan and Savings Banks e. V. https://www.bausparkassen.de/verband/aufgaben/stellungnahmen/
- Association of German Pfandbrief Banks (vdp) e. V. https://www.pfandbrief.de/site/de/vdp/Presse/Ver-ffentlichungen/stellungnahmen.html

The memberships of Wüstenrot Haus- und Städtebau GmbH:

- BFW Landesverband Baden-Württemberg e. V. https://www.bfw-bw.de/publikationen/
- Deutsche Energie-Agentur GmbH (dena) https://www.dena.de/infocenter/
- German Sustainable Building Council – DGNB e. V. https://www.dgnb.de/de/dgnb-richtig-nutzen/newsroom/stellungnahmen-und-positionspapiere
- German Association for Housing, Urban and Regional Planning https://www.deutscher-verband.org/publikationen/positionen.html
- gefma German Association for Facility Management e. V. – GEFMAhttps://www.gefma.de
- The Urban Developers.Federation https://die-stadtentwickler.info/positionen
- GdW National Federation of German Home and Real Estate Companies e. V. https://www.gdw.de/downloads/stellungnahmen/
- IWS Real Estate Stuttgart e. V. https://iws-stuttgart.de/presse/
- vbw Verband of Baden-Württemberg Home and Real Estate Companies e. V. https://www.vbw-online.de/themen-und-positionen/unsere-positionen/
- VDIV – Association of Property Managers – Baden-Württemberg e. V. https://vdiv-bw.de/publikationen/

The following memberships exist at the companies of the service and central functions:

- National Federation of Alternative Investments e. V. (BAI) https://www.bvai.de/regulierung/bai-stellungnahmen
- National Federation of Materials, Purchasing and Logistics e. V. (BME) https://www.bme.de/fachinformationen/studien-umfragen/
- GDV – Federation of the German Insurance Industry e. V. https://www.gdv.de/gdv/positionen#positionen
- Association for Technical Communication – tekom Deutschland e. V. https://www.tekom.de/technische-kommunikation-das-fach/wichtige-normen-der-technischen-kommunikation/standard-titel
- VEA – National Federation of Energy Consumers e. V. https://www.vea.de/newsroom/stellungnahmen/

Entries in transparency registers
With the exception of Wüstenrot Bausparkasse AG, the companies of the W&W Group are not entered in any transparency/lobby register. Wüstenrot Bausparkasse AG is registered in the lobby register of the German Bundestag under registration number R003068.

Members of administrative, management and supervisory bodies who held comparable positions in the public administration
There are no members of administrative, management or supervisory bodies who held a comparable position in public administration in the two years prior to the reporting period.

Appendix to the Group Sustainability Report

The appendix to the Group Sustainability Report contains the reporting forms relevant to the W&W Group for the KPIs in accordance with Annexes X and XII of Delegated Regulation (EU) 2021/2178.

Background information to support the quantitative metrics in accordance with Annex XI of Delegated Regulation (EU) 2021/2178 is provided at the end of the relevant reporting forms.

KPI related to underwriting activities

Template for the underwriting KPI

The provision of insurance services in the area of non-life insurance and reinsurance in the non-life sector that assume climate-related risks is classified as an enabling activity in accordance with the currently defined technical assessment criteria of Delegated Regulation (EU) 2021/2139.

Climate-related risks are acute and chronic risks relating to temperature, wind, water or solids. These include fires, storms/hurricanes, hail, ice, floods, landslides or sinkholes.

Enabling activities make a significant contribution to the realisation of an environmental objective by directly enabling other activities to make a significant contribution to one or more environmental objectives. The insurance services mentioned are an enabling activity with regard to the taxonomy environmental objective "Adaptation to climate change".

There was no taxonomy-compliant provision of insurance services in the reporting period, as the necessary technical assessment criteria were not met. The premiums are therefore shown as "–" in line A.1. of the following declaration form.

In the W&W Group, premiums from the Other Motor Insurance, Marine, Aviation and Transport Insurance, Fire and Other Property Insurance and Assistance segments are taxonomy-eligible in the reporting year insofar as they include the assumption of climate-related risks.

Premiums from the non-life insurance and reinsurance business are recognised in the W&W Group as underwriting income within the meaning of IFRS 17. The technical income from the non-life insurance and reinsurance business of the W&W Group broken down in accordance with the provisions of Delegated Regulation (EU) 2021/2178 can be found in the following reporting form for the KPI relating to underwriting activities.

Template: The underwriting KPI for non-life insurance and reinsurance companies

	Substantial contribution to climate change adaptation		
Economic activities (1)	Absolute premiums, 2024 (2)	Proportion of premiums, 2024 (3)	Proportion of premiums, 2023 (4)
	in € million	in %	in %
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**-**	**-**	**-**
A.1.1. Of which reinsured	-	-	-
A.1.2. Of which stemming from reinsurance activity	-	-	-
A.1.2.1. Of which reinsured (retrocession)	-	-	-
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**1,541**	**55.7**	**55.1**
B. Non live insurance and reinsurance underwriting Taxonomy-non-eligible activities	**1,227**	**44.3**	**44.9**
Total (A.1. + A.2. + B.)	**2,768**	**100.0**	**100.0**

Underwriting income (premiums) is almost entirely attributable to the non-life insurance business. Non-life reinsurance business is only of minor importance for the W&W Group.

All twelve lines of business defined as non-life insurance obligations in Annex I of Delegated Regulation (EU) 2015/35 (Solvency II) are taken into account in the total of all absolute premiums, regardless of whether they are mentioned in Delegated Regulation (EU) 2021/2139.

No significant impairment (DNSH)					
Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Environmental pollution (8)	Biodiversity and ecosystems (9)	Minimum protection (10)
Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-

KPI related to investments

Template on KPI related to investments

As financial companies, the companies of the W&W Group enter into risk positions in taxonomy-aligned, taxonomy-eligible but not taxonomy-aligned and non-taxonomy-eligible economic activities through their investments.

In the following template, the key figure is the extent to which the risk positions from investments of the W&W Group are related to taxonomy-aligned economic activities (so-called KPI related to investments). The breakdown of the denominator of the KPI also shows the values of investments that finance taxonomy-eligible but non-taxonomy-aligned and non-taxonomy-eligible economic activities. The values are disclosed both on a turnover-based and a CapEx-based basis in accordance with their measurement basis.

In accordance with the EU Commission's requirements, only those risk positions for which there is direct information in this regard may be classified as taxonomy-aligned or taxonomy-eligible for disclosure under the applicable statutory provisions. Estimates may only be used for additional voluntary disclosures.

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments

31.12.2024	
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI , with following weights for investments in undertakings per below: Turnover-based: 4.1% (PY 2.7%) CapEx-based: 4.4% (PY 3.0%)	The weighted average value of all the investments of insurance or reinsurance companies that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below (in € million): Turnover-based: 2,270 (PY 1,463) CapEx-based: 2,438 (PY 1,586)
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance companies (total AuM). Excluding investments in sovereign institutions. Coverage rate: 95.6% (PY 95.4%)	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities (in € million). Coverage range: 56,036 (PY 53,407)
Additional, complementary disclosures: breakdown of denominator of the KPI	
The percentage of derivatives relative to total assets covered by the KPI: 0.8% (PY 0.9%)	The value in monetary amounts of derivatives (in € million): 456 (PY 500)
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 10.1% (PY 9.4%) For financial undertakings: 8.2% (PY 8.5%)	Value of exposures to financial and non-financial companies not subject to Articles 19a and 29a of Directive 2013/34/EU (in € million): For non-financial undertakings: 5,684 (PY 5,021) For financial undertakings: 4,569 (PY 4,537)
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 6.1% (PY 5.5%) For financial cundertakings: 2.8% (PY 3.1%)	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU (in € million): For non-financial undertakings: 3,425 (PY 2,946) For financial undertakings: 1,590 (PY 1,679)
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: 2.6% (PY 1.4%) For financial undertakings: 10.9% (PY 11.8%)	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU (in € million): For non-financial undertakings: 1,465 (PY 741) For financial undertakings: 6,090 (PY 6,315)
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: 67.4% (PY 68.0%)	Value of exposures to other counterparties and assets (in € million): 37,772 (PY 36,293)
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders ~~that are directed at funding, or are associated with, taxonomy-aligned economic activities~~[1]: 93.1% (PY 94.3%)	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders ~~that are directed at funding, or are associated with, taxonomy-aligned economic activities~~[1] (in € million)[1]: 52,168 (PY 50,347)
The value of all investments that are funding economic activities that are Taxonomy-eligible relative to the value of total assets covered by the KPI: Turnover-based: 41.2% (PY 44.5%)[2] CapEx-based: 41.0% (PY 44.7%)[2]	Value of all the investments that are funding economic activities that are not Taxonomy-eligible (in € million): Turnover-based: 23,089 (PY 23,767)[2] CapEx-based: 22,979 (PY 23,915)[2]

The value of all investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: Turnover-based: 54.7% (PY 52.8%) CapEx-based: 54.6% (PY 52.3%)	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned (in € million): Turnover-based: 30,677 (PY 28,177) CapEx-based: 30,619 (PY 27,906)
Additional, complementary disclosures: breakdown of the numerator of the KPI	
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 0.2% (PY 0.1%) CapEx-based: 0.5% (PY 0.4%) For financial undertakings: Turnover-based: 0.4% (PY 0.0%) CapEx-based: 0.4% (PY 0.0%)	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU (in € million): For non-financial undertakings: Turnover-based: 95 (PY 55) CapEx-based: 251 (PY 169) For financial undertakings: Turnover-based: 193 (PY 3) CapEx-based: 205 (PY 12)
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the invesment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: 4.3% (PY 2.9%) CapEx-based: 4.5% (PY 3.2%)	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the invesment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned (in € million): Turnover-based: 2,235 (PY 1,463) CapEx-based: 2,369 (PY 1,586)
The proportion of taxonomy-aligned exposures to other counterparties in over total assets covered by the KPI: Turnover-based: 3.5% (PY 2.6%) CapEx-based: 3.5% (PY 2.6%)	Value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI (in € million): Turnover-based: 1,982 (PY 1,405) CapEx-based: 1,982 (PY 1,405)

Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities – provided "do-not-significant-harm" (DNSH) and social safeguards positive assessment:		
1. Climate change mitigation	Turnover: 4.0% (PY 2.7%) CapEx: 4.2% (PY 2.8%)	Transitional activities: 0.1% (PY 0.0%) (sales); 0.1% (PY 0.0%) (CapEx) Enabling activities: 0.1% (PY 0.0%) (sales); 0.3% (PY 0.1%) (CapEx)
2. Climate change adaption	Turnover: 0.0% (PY 0.0%) CapEx: 0.0% (PY 0.0%)	Enabling activities: 0.0% (PY 0.0%) (sales); 0.0% (PY 0.0%) (CapEx)
3. Sustainable use and protection of water and marine resources	Turnover: – % (PY – %) CapEx: – % (PY – %)	Enabling activities: – % (PY – %) (turnover); – % (PY – %) (CapEx)
4. The transition to a circular economy	Turnover: – % (PY – %) CapEx: – % (PY – %)	Enabling activities: – % (PY – %) (turnover); – % (PY – %) (CapEx)
5. Pollution prevention and control	Turnover: – % (PY – %) CapEx: – % (PY – %)	Enabling activities: – % (PY – %) (turnover); – % (PY – %) (CapEx)
6. Protection and restoration of biodiversity and ecosystems	Turnover: – % (PY – %) CapEx: – % (PY – %)	Enabling activities: – % (PY – %) (turnover); – % (PY – %) (CapEx)

1 Template adjusted, see explanations in the section Correction of the template on KPI related to investments
2 Previous year's figure adjusted, see explanations in the section Adjustment of values from the previous financial year

Correction of the template on KPI related to investments

Line 9 of the template is not applicable in the version specified by Delegated Regulation (EU) 2021/2178.

According to row 9, the taxonomy-aligned proportion of the insurance or reinsurance undertaking's investments where the investment risk is not borne by the policyholders must be stated. However, it is only possible to specify a single value, although this value would have to be differentiated between turnover-based and CapEx-based, as is done in row 14. According to the wording, row 9 is a duplication of row 14. In addition, row 9 refers to the denominator and not the numerator of the KPI. In this respect, it seems necessary not to indicate the taxonomy-aligned proportion in row 9 but the proportion of *all* investments of the insurance or reinsurance undertaking for which the investment risk is not borne by the policyholders, in order to inform the reporting addressees of the denominator of the ratios in row 14.

The corrected representation of row 9 of the template shows the arithmetically applicable value. The text contained in the field was corrected by deletions.

Adjustment of values from the previous financial year

To improve the comparability of information on taxonomy alignment and taxonomy eligibility, the information in row 10 of the reporting form on exposures that are not taxonomy-eligible has been supplemented by exposures from derivatives and to financial and non-financial entities that are not subject to Articles 19a and 29a of Directive 2013/34/EU. This means that taxonomy-aligned, taxonomy-eligible but non-taxonomy-aligned and non-taxonomy-eligible risk positions each add up to 100% or the entire scope of coverage. This is therefore merely an adjustment to the identification. There has been no change in the values of the risk positions.

Breakdown of the numerator of the KPI by environmental objective

For a small proportion of the taxonomy-aligned exposures, the actual information available at the reporting data did not allow a breakdown by environmental objectives. The weighted average value of all investments directed at or related to the financing of taxonomy-aligned economic activities (the numerator of the KPI related to investments) exceeds the sum of the breakdown by environmental objectives, both turnover-based and CapEx-based, by the proportion of these non-disaggregated taxonomy-aligned exposures.

Background information on the quantitative indicator

For the KPI relating to investments, investments are identified in accordance with the rules for investments as defined in *Council Directive 91/674/EEC of 19 December 1991 on the annual accounts and consolidated accounts of insurance undertakings.* Investments in state institutions are essentially excluded in accordance with the statutory requirements for the KPI. Exposures to central governments, central banks and international organisations such as bodies of the European Union are completely excluded. Exposures to state, regional and local authorities, including administrative bodies, non-commercial companies and social security funds, are not included in the KPI if the use of funds by the issuers is not known.

There are no intangible assets attributable to the KPI in the numerator or denominator in the W&W Group as at the reporting date.

Investments include both direct risk positions and indirect risk positions such as investments in investment assets.

The carrying amount of the relevant assets from the consolidated balance sheet is recognised as the value (or monetary value or monetary amount) of exposures within the meaning of Delegated Regulation (EU) 2021/2178.

Only actual information may be used to determine the taxonomy alignment of risk positions. In the case of exposures to financial and non-financial undertakings, this is information provided by entities subject to Articles 19a and 29a of Directive 2013/34/EU (non-official: EU Accounting Directive) that is actually published. Articles 19a and 29a of the EU Accounting Directive require companies that fulfil certain criteria to publish a non-financial statement or a consolidated non-financial statement, which in turn must contain information on taxonomy alignment, taxonomy eligibility and non-taxonomy eligibility. The taxonomy-related disclosures on the taxonomy eligibility or non-taxonomy eligibility of exposures to financial and non-financial entities subject to Articles 19a and 29a of Directive 2013/34/EU are determined on the basis of turnover and CapEx. Where available, the taxonomy eligibility or non-taxonomy eligibility of the investments of insurance and reinsurance companies was used as the basis for risk positions with respect to insurance and reinsurance companies. Information from the external data provider ISS ESG is primarily used to determine the taxonomy-related information and to determine whether financial and non-financial companies are subject to Articles 19a and 29a of Directive 2013/34/EU. Internal processes that are also used for the preparation of financial reporting are taken into account for the validation and processing of data.

In the case of buildings owned by the company or financed by means of loans, the significant contribution to realising the environmental objective of "climate protection" is determined on the basis of energy performance certificates (energy performance certificates) and the specific legal requirements for the energy efficiency of the respective financed buildings.

Investments for which no actual information is available are classified in their entirety as not taxonomy-eligible. This also includes exposures from investment funds wherever the asset management companies provide no actual taxonomy-related information related to the funds.

Equity and debt instruments of financial and non-financial companies are recognised as exposures to financial and non-financial companies. All other investments are recognised under risk positions with other counterparties and assets. A significant proportion of these are construction financing loans granted to households. The financing provided by the Group company Wüstenrot Bausparkasse AG is the main business purpose of the home loan and savings bank and is primarily used to finance old and new buildings and to finance modernisation measures for existing properties. The construction loans are mainly for properties located in Germany or Luxembourg. Furthermore, the exposures to other counterparties and assets essentially comprise the owner-occupied and investment properties held by companies in the W&W Group, various forms of alternative investments and shares in investment assets.

The denominator of the coverage ratio is calculated from the monetary value of the assets recognised for the KPI and – excluding investments in state institutions – the other balance sheet assets of the W&W Group that are not covered by the KPI related to investments of insurance and reinsurance undertakings in accordance with Delegated Regulation (EU) 2021/2178.

As at the reporting date, the proportion of investments that are geared towards or associated with the financing of taxonomy-aligned economic activities in relation to total investments (KPI in relation to investments) was 4.1% (previous year: 2.7%) and CapEx-based at 4.4% (previous year: 3.0%). The share of taxonomy-aligned risk positions is largely attributable to owner-occupied and investment properties. There was a year-on-year increase in taxonomy-aligned building loans and investments in securities as at the reporting date.

Avoidance of double counting

Double counting in the allocation of risk positions to the environmental objectives of the EU taxonomy is systematically excluded by the methods applied when determining the KPI in relation to investments in the W&W Group.

Owner-occupied and investment properties as well as the financing of properties owned by private households are fully allocated to the "climate protection" environmental objective. In the case of risk exposures to companies, reference is made to information published by the company in question and thus to its audited information.

Application of transitional provisions

The transitional provisions for financial undertakings in accordance with Article 10(7) of Delegated Regulation (EU) 2021/2178 are taken into account. Risk positions in connection with the environmental objectives listed in Article 9 letters c to f of the EU Taxonomy Regulation (sustainable use and protection of water and marine resources, transition to a circular economy, prevention and reduction of pollution, protection and restoration of biodiversity and ecosystems) have not yet been identified.

DNSH and minimum protection

The taxonomy compliance condition "do no significant harm" (DNSH) is ensured by applying the relevant technical assessment criteria of the delegated acts to the EU Taxonomy Regulation for the respective economic activity.

Another condition for taxonomy conformity is minimum protection. The enterprise carrying out an economic activity shall ensure that the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights, including the fundamental principles and rights set out in the eight core conventions of the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights, are respected. In the case of the financing of economic activities and the holding of risk positions in economic activities, minimum protection must be ensured by the company carrying out the economic activity.

In its *Final Report on Minimum Safeguards*, the Platform on Sustainable Finance, an advisory body to the EU Commission on the implementation of the EU taxonomy, has defined four areas of action, each with two negative characteristics, on the basis of which existing minimum safeguards are to be reviewed. The fields of action are:

- human rights, including labour rights,
- corruption and bribery,
- taxation,
- fair competition.

The protection of human rights in the W&W Group's own economic activity "acquisition and ownership of buildings" is covered by the application of the requirements of the German Act on Corporate Due Diligence Obligations in the Supply Chain (LkSG). The analysis of the implementation of the LkSG shows that the companies of the W&W Group simultaneously fulfil the human rights-related minimum protection requirements with regard to the aforementioned economic activity. No other taxonomy-aligned economic activities were carried out by the companies of the W&W Group in the reporting period.

The compliance function, as a key component of the W&W compliance management system, embedded in the W&W governance system and part of the internal control system, works to combat corruption and bribery throughout the Group. W&W AG uses established compliance communication channels and methods for internal reporting, in particular the central Group Compliance Committee and the reports of the fraud risk analyses. Relevant business processes are checked for significant corruption risks. Whether confirmed cases of corruption occurred in the W&W Group in a financial year and whether corruption proceedings were conducted against W&W AG or its subsidiaries is documented internally. A detailed description of the fight against corruption and bribery in the W&W Group can be found under disclosure requirement G1-3 in the Governance information section of this Group Sustainability Report.

The tax compliance management system is a separate sub-area of compliance. Its purpose is the complete and timely fulfilment of the tax obligations of the companies of the W&W Group. Group-wide tax guidelines are intended to ensure the fulfilment of tax obligations and are based on the W&W Group's existing compliance standard when implementing these obligations. All tax matters are documented internally.

Compliance with competition and antitrust regulations is monitored throughout the Group by the Group Legal department at W&W AG. The unit uses a variety of measures to monitor the association's work, among other things. It also promotes awareness of the importance of compliance with competition laws and documents any incidents.

In the areas of corruption and bribery, taxation and fair competition, there are no legally binding convictions of W&W Group companies or their responsible employees.

Templates for nuclear energy and fossil gas related activities

The exposures of the W&W Group to nuclear and fossil gas related activities can be found in the following templates specified in Annex XII of Delegated Regulation (EU) 2021/2178. In accordance with the KPI related to investments, the reporting forms are based on turnover and CapEx (CapEx: capital expenditure). The W&W Group's exposures to nuclear and fossil gas related activities are determined on the basis of the disclosures made pursuant to Article 8 of the EU Taxonomy Regulation by the companies in which investments have been made and which actually carry out the activities themselves or have in turn entered into exposures in these activities or have financed them in some other way.

The only information used in the templates was information on taxonomy-aligned economic activities for which issuers provided a breakdown by environmental objective. The totals in Templates 2 and 3 for the environmental objectives “climate change mitigation” (CCM) and “climate change adaptation” (CCA) therefore equal the amounts for these environmental objectives in the breakdown of the numerator of thenumerator in the template for the KPI related to investments.

In Template 1, "YES" is also provided for an economic activity in the nuclear and fossil gas if the amount of the exposures is below the rounding threshold for the disclosures in Templates 2 to 5. Amounts below the rounding threshold are shown as "0". In accordance with the adjustments in row 10 of the template KPI related to investments with regard to the previous year's disclosures on taxonomy-non-eligible exposures, the previous year's disclosures in Template 5 on taxonomy-non-eligible economic activities were also adjusted accordingly.

Templates for nuclear and fossil gas related activities (turnover-based)

Template 1 Nuclear and fossil gas related activities

Row		31.12.2024	31.12.2023
	Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as in their safety upgrades, using best available technologies.	YES	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	YES
	Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES	YES

Template 2 Taxonomy-aligned economic activities (denominator)

		31.12.2024					
		Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
Row	Economic activities	in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	4	0.0	4	0.0	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred in rows 1 to 6 above in the denominator of the applicable KPI**	**2,256**	**4.0**	**2,254**	**4.0**	**2**	**0.0**
8.	**Total applicable KPI**	**2,260**	**4.0**	**2,258**	**4.0**	**2**	**0.0**

Template 2 Taxonomy-aligned economic activities (denominator)

31.12.2023

		Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
Row	Economic activities	in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred in rows 1 to 6 above in the denominator of the applicable KPI**	**1,444**	**2.7**	**1,444**	**2.7**	**0**	**0.0**
8.	**Total applicable KPI**	**1,445**	**2.7**	**1,445**	**2.7**	**0**	**0.0**

Template 3 Taxonomy-aligned economic activities (numerator)

31.12.2024

Row	Economic activities	Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	4	0.2	4	0.2	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numeratorr of the applicable KPI	0	0.0	0	0.0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred in rows 1 to 6 above in the numerator of the applicable KPI**	**2,256**	**99.8**	**2,254**	**99.7**	**2**	**0.1**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,260**	**100.0**	**2,258**	**99.9**	**2**	**0.1**

Template 3 Taxonomy-aligned economic activities (numerator)

31.12.2023

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount and proportion (in monetary amounts and as a percentage)					
		in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	1	0.1	1	0.1	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numeratorr of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred in rows 1 to 6 above in the numerator of the applicable KPI**	**1,444**	**99.9**	**1,444**	**99.9**	**0**	**0.0**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,445**	**100.0**	**1,445**	**100.0**	**0**	**0.0**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

31.12.2024

Row	Economic activities	Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	8	0.0	8	0.0	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	5	0.0	5	0.0	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
7.	**Amount and proportion of other taxonomy-eligible but not-taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,664**	**54.7**	**30,660**	**54.7**	**4**	**0.0**
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**30,677**	**54.7**	**30,673**	**54.7**	**4**	**0.0**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

		31.12.2023					
		Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
Row	Economic activities	in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	11	0.0	11	0.0	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	23	0.0	23	0.0	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
7.	**Amount and proportion of other taxonomy-eligible but not-taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**27,655**	**51.8**	**27,655**	**51.8**	**0**	**0.0**
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**27,689**	**51.8**	**27,689**	**51.8**	**0**	**0.0**

Template 5 Taxonomy non-eligible economic activities

		31.12.2024	
Row	Economic activities	in € million	in %
1.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0.0
3.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2	0.0
4.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0
5.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**23,086**	**41.2**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**23,089**	**41.2**

Template 5 Taxonomy non-eligible economic activities

		31.12.2023	
Row	Economic activities	in € million	in %
1.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0
3.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0.0
4.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0
5.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
6.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**23,764**[1]	**44.5**[1]
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**23,767**[1]	**44.5**[1]

1 Previous year's figure adjusted, see explanations in the chapter KPI related to investments, section Adjustment of values from the previous financial year

Templates for nuclear and fossil gas related activities (CapEx-based)

Template 1 Nuclear and fossil gas related activities

Row		31.12.2024	31.12.2023
	Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as in their safety upgrades, using best available technologies.	YES	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	YES
	Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES	NO

Template 2 Taxonomy-aligned economic activities (denominator)

31.12.2024

		Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
Row	Economic activities	in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0.0	3	0.0	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	4	0.0	4	0.0	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2	0.0	2	0.0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred in rows 1 to 6 above in the denominator of the applicable KPI**	**2,371**	**4.2**	**2,367**	**4.2**	**4**	**0.0**
8.	**Total applicable KPI**	**2,380**	**4.2**	**2,376**	**4.2**	**4**	**0.0**

Template 2 Taxonomy-aligned economic activities (denominator)

		31.12.2023					
		Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
Row	Economic activities	in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	3	0.0	3	0.0	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred in rows 1 to 6 above in the denominator of the applicable KPI**	**1,518**	**2.8**	**1,518**	**2.8**	**0**	**0.0**
8.	**Total applicable KPI**	**1,521**	**2.8**	**1,521**	**2.8**	**0**	**0.0**

Template 3 Taxonomy-aligned economic activities (numerator)

31.12.2024

		Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
Row	Economic activities	in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	3	0.1	3	0.1	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	4	0.2	4	0.2	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numeratorr of the applicable KPI	2	0.1	2	0.1	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred in rows 1 to 6 above in the numerator of the applicable KPI**	**2,371**	**99.6**	**2,367**	**99.4**	**4**	**0.2**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,380**	**100.0**	**2,376**	**99.8**	**4**	**0.2**

Template 3 Taxonomy-aligned economic activities (numerator)

31.12.2023

		Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
Row	Economic activities	in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0	-	-
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	3	0.2	3	0.2	-	-
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0	0.0	0	0.0	-	-
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numeratorr of the applicable KPI	0	0.0	0	0.0	-	-
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred in rows 1 to 6 above in the numerator of the applicable KPI**	**1,518**	**99.8**	**1,518**	**99.8**	**0**	**0.0**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,521**	**100.0**	**1,521**	**100.0**	**0**	**0.0**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

31.12.2024

Row	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		Amount and proportion (in monetary amounts and as a percentage)					
		in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	8	0.0	7	0.0	1	0.0
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2	0.0	2	0.0	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0.0	1	0.0	-	-
7.	**Amount and proportion of other taxonomy-eligible but not-taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**30,608**	**54.6**	**30,571**	**54.5**	**37**	**0.1**
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**30,619**	**54.6**	**30,581**	**54.5**	**38**	**0.1**

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

31.12.2023

Row	Economic activities	Amount and proportion (in monetary amounts and as a percentage)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaption (CCA)	
		in € million	in %	in € million	in %	in € million	in %
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0	0	0.0	-	-
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	6	0.0	6	0.0	-	-
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	14	0.0	14	0.0	-	-
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not-taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**27,808**	**52.1**	**27,680**	**51.9**	**128**	**0.2**
8.	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**27,828**	**52.1**	**27,700**	**51.9**	**128**	**0.2**

Template 5 Taxonomy non-eligible economic activities

		31.12.2024	
Row	Economic activities	in € million	in %
1.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2	0.0
3.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1	0.0
4.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
5.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0
6.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**22,976**	**41.0**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**22,979**	**41.0**

Template 5 Taxonomy non-eligible economic activities

Row	Economic activities	31.12.2023 in € million	31.12.2023 in %
1.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2	0.0
3.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2	0.0
4.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0
5.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0.0
6.	Amount and proportion of the economic activity referred to in row 1 of template 1 that is taxonomy-non-eligible in accordance to Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**23,911**[1]	**44.7**[1]
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**23,915**[1]	**44.7**[1]

1 Previous year's figure adjusted, see explanations in the chapter KPI related to investments, section Adjustment of values from the previous financial year

Wüstenrot & Württembergische AG Limited assurance report of the public auditor

Limited assurance report of the independent public auditor on the on the Group sustainability statement

To Wüstenrot & Württembergische AG, Kornwestheim

Limited assurance conclusion

We conducted a limited assurance engagement on the combined non-financial statement (Group sustainability statement) of Wüstenrot & Württembergische AG, Kornwestheim, for the financial year from 1 January 2024 to 31 December 2024, which is contained in the combined management report. The Group sustainability statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852, as well as the requirements of Sections 289b to 289e and Sections 315b and 315c of the German Commercial Code (HGB) for a non-financial group statement that is combined with the non-financial statement of the parent company.

Based on the assurance procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group sustainability statement has not been prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, with the requirements of Sections 289b to 289e and Sections 315b and 315c HGB for a non-financial group statement that is combined with the non-financial statement of the parent company, as well as with the specifying criteria presented by the company's Executive Board. This assurance conclusion also confirms that nothing has come to our attention that causes us to believe

- that the accompanying Group sustainability statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the company to identify information to be included in the Group sustainability statement (the materiality assessment) is not consistent, in all material respects, with the description set out in the Group sustainability statement, and
- that the information in the Group sustainability statement labelled with 2020/852/Taxonomy Regulation does not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the assurance conclusion

We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed

Our responsibilities under ISAE 3000 (Revised) are further described in the section "Responsibilities of the public auditor for the assurance of the Group sustainability statement".

We are independent of the entity in accordance with the requirements of European and German commercial law and the rules of professional conduct, and we have fulfilled our other German professional obligations in accordance with these requirements. Our audit firm applied the requirements for the quality assurance system contained in the IDW quality management standard "Requirements for quality management in audit firms" (IDW QMS 1 (09.2022)) issued by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Board and the Supervisory Board for the Group sustainability statement

The Executive Board is responsible for preparing the Group sustainability statement in conformity with the requirements of the CSRD, with the applicable German statutory and other European requirements, as well as with the specifying criteria presented by the company's Executive Board, and for designing, implementing and maintaining the internal controls that it considers necessary in order to enable the Group sustainability statement to be prepared in accordance with those requirements and free from material misstatement, whether due to fraud (i.e. manipulation of the Group sustainability statement) or error.

The responsibilities of Executive Board include establishing and maintaining the materiality assessment process and selecting and applying appropriate methods for preparing the Group sustainability statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for monitoring the process for preparing the Group sustainability statement.

Inherent limitations in preparing the Group sustainability statement

The CSRD and the applicable German statutory and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of the sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance of the Group sustainability statement.

Responsibilities of the public auditor for the assurance of the Group sustainability statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group sustainability statement has not been prepared, in all material respects, in accordance with the CSRD and with the applicable German statutory and other European requirements, as well as with the specifying criteria presented by the company's Executive Board, and to issue a report containing our assurance conclusion about the Group sustainability statement.

As part of an assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the engagement. We also

- obtain an understanding of the process used to prepare the Group sustainability statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group sustainability statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform audit procedures to address these disclosures and obtain limited assurance to support our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than in the case of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's Executive Board and we as practitioners are ordinarily subject to restrictions on direct access to sources of the value chain information.

- review the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events may deviate significantly from the forward-looking information.

Summary of the procedures performed by the public auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the Executive Board in the Group sustainability statement.
- enquired of the Executive Board and relevant employees involved in the preparation of the Group sustainability statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group sustainability statement, and about the internal controls relating to this process.
- evaluated the methods used by the Executive Board to prepare the Group sustainability statement.
- evaluated the reasonableness of the estimates and related explanations provided by the Executive Board. If, in conformity with the ESRS, the Executive Board estimates the information to be reported about the value chain for a case in which the Executive Board is unable to obtain the value chain information despite making reasonable efforts, our assurance engagement is limited to evaluating whether the Executive Board has made these estimates in conformity with the ESRS and assessing the reasonableness of these estimates, but it does not include ascertaining information about the value chain that the Executive Board was unable to obtain.
- performed analytical procedures and made enquiries in relation to select information in the Group sustainability statement.
- conducted site visits.
- reviewed the presentation of the information in the Group sustainability statement.
- reviewed the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group sustainability statement.

Restriction on the use of the limited assurance report

We draw attention to the fact that the assurance engagement was conducted for the company's purposes and that the limited assurance report is intended solely to inform the company about the result of the assurance engagement. Consequently, it may not be suitable for any purpose other than the one mentioned above. The limited assurance report is therefore not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the company alone. We do not accept any liability in relation to third parties. Our limited assurance conclusion has not been modified in this respect.

Engagement terms and liability

The attached "General engagement terms for German public auditors and public audit firms", in the version issued by the Institute of Public Auditors in Germany (IDW) dated 1 January 2024 (ey-idw-aab-en-2024.pdf), apply to this engagement, also in relation to third parties.

We also refer to the liability arrangements contained there in Section 9 and to the exclusion of liability with respect to third parties. We assume no responsibility, liability or other obligations with respect to third parties, other than where we have concluded a written agreement to the contrary with the third party or such an exclusion of liability would be ineffective.

We expressly point out that we do not update the limited assurance report with regard to events or circumstances occurring after it was issued unless there is a legal obligation to do so. Whoever takes note of the results of our activities summarised in the above report must decide on their own responsibility whether and in what form they consider these results to be useful and suitable for their purposes and whether to expand, verify or update them by carrying out their own investigations.

Stuttgart, 24 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Gehringer
Public auditor

Bose
Public auditor

Cultivating contact

In our diverse community, we promote dialogue with one another. Daily discussion and the sharing of experiences create a sense of solidarity.

Wüstenrot & Württembergische AG
Report on equality and equal remuneration in accordance with the German Transparency in Wage Structures Act (EntgTransG)

We published a report on equality and equal remuneration pursuant to the EntgTransG in our 2022 annual report.

In accordance with the five-year rule in Section 22 (1) EntgTransG, we did not prepare a new report for 2024.

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Wüstenrot & Württembergische AG Consolidated financial statements

Consolidated balance sheet

Assets

in € million	see Note no.[1]	31.12.2024	31.12.2023
Cash and cash equivalents	1	**997**	**1,046**
Non-current assets held for sale and discontinued operations	2	**-**	**28**
Financial assets at fair value through profit or loss	3	**11,538**	**10,630**
Financial assets at fair value through other comprehensive income (OCI)	4	**23,809**	**23,687**
thereof: sold under repurchase agreements or lent under securities lending transactions		13	863
Financial assets at amortised cost	5	**31,362**	**28,461**
Subordinated securities and receivables		218	213
Senior debenture bonds and registered bonds		72	57
Building loans		28,401	26,707
Other receivables		2,249	1,180
Asset-side portfolio hedge adjustment		422	304
Positive market values from hedges	6	**2**	**2**
Technical assets	7	**330**	**357**
Insurance contracts issued that are assets		41	37
Reinsurance contracts held that are assets		289	320
Financial assets accounted for using the equity method	8	**60**	**89**
Investment property	9	**2,466**	**2,569**
Other assets		**1,702**	**1,683[2]**
Intangible assets	10	124	133
Property, plant and equipment	11	533	538
Inventories	12	62	78
Current tax assets	13	14	9
Deferred tax assets	14	932	8,822
Other assets	15	37	43
Total assets		**72,266**	**68,552[2]**

1 See numbered notes to the consolidated financial statements.
2 Previous year's figure adjusted; see section 'Changes in accordance with IAS 8'.

Equity and liabilities

in € million	Cf. Note no.	31.12.2024	31.12.2023
Financial liabilities at fair value through profit or loss	16	**237**	**24**
Liabilities	17	**32,225**	**28,576**
Liabilities evidenced by certificates		3,365	2,842
Liabilities to credit institutions		1,271	2,219
Liabilities to customers		27,468	23,479
Lease liabilities		44	52
Miscellaneous liabilities		474	545
Liability-side portfolio hedge adjustment		-397	-561
Negative market values from hedges	18	**1**	**-**
Technical liabilities	19	**32,253**	**31,900**
Insurance contracts issued that are liabilities		32,252	31,899
Reinsurance contracts held that are liabilities		1	1
Other provisions	20	**1,721**	**1,871**
Other liabilities		**493**	**578**[2]
Current tax liabilities	21	137	135
Deferred tax liabilities	22	350	432[2]
Sundry liabilities	23	6	11
Subordinated capital	24	**406**	**642**
Equity	25	**4,930**	**4,961**
Share in paid-in capital attributable to shareholders of W&W AG		1,486	1,486
Share in retained earnings attributable to shareholders of W&W AG		3,411	3,441
Retained earnings		4,117	4,133
Other reserves (OCI)		-706	-692
Non-controlling interests in equity		33	34
Total equity and liabilities		**72,266**	**68,552**[2]

2 Previous year's figure adjusted; see section 'Changes in accordance with IAS 8'.

Consolidated income statement

in € million	Cf. Note no.	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Current financial result	26	**1,396**	**1,320**
Interest result		949	882
Interest income		1,559	1,350
thereof: calculated using the effective interest method		1,341	1,158
Interest expenses		-610	-468
Dividend income		316	316
Other current result		131	122
Result from credit risk adjustments	27	**-27**	**-25**
Income from credit risk adjustments		75	66
Expenses for credit risk adjustments		-102	-91
Measurement result	28	**472**	**283**
Measurement gains		2,860	3,082
Measurement losses		-2,388	-2,799
Result from disposals	29	**-38**	**98**
Income from disposals		78	292
Expenses for disposals		-116	-194
Insurance finance result	30	**-1,327**	**-1,094**
Insurance finance income or expenses from insurance contracts issued (gross)		-1,331	-1,098
thereof: insurance finance income or expenses from reinsurance contracts held		4	4
Financial result, total		**476**	**582**
thereof: result from financial assets accounted for using the equity method		1	-5
Technical result (net)	31	**-16**	**122**
Technical result (gross)		41	137
Technical income		4,066	3,801
Technical expenses		-4,025	-3,664
Result from reinsurance contracts held		-57	-15
Commission result	32	**-12**	**-43**
Commission income		205	269
Commission expenses		-217	-312
Carryover		**448**	**661**

in € million	Cf. Note no.	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Carryover		**448**	**661**
General administrative expenses (net)	33	**-506**	**-519**
General administrative expenses (gross)		-1,163	-1,149
Personnel expenses		–633	–632
Materials costs		-420	-434
Depreciation, amortisation and write-downs		–110	-83
General administrative expenses attributable to the technical result		657	630
Other operating result	34	**85**	**60**
Other operating income		130	255
Other operating expenses		-45	-195
Earnings before income taxes from continued operations		**27**	**202**
thereof: from revenue[1]		6,310	5,976
Income taxes	35	9	-61
Consolidated net profit		**36**	**141**
Result attributable to shareholders of W&W AG		34	139
Result attributable to non-controlling interests		2	2
Basic (=diluted) earnings per share	36	**0.36**	**1.48**
thereof: from continued operations in €		0.36	1.48

1 Interest, dividend, commission and rental income from property development business and technical income.

Consolidated statement of comprehensive income

in € million	Cf. Note no.	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Consolidated net profit		**36**	**141**
Other comprehensive income			
Elements not reclassified to the consolidated income statement:			
Actuarial gains/losses (-) from pension commitments (gross)	20	9	-106
Deferred taxes		-3	31
Actuarial gains/losses (–) from pension commitments (gross)		**6**	**-75**
Unrealised gains from the remeasurement of property (gross)		-1	1
Deferred taxes		-	-
Unrealised gains from the remeasurement of property (net)		**-1**	**1**
Elements subsequently reclassified to the consolidated income statement:			
Unrealised gains/losses (-) from financial assets at fair value through other comprehensive income (OCI; gross)	37, 42	-119	1,313
Deferred taxes		36	-398
Unrealised gains/losses (–) from financial assets at fair value through other comprehensive income (net)		**-83**	**915**
Unrealised insurance finance income or expenses from insurance contracts issued (gross)	45	103	-1,209
Unrealised insurance finance income or expenses from reinsurance contracts held (gross)	45	-11	5
Deferred taxes		-27	356
Unrealised insurance finance income or expenses (net)		**65**	**-848**
Unrealised gains/losses (–) from financial assets accounted for using the equity method (gross)	8, 37	-	1
Deferred taxes		-	-
Unrealised gains/losses (–) from financial assets accounted for using the equity method (net)		**-**	**1**
Total other comprehensive income (gross)		-19	5
Total deferred taxes		6	-11
Total other comprehensive income (net)		**-13**	**-6**
Total comprehensive income for the period		**23**	**135**
Result attributable to shareholders of W&W AG		23	132
Result attributable to non-controlling interests		-	3

Consolidated statement of changes in equity

	Cf. Note no.	Share in paid-in capital attributable to shareholders of W&W AG	
		Share capital	Capital reserve
in € million			
Equity as at 1 January 2023		**490**	**996**
Changes in the scope of consolidation		-	-
Total comprehensive income for the period			
Consolidated net profit		-	-
Other comprehensive income		-	-
Total comprehensive income for the period		**-**	**-**
Dividends to shareholders	25	-	-
Treasury shares		-	-
Other		-	-
Equity as at 31 December 2023		**490**	**996**
Equity as at 1 January 2024		**490**	**996**
Changes to the scope of consolidation		-	-
Total comprehensive income for the period			
Consolidated net profit		-	-
Other comprehensive income		-	-
Total comprehensive income for the period		**-**	**-**
Dividends to shareholders	25	-	-
Treasury shares		-	-
Other		-	-
Equity as at 31 December 2024		**490**	**996**

		Share in retained earnings attributable to shareholders of W&W AG					Equity attributable to W&W shareholders	Non-controlling interests in equity	Total equity
	Retained earnings	Other reserves (OCI)							
		Reserve for pension commitments	Reserve for the remeasurement of property	Reserve for financial assets at fair value through other comprehensive income (OCI)	Reserve for insurance finance income or expenses	Reserve for financial assets accounted for using the equity method			
	4,062	**-330**	**-**	**-4,677**	**4,323**	**-1**	**4,863**	**32**	**4,895**
	139	-	-	-	-	-	139	2	141
	-	-75	1	875	-809	1	-7	1	-6
	139	**-75**	**1**	**875**	**-809**	**1**	**132**	**3**	**135**
	-61	-	-	-	-	-	-61	-1	-62
	-	-	-	-	-	-	-	-	-
	-7	-	-	-	-	-	-7	-	-7
	4,133	**-405**	**1**	**-3,802**	**3,514**	**-**	**4,927**	**34**	**4,961**
	4,133	**-405**	**1**	**-3,802**	**3,514**	**-**	**4,927**	**34**	**4,961**
	3	-	-	-17	14	-	-	-	-
	34	-	-	-	-	-	34	2	36
	-	7	-1	-80	63	-	-11	-2	-13
	34	**7**	**-1**	**-80**	**63**	**-**	**23**	**-**	**23**
	-61	-	-	-	-	-	-61	-1	-62
	-	-	-	-	-	-	-	-	-
	8	-	-	-	-	-	8	-	8
	4,117	**-398**	**-**	**-3,899**	**3,591**	**-**	**4,897**	**33**	**4,930**

Consolidated cash flow statement

in € million	Cf. Note no.	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Consolidated net profit		**36**	**141**
Items in the consolidated financial statements that have no effect on cash and are reconciled in “Cash flow from operating activities”			
Current result from financial assets accounted for using the equity method	8, 26	-1	5
Write-downs (+)/write-ups (–) on intangible assets and property, plant and equipment	33	110	83
Write-downs (+)/write-ups (–) on financial assets	27, 28	44	35
Changes in technical assets and liabilities	7, 19	505	385
Increase (+)/decrease (–) in other provisions	20	–93	–67
Changes in deferred tax assets and liabilities	35	-109	-60
Gain (–)/loss (+) from the disposal of intangible assets and property, plant and equipment	34	-	-11
Gain (–)/loss (+) from the disposal of financial investments (excluding participating interests)	29	25	-88
Other expenses(+)/income (–) with no effect on cash	26-29	-757	–285
Other adjustments		7	18
Subtotal		**-233**	**156**
Changes in assets and liabilities from operating activities			
Increase (–)/decrease (+) in construction loans	5	-1,658	-1,451
Increase (–)/decrease (+) in other assets	5, 6, 12, 13, 15	-88	1,222
Increase (–)/decrease (+) in derivative financial instruments with positive and negative market values	3, 16	-6	-2
Increase (+)/decrease (–) in liabilities evidenced by certificates	17	524	956
Increase (+)/decrease (–) in liabilities to credit institutions	17	-960	-478
Increase (+)/decrease (–) in liabilities to customers	17	3,589	547
Increase (+)/decrease (–) in other liabilities	17, 18, 20, 21, 23	–835	–1,058
Subtotal		**566**	**-264**
I. Cash flow from operating activities		**333**	**-108**

Consolidated cash flow statement (continued)

in € million	Cf. Note no.	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Cash receipts from the disposal of intangible assets and property, plant and equipment	10, 11	-	16
Cash payments for investments in intangible assets and property, plant and equipment	10, 11	-68	-70
Cash receipts from the disposal of financial assets	3, 4, 5, 9	6,145	9,290
Cash payments to acquire financial assets	3, 4, 5, 9	-6,145	-9,182
Payments for the acquisition of control over subsidiaries or other business units		2	-
II. Cash flow from investing activities		**-66**	**54**
Dividend payments to shareholders	25	-61	-61
Dividend payments to minority interests	25	-1	-1
Transactions between shareholders	25	-1	-
Change in funds resulting from subordinated capital	24	-228	5
Interest payments on subordinated capital	26	-23	-23
Cash payments for the reduction of lease liabilities	17	-19	-18
III. Cash flow from financing activities		**-333**	**–98**
Cash and cash equivalents as at 1.1.		**1,046**	**1,200**
Net change in cash and cash equivalents (I. + II. + III.)		-66	-152
Effects of exchange rate changes on cash and cash equivalents		-	-2
Changes in cash and cash equivalents due to changes in the scope of consolidation		17	-
Cash and cash equivalents as at 31.12.	1	**997**	**1,046**

In the current financial year, cash flow from interest received amounted to €1,535 million (previous year: €1,337 million), cash flow from interest paid amounted to -€563 million (previous year: -€400 million), cash flow from dividends received amounted to €317 million (previous year: €311 million) and cash flow from income taxes paid/refunded amounted to -€115 million (previous year: -€107 million). These amounts are included in cash flow from operating activities.

Cash flow from operating activities is calculated using the indirect method. Cash and cash equivalents correspond to the balance sheet item “Cash and cash equivalents”.

The W&W Group can freely access the balance of cash and cash equivalents.

Reconciliation of changes in liabilities with cash flow from financing activities

	Subordinated capital		Lease liabilities	
in € million	2024	2023	2024	2023
As at 1.1.	**642**	**641**	**52**	**53**
Coupons	-23	-23	-	-
Issue/redemption	-228	5	-19	-18
Net change with an effect on cash	**–251**	**-18**	**-19**	**-18**
Acquisitions/disposals of lease liabilities	-	-	10	16
Change in accrued interest	15	18	-	-
Amortisation	-	1	1	1
Net change with no effect on cash	**15**	**19**	**11**	**17**
As at 31.12.	**406**	**642**	**44**	**52**

Notes to the consolidated financial statements

General accounting principles and application of IFRS

General disclosures

Wüstenrot & Württembergische AG is a publicly traded company with registered office in Kornwestheim (W&W-Platz 1, 70806 Kornwestheim, Germany) and is the parent company of the W&W Group. The company is entered in the commercial register maintained by the Local Court of Stuttgart under HRB 20203. Wüstenrot & Württembergische AG is the strategic management holding company of the W&W Group. It coordinates all activities, sets standards, manages capital and controls the W&W Group. As an individual entity, Wüstenrot & Württembergische AG operations mainly relate to reinsuring the insurance policies written by the W&W Group. The W&W Group operates almost exclusively in Germany.

The W&W Group is a financial planning group that provides the four components of modern financial planning:

- Financial coverage,
- Residential property,
- Risk protection and
- Savings and investment.

The Executive Board of Wüstenrot & Württembergische AG authorised publication of the consolidated financial statements on 17 March 2025. They were presented to the Supervisory Board for approval on 27 March 2025. The consolidated financial statements will be presented to the shareholders (virtually) at the Annual General Meeting on 22 May 2025.

The consolidated financial statements of Wüstenrot & Württembergische AG – consisting of the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement and the notes to the consolidated financial statements – were prepared on the basis of Section 315e (1) HGB in conjunction with Article 4 of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards in accordance with International Financial Reporting Standards(IFRS) (hereinafter "IFRS Accounting Standards") as they are to be applied in the European Union. In addition, a combined management report was prepared in accordance with the rules of commercial law.

The consolidated financial statements of Wüstenrot & Württembergische AG are prepared in euros (€) on the basis of the going concern principle. Where figures are provided in millions of euros or thousands of euros, totalled amounts may have rounding differences due to commercial rounding rules, since the calculations for the individual items are based on whole numbers.

As at 31 December 2024, the consolidated financial statements of Wüstenrot & Württembergische AG are presented for the first time in € million (previous year: € thousand), unless otherwise stated. The new presentation is based on the standard market approach. Due to this change, there may be minor rounding differences compared to the published consolidated financial statements for 2023.

Comparative information

Unless indicated otherwise, comparative information about items in the consolidated income statement relates to the period 1 January 2023 to 31 December 2023, whereas comparative information about items in the consolidated balance sheet relates to 31 December 2023.

Climate-related circumstances

Climate-related circumstances can have an impact on the value of the W&W Group's assets and liabilities in various ways.

Capital investments comprise ecologically oriented investments in green/sustainable bonds, in renewable energies with a focus on wind power and solar energy and in real estate with ecological features. As an investor, we know that we - together with other major capital providers - have a significant influence on the successful structural change towards a more climate-friendly and lower-emission economy and society and, with this in mind, we pursue an active approach to reducing harmful CO_2-emissions in the capital investment portfolio. The W&W Group is aiming for climate-neutral capital investments (primarily in the area of equities and corporate bonds) by 2050. This active approach further aims to sustainably promote the development and distribution of climate-friendly technologies.

Green/sustainable bonds do not necessarily have to differ from conventional bonds in terms of structure, yield or risk of financing. The key feature of a green/sustainable bond is that the funds raised through the issue of a green/sustainable bond must be used to (re-)finance a "green/social" project. The carrying amount of green/sustainable bonds in the W&W Group is €1,384 million (previous year: €1,160 million). The majority of these are recognised at fair value through other comprehensive income (OCI). The time periods range from short-term residual terms of less than one year to a few extremely long periods of over 100 years. The issuers of the green/sustainable bonds in which the W&W Group invests are governments, banks and companies. In addition, we have a carrying amount of €35 million (previous year: €33 million) in sustainability-linked bonds (SLB). SLBs are usually structured in such a way that the SLB issuer agrees additional targets, so-called SPTs (Sustainability Performance Targets), in addition to the classic bond conditions. These targets are to be achieved within a predefined period of time. If the SPT are not achieved or not met, the financial structure of the bond changes. This means that the SPPI criterion under IFRS 9 is not met and the SLBs are measured at fair value through profit or loss.

When determining the fair values of the capital investments, the capital market assumptions that market participants would use as a basis for pricing are taken into account, including risk assumptions, which may also include climate-related risks.

In the **property sector**, the climate performance of the property portfolio plays an important role for the W&W Group. For acquisition projects, a risk assessment is carried out taking into account ESG aspects and the impact on the overall portfolio in terms of sustainability. In addition to property-specific input factors such as income, location or type of use of the property, sustainability criteria are also included in the fair value measurement of the portfolio properties, which takes place twice a year. These sustainability criteria are based on the fact that sustainability aspects are discussed during the underlying planning of the construction measures and included in the business plan, which have an indirect impact on the valuation. No direct valuation discounts resulting exclusively from sustainability or ESG criteria had to be recognised either in the reporting year or in the previous year. As part of the assessment of alternative uses for previously owner-occupied sites, for example, considerations relating to the saving of grey energy and therefore CO_2 are also taken into account.

In the **customer lending business**, collateral is assessed taking into account the energy efficiency classes of buildings. In addition, the energy efficiency class is included in the credit rating of customers, among other things via the recognised energy costs. In this way, Wüstenrot Bausparkasse takes into account the energy-related condition of the properties in its balance sheet risk provisioning. Climate stress tests are also carried out regularly to show the effects on risk provisioning. The simulation results for 2024 do not show any significant effects on the balance sheet risk provisioning, meaning that no model adjustments were necessary here.

The green **mortgage bond** issued by Wüstenrot Bausparkasse AG in 2023 was increased by €100 million to €600 million. The bonds are used to refinance mortgage loans collateralised by energy-efficient properties that are either among the top 15% of properties on the national market according to the Green Bond Framework or are backed by class A and B energy certificates.

Climate-related issues concern developments over long-term periods. The **technical liabilities** of property/casualty insurance, on the other hand, are largely related to obligations over comparatively short periods of time. The valuation in the reserving process for the provision for outstanding claims (liability for incurred claims) is carried out independently of climate-related causes. On the other hand, climate risks from flooding, storms and hail are an integral part of the calculation of future potential losses in property/casualty insurance. Risks from these natural events are modelled in collaboration with our external partners and adjusted annually in line with new findings and portfolio data. They are taken into account in the loss expectations for the relevant portfolios and are included in the provision for future policy benefits (liability for remaining coverage). The technical result was significantly impacted by the consequences of the so-called "Orinoco" natural disaster event and various regional storms. Further details can be found in the Group management report under Business performance and position of the Group.
The influence of climate-related issues on technical liabilities in life and health insurance is of minor importance.

Changes in accounting policies

IFRS accounting standards to be applied for the first time in the reporting period

With the exception of the standards described below, which were required to be applied for the first time, the same accounting policies were applied as in the consolidated financial statements as at 31 December 2023.

- Amendments to **IFRS 16 Leases: Lease Liability in a Sale and Leaseback** specifies the subsequent measurement of the lease liability as a result of a sale and leaseback transaction. It states that the lease liability is to be subsequently measured in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains.

- Amendments to **IAS 1 Presentation of Financial Statements**:

  - **Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – Deferral of Effective Date**: The amendment clarifies that the classification of liabilities as current depends on the entity's right as at the reporting date to defer settlement of a liability for at least 12 months. This liability is classified as non-current if the entity is entitled to do so. If it is not, the liability is considered current. The date of initial application was postponed from 1 January 2023 to 1 January 2024.
  - **Non-current Liabilities with Covenants**: Clarifies that, for non-current liabilities, covenants are to be taken into account for the classification as current or non-current where these must be complied with on or before the reporting date.

- Amendments to **IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements** supplement existing disclosure requirements on supplier finance arrangements, thereby increasing the transparency of such transactions and their impact on companies' liabilities, cash flows and liquidity risks.

The amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback was adopted on 20 November 2023, the amendments to IAS 1 Presentation of Financial Statements were adopted on 19 December 2023, the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements were adopted into EU law on 15 May 2024. The amendments had no material impact on the presentation of the W&W Group's net assets, financial position and financial performance.

Accounting requirements that have been published but are not yet mandatory

Amendments with initial application for financial years beginning on or after 1 January 2025

- Amendments to **IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability** specifies the regulations on accounting for a lack of exchangeability of a currency and closes existing loopholes.

Amendments with initial application for financial years beginning on or after 1 January 2026

- Amendments to **Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)** contain amendments and clarifications to the application of cash flow criteria for certain contractual constellations for financial instruments with ESG conditions, among other things. Furthermore, these relate to the derecognition of financial liabilities that were repaid electronically and additional disclosure requirements.

- Annual **improvements** from the Annual Improvements to IFRS Accounting Standards-Volume 11 with amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These are minor adjustments in the form of clarifications within the standards.

- Amendments relating to **Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7** contain clarifications for contracts relating to nature-dependent electricity. They regulate the application of the own use exemption, specify accounting rules for the use of this as a hedging instrument and include further disclosure requirements.

Theamendment to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability was adopted into EU law on 12 November 2024. EU endorsement has not yet been granted for all other amendments mentioned. From the amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability is not expected to have any material impact on the presentation of the net assets, financial position and results of operations of the

W&W Group. The amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) are to be applied retrospectively. The effects with regard to the categorisation of financial assets with ESG or similar conditions of the W&W Group that do not meet the cash flow criteria of IFRS 9 in the version applicable to date and are therefore reported in the measurement category "Financial assets at fair value through profit or loss" are currently being investigated. The amendments from the published Annual Improvements to IFRS Accounting Standards-Volume 11 and the amendments to Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7 are currently still under review.

Publication of two new standards with first-time application for financial years beginning on or after 1 January 2027

- **IFRS 18 Presentation and Disclosure in Financial Statements** is intended to improve the assessment of a company's financial performance for users of financial statements by increasing comparability in presentation and will replace IAS 1 in future. IFRS 18 contains requirements for the presentation and disclosure of information in IFRS financial statements. Specifically, expenses and income will in future be allocated to the three new categories in the income statement, and the creation of two predefined subtotals will be introduced. The three new categories are:
  - Operating,
  - Investing,
  - Financing.

  In addition, management-defined performance measures (MPMs), which are based on a subtotal of expenses and income and are used by the company outside the financial statements to communicate its overall earnings position, must be defined, disclosed and reconciled to comparable (subtotals) totals. The MPMs do not include any key figures already defined or required to be disclosed by IFRS 18 or other standards. In addition, the introduction of IFRS 18 provides new rules on the aggregation and disaggregation rules according to which (homogeneous) items in the financial statements are to be recognised and disclosures made in the notes. Limited amendments are also being made to IAS 7 Statement of Cash Flows. Due to the different business activities of the W&W Group as a financial services provider (extensive range of services in the area of pensions), the W&W Group will probably be affected above all in the categorisation and allocation of expenses and income. The specified main business activities enshrined in IFRS 18, which require mandatory allocation to the operating segment, play a central role here.

- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** allows certain subsidiaries to apply the IFRS accounting standards with reduced disclosures in the notes if there is no public accountability obligation.

Neither standard has been endorsed by the EU to date. The W&W Group will not apply IFRS 19 for its subsidiaries. The implementation of IFRS 18 has an impact on the presentation of the net assets, financial position and results of operations of the W&W Group. To ensure the application of IFRS 18 as of 1 January 2027, the W&W Group has set up an implementation project, according to which the effects of the new standard are currently being examined.

Amendment in accordance with IAS 8

Netting of deferred tax assets and deferred tax liabilities

In accordance with the provisions of IAS 8.41 ff., deferred tax assets and deferred tax liabilities are recognised net at the level of the balance sheet item "Investment property" from the reporting year onwards.

The unnetted deferred tax assets and deferred tax liabilities reported as at 31 December 2023 in Note 14 and Note 22 in the 'Investment property' line item were each reduced by € 427 million as a result of offsetting. As a result, the cross-item offsetting effects at Group level as at 31 December 2023 in Note 14 and 22 in the "Offsetting effects" line item were reduced by € 297 million. Overall, this reduced the deferred tax assets and deferred tax liabilities after offsetting effects in the balance sheet by € 130 million each as at 31 December 2023 (as at 1 January 2023 by € 143 million each). The adjusted amounts in the comparative figures (Note 14 and Note 22) have been indicated by the footnote "Previous year's figure adjusted".

Adjustment amounts in the area of consolidated balance sheet assets

in € million	Carrying amount before adjustment 1.1.2023	Reclassifications	Carrying amount after adjustment 1.1.2023	Carrying amount before adjustment 31.12.2023	Reclassifications	Carrying amount after adjustment 31.12.2023
Other assets	**2,628**	**-143**	**2,485**	**1,813**	**-130**	**1,683**
Intangible assets	128	-	128	133	-	133
Property, plant and equipment	538	-	538	538	-	538
Inventories	157	-	157	78	-	78
Current tax assets	56	-	56	9	-	9
Deferred tax assets	1,709	-143	1,566	1,012	-130	882
Other assets	40	-	40	43	-	43
Total assets	**66,589**	**-143**	**66,446**	**68,682**	**-130**	**68,552**

Adjustment amounts in the area of consolidated balance sheet liabilities

in € million	Carrying amount before adjustment 1.1.2023	Reclassifications	Carrying amount after adjustment 1.1.2023	Carrying amount before adjustment 31.12.2023	Reclassifications	Carrying amount after adjustment 31.12.2023
Other liabilities	**1,484**	**-143**	**1,341**	**708**	**-130**	**578**
Current tax liabilities	162	-	162	135	-	135
Deferred tax liabilities	1,314	-143	1,171	562	-130	432
Sundry liabilities	8	-	8	11	-	11
Total equity and liabilities	**66,589**	**-143**	**66,446**	**68,682**	**-130**	**68,552**

In addition, in the notes regarding the allocation of deferred tax refund claims to balance sheet items (Note 14), individual amounts in the "Other balance sheet items" line have been allocated to the relevant balance sheet items. The previous year's figures were adjusted accordingly.

Changes in estimates

Adjustment of the bonus provision for home loan savings business

As part of the regular review of the model for the valuation of provisions for the home loan savings business (so-called empirical updating), it was determined that adjustments to the model would make it possible to better estimate future utilisation rates. The resulting positive effect on earnings is in the mid double-digit million euro range.

Accounting policies

The way in which the accounting policies are presented has been modified in the current reporting. No changes have been made to the content. Accordingly, the following presents the main principles for the accounting of financial instruments in accordance with IFRS 9 and the accounting of insurance contracts in accordance with IFRS 17 that are applied in the W&W Group. Furthermore, lease accounting in accordance with IFRS 16 is explained as a whole, as it affects various balance sheet items, including lease liabilities and property, plant and equipment. Item-specific notes concerning accounting policies can be found in the section “Disclosures concerning select items in the consolidated balance sheet” and in the section “Disclosures concerning select items in the consolidated income statement”.

Principles for the recognition, measurement and presentation of financial instruments

Recognition and derecognition

In accordance with IFRS 9, financial assets and financial liabilities are recognised in the balance sheet at the time at which a company of the W&W Group becomes a contractual party to the financial instrument.

Financial instruments are recognised in the W&W Group on the settlement date. This does not apply to derivative financial instruments, which are recognised on the trade date.

The first-time recognition offinancial assets and financial liabilitiesis at fair value. The measurement of fair value is explained in Note 38.

They are derecognised as soon as the contractual rights and obligations arising from the financial instrument expire or are redeemed or the criteria for derecognition are met when the financial instrument is transferred.

Categorisation and evaluation

For subsequent measurement, the W&W Group classifies the **financial assets** (debt instruments) in one of the following measurement categories:

- at fair value through profit or loss,
- at fair value through other comprehensive income (OCI),
- at amortised cost.

The categorisation is based on the one hand on the business model, which is reflected in the management of the financial assets, and on the other hand on the characteristics of the cash flows associated with the financial assets. The W&W Group distinguishes between the following business models:

- “Hold to collect”: Business model with the objective of generating contractual cash flows;
- “Hold to collect and sell”: Business model with the objective both of generating contractual cash flows and of selling financial assets;
- “Other/trading”: Business model under which financial assets were acquired with the intention of selling them in the short term or financial assets were unable to be assigned to the models “Hold to collect” or “Hold to collect and sell”.

Financial assets that are allocated to the "hold" or "hold and sell" business model are categorised as "at amortised cost" or "at fair value through other comprehensive income" if certain characteristics of contractual cash flows are present. This assessment is also called the SPPI test (Solely Payments of Principal and Interest). In this regard, it is examined whether the cash flows contain only principal and interest payments (known as basic loan features) toward the outstanding capital. In this regard, interest payments may consist only of consideration for the time value of money and the assumed credit risk. In addition, other elements consist of consideration for the assumed liquidity risk and premiums for administrative costs if these can be allocated to the holding of the financial asset. A profit margin is likewise an element of interest payments. Measurement at fair value through profit or loss is applied if financial assets are allocated to the "other/trading" business model or do not fulfil the aforementioned SPPI criteria.

Financial liabilities are generally measured at amortised cost unless they are held for trading (including derivative financial instruments) and are therefore measured at fair value through profit or loss.

The judgements and estimates used in the categorisation and measurement of financial assets are listed in the relevant section. Details on the (subsequent) measurement and recognition of gains and losses from individual measurement categories can be found in the "Disclosures concerning select items in the consolidated balance sheet".

Classes of financial instruments

The following overview presents the measurement categories in accordance with IFRS 9 in relation to the corresponding items in the consolidated balance sheet and shows which classes of financial instruments are allocated to them in accordance with IFRS 7.

Given the business models used in the W&W Group and the high relevance of capital investments, a detailed classification is used for financial instruments. The categorisation is based on characteristics such as the type of cash flows underlying the financial instruments and their risks. This includes differentiation based on ranking. The nature of the financial instruments is concisely reflected in the respective class names. The following classes of debt instruments are also explained separately:

the class "Senior fixed-income securities", which can be found in the categories "Financial assets at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income (OCI)", includes senior (bearer) bonds with mainly fixed interest rates.

In the category "Financial assets at fair value through other comprehensive income (OCI)", the class "Subordinated securities and receivables" comprises bonds and other securities and receivables. In terms of class volume, these are mainly floating rate notes and bonds with primarily fixed interest rates.

The class "Fixed-income financial instruments that do not pass the SPPI test" within the category "Financial assets at fair value through profit or loss" covers all financial instruments that are not solely cash flows for payments of principal and interest on the principal amount outstanding and so do not meet the SPPI criterion in IFRS 9. This class includes various types of bonds, promissory note loans and other securities and receivables with a range of rankings, which may be subject to several risks. Industrial companies and other financial service providers make up the largest group of issuers here due to the customised nature of their contracts.

The class "Senior debenture bonds and registered bonds" in the category "Financial assets at fair value through other comprehensive income (OCI)" includes exclusively non-fungible bonds and promissory note loans with fixed coupons. Public institutions and credit institutions account for the majority of issuers here.

The "Derivative financial instruments under assets and equity and liabilities" class essentially includes forward exchange contracts, swaps, other interest rate and currency derivatives and quoted and unquoted equity and index-linked options.

The class "Capital investments for the account and risk of life insurance policyholders" primarily contains fund units in which the W&W Group does not participate itself and thus does not bear any risks or opportunities.

The further procedure and the policies for measuring fair value are described in the chapter "Notes concerning financial instruments and fair value" in Note 38. If disclosures are required on individual classes of financial instruments, these are based on the categorisation shown below.

Classes of financial instruments

Risk category	Cash and cash equivalents	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income (OCI)
Financial assets			
Cash and cash equivalents	Amortised cost		
Participating interests not including alternative investments		Fair value	
Participating interests in alternative investments		Fair value	
Equities		Fair value	
Investment fund units		Fair value	
Senior fixed-income securities		Fair value	Fair value
Subordinated securities and receivables			Fair value
Derivative financial instruments		Fair value	
Fixed-income financial instruments that do not pass the SPPI test		Fair value	
Positive market values from hedges			
Capital investments for the account and risk of life insurance policyholders		Fair value	
Building loans			
Senior debenture bonds and registered bonds			Fair value
Other receivables			
Financial liabilities			
Liabilities evidenced by certificates			
Liabilities to credit institutions			
Liabilities to customers			
Lease liabilities			
Other liabilities			
Sundry liabilities[1]			
Negative market values from hedges			
Subordinated capital			
Off-balance-sheet business			
Irrevocable loan commitments[2]			

1 Liabilities that are allocated to the class in accordance with IFRS 7 due to reconciliation to the consolidated balance sheet, but are not subject to the scope of IFRS 7 / IFRS 9.

2 Off-balance-sheet business figures are generally provided at nominal value. Provisions are created where necessary

	Balance sheet items and measurement basis					
	Financial assets at amortised cost	Positive market values from hedges	Financial liabilities at fair value through profit or loss	Liabilities	Negative market values from hedges	Subordinated capital
	Amortised cost					
	Amortised cost					
			Fair value			
		Fair value				
	Amortised cost					
	Amortised cost					
	Amortised cost					
				Amortised cost		
				Amortised cost		
				Amortised cost		
				Amortised cost		
				Amortised cost		
				Settlement amount		
					Fair value	
						Amortised cost

Risk provision (expected credit loss)

The model for determining risk provision in accordance with IFRS 9 is based on expected credit losses, and is therefore also referred to as the expected credit loss model.

The model is primarily applied to financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income (OCI), irrevocable loan commitments and other contract assets. The calculation of risk provisions for off-balance sheet business corresponds to the calculation of risk provisions for financial assets.

The general impairment model of IFRS 9 provides for three levels of risk provisioning. In Level 1, expected credit losses due to possible default events within 12 months of the reporting date are determined (12-month credit loss). If the credit risk (excluding collateral) has deteriorated significantly since initial recognition on the measurement date, but no default event has occurred, the financial asset is transferred from Level 1 to Level 2. In Level 2, valuation is based on potential default events over the remaining term of the financial asset (lifetime perspective). If performance defaults occur in the further course of time and there is therefore objective evidence of impaired creditworthiness, the financial asset is allocated to Level 3. Risk provisioning in Level 3 is calculated in the same way as in Level 2 on the basis of the lifetime view, taking into account the certain occurrence of a default event. In Levels 1 and 2, interest income is calculated on the basis of the gross carrying amount; in Level 3 interest income is calculated based on the gross carrying amount less the risk provision.

It is essentially assumed that contracts in the customer lending business where payment is delayed by 30 or more days are deemed to have a significantly higher credit risk and are allocated to Level 2. This presumption was rebutted only for a small share of the total portfolio, which was still assigned to Level 1 despite being more than 30 days past due.

Significant decrease in credit rating

In the lending business, the change in the probability of default (PD) is used to carry out a quantitative assessment of whether the credit rating has experienced a material decrease since first-time recognition. The quantitative assessment criterion for a decrease in the credit rating is an actual reduction in the internal credit rating for the borrower's contract in question, which is used in the internal assessment of default risk. In addition to empirical values and credit ratings, forward-looking macroeconomic information is also taken into account here on a quantitative basis. Further details can be found in the section Modelling the point-in-time components.

In the case of building loans, the portfolios are assigned to an internal rating class using a scoring method. Each rating class is associated with a probability of default. At the acquisition date, they are allocated to a rating class using application scoring. Over time, the change in credit quality is reviewed by way of behavioural scoring and the portfolio is assigned to the respective rating class. The question of whether there has been a significant decrease in the credit rating is determined based on the relative change in the probability of default. In addition, a qualitative criterion in the form of the need for forbearance measures is used when ascertaining a significant decrease in the credit rating. Further details can be found in the section "Concessions and renegotiations (forbearance measures)".

In the securities area, reference is primarily made to the external issuer rating. Other criteria, such as a change in price (average price over the last six months is permanently 20% below the book price, average price over the last 12 months is at least 10% below the book price), mean that a separate monitoring process takes effect if these thresholds are exceeded, in which individual financial instruments are discussed against the background of the overall circumstances. Securities with an investment grade issuer ranking are assigned to Level 1. They are transferred to Level 2 if the rating changes from investment grade to non-investment grade. If, in addition to the significantly higher credit risk, there are objective indications that a security is impaired or the issuer experiences a default event, the security is transferred to Level 3. In the securities area we make use of the low credit risk exemption under IFRS 9. With this exemption under IFRS 9, it can be assumed that the default risk for a financial instrument has not increased significantly since initial recognition if it is determined that the financial instrument in question has a low default risk on the reporting date.

Impaired creditworthiness (credit-impaired)
An allocation to Level 3 occurs if the impairment trigger or the regulatory definition in accordance with Article 178 CRR is met. In accordance with this, the following criteria are used:

- the W&W Group considers it unlikely that liabilities to the W&W Group will be settled in full without the W&W Group having to take measures such as liquidating securities, and/or
- the receivable is more than 90 days past due.

Write-off
A write-off is the direct reduction in a financial asset's gross carrying amount due to impairment by the amount that is expected to be uncollectible. A write-off results in the (partial) derecognition of an asset. A write-off is generally recognised only when the remaining receivable is considered uncollectible after successfully liquidating the securities. This amount generally represents the utilisation of a previously recognised risk provision.

The W&W Group does not have any material financial assets that were already impaired upon initial recognition.

Measurement of the expected credit loss

To determine the expected credit loss/expected credit risk, the W&W Group uses a model based on parameters for the probability of default (PD), the exposure at default (EAD) and the loss given default (LGD). The expected credit risk is calculated based on existing (one-year) parameters that are used to determine the minimum capital requirement for credit institutions under the internal ratings-based approach (IRB) and adjusted for the requirements of IFRS 9 (e.g. multi-year horizon in the sense of a remaining term perspective and inclusion of macroeconomic factors). As part of this, existing one-year models are used and the term-dependent probability of default is approximated using one-year PDs. The central feature for determining multi-year, conditional PD profiles is the 12-month/one-year default indicator.

In the lending business, probability of default (PD) is calculated using an internal rating system. Within the W&W Group, each loan is assigned a probability of default based on a master scale. The assignment of the rating is based on the customer's specific behaviour, taking into account such factors as general customer behaviour (e.g. income from employment, marital status), external data (e.g. Schufa information) or payment behaviour are taken into account.

As part of determining the parameters for calculating the exposure at default (EAD), the contractually agreed payments of interest and principal and optional special repayments are modelled for all products.

When determining the expected percentage loss at the time of default (LGD), multi-year parameters are modelled on the basis of features that vary over time. In addition to the EAD, these characteristics that vary over time include, for example, collateral or the loan-to-value ratio. Here, a point-in-time component is modelled to recognise macroeconomic effects on the loss ratio. The price index for existing residential properties is relevant for in rem securities, whereas non-in rem securities reference the long-term ten-year interest rate for German government bonds. Further details can be found in the section Modelling the point-in-time components.

Cash flows must also be discounted when determining a risk provision under IFRS 9. The effective interest rate is used as the discount factor.

Modelling of the point-in-time component (forward-looking information)

Models of point-in-time components should cover forecasts of future economic changes as well as past and current information. Due to the multi-year horizon of these components, information on expected future economic development must therefore be taken into account when assessing the default risk of a loan. Using the macroeconomic factors, forecasts extend up to a maximum of three years into the future.

Making a forward-looking correction of this nature constitutes an adjustment of the probability of default (PD). Such a forward-looking perspective requires the inclusion of forecasts of the economic factors relevant to the default rate and their probability of occurrence within the framework of possible scenarios. First, the effect of the relevant macroeconomic factors on the default rate is determined. The point-in-time correction of the probability of default is then based on the forecast for this default rate. Accordingly, a contract-specific point-in-time corrected settlement LGD is also modelled.

In the customer lending business, the change in the probability of default in relation to macroeconomic factors depends chiefly on the change in the unemployment rate and nominal GDP growth. The probability of default and, in turn, the risk provision, tends to increase when the unemployment rate rises or nominal GDP growth declines. In the customer lending business, the amount of the expected percentage loss in the case of default in relation to macroeconomic factors depends chiefly on developments in the price index for existing residential properties and developments in the ten-year interest rate for German government bonds. The expected percentage loss at the time of default and, in turn, the risk provision, tends to increase if the price index for existing residential properties falls or the long-term ten-year interest rate for German government bonds increases.

The model for calculating the risk provision requires estimates regarding the extent to which the expected credit losses are affected by changes in macroeconomic factors. The forecast for the macroeconomic factors relevant to determining the IFRS 9 risk provision in the individual scenarios was essentially based on internal company planning and the availability of data for the forecasts.

The following scenarios were considered as at 31 December 2024 to calculate the risk provision under IFRS 9 and its sensitivity in the customer lending business. For the specific design of the alternative scenarios, the global economic and political environment was also taken into account after the reporting date and used as the basis for the macroeconomic forecasts. Actual developments may differ from these assumptions as a result of how the war in Ukraine progresses moving forward and other developments and events affecting the global economy.

Forecast of relevant macroeconomic factors in the ...

	Basis scenario	Alternative scenario – optimistic	Alternative scenario – pessimistic
Price index for existing residential properties[1]	178.9	178.0	154.9
Unemployment rate, in %[2]	3.7	3.4	4.0
Nominal GDP growth, in %[3]	2.3	3.5	0.0
Long-term 10-year interest rate for German government bonds, in %[4]	2.3	3.0	1.0

1 Base year = 2010, data base of the German Federal Statistical Office at the quarterly level, forecast as a general rule over three years
2 OECD data basis at quarterly level forecast over one year.
3 OECD data basis at quarterly level forecast over one year.
4 Data base of the OECD at the quarterly level, forecast over two years
The macroeconomic factors listed above relate to Germany.

Scenario-weighted risk provisioning in the customer lending business is based on the above scenarios (baseline, optimistic and pessimistic scenario). The modelled risk parameters take into account all three scenarios based on an expert estimate of the respective probability of occurrence. In addition, the model data base used covers different economic cycles.

In connection with the derivation of risk parameters in the securities area, we make use of information provided by rating agencies and by the capital market, particularly in the case of the derivation of multiyear default parameters, taking into account internal measurement yield curves and empirically observed (multiyear) default rates for bonds that are published on a regular basis by the rating agencies. Information from ratings agencies is also used when modelling multi-year parameters for the loss given default (LGD). Probabilities of default are adjusted for forward-looking macroeconomic factors in the form of a correction factor based on market-implied probabilities of default, as the macroeconomic factors listed above are implicitly included in the risk provision calculation by way of market participant expectations. This correction factor describes the relationship between the current and long-term credit-spread-based expectations of investors on the capital market concerning credit ratings. If this relationship is greater than 1 (less than 1) in the pessimistic (optimistic) scenario, the capital market assumes a higher (lower) probability of default for an issuer, which, in accordance with the correction factor, then has an effect on the calculation of the risk provision. The creation of optimistic and pessimistic alternative scenarios is regularly based on historical data with additional consideration of current market developments. The adjustment of the aforementioned correction factor represents the starting point for a sensitivity calculation for both the optimistic and the pessimistic scenario. In the latter scenario, a rating downgrade by one notch is also assumed.

In the purely pessimistic alternative scenario, risk provisioning in accordance with IFRS 9 would increase by €61 million in the W&W Group as at 31 December 2024 for the customer lending business and the securities business and decrease by €17 million in the purely optimistic alternative scenario for both areas.

Concessions and renegotiations (forbearance measures)
In justified exceptional cases, we enter into reorganisation/restructuring agreements with customers. These agreements generally call for a temporary or permanent reduction in the amount of loan repayment instalments in exchange for an extension of the total term of the loan, which ultimately is intended to lead to complete repayment. In addition, they include modification of interest terms to conform to the new repayment terms and normally call for deferment of existing interest claims.

Such concessions may be granted to the borrower on account of existing or expected financial difficulties, and they normally contain terms that are more advantageous to the borrower as compared with the original contract. In order to be able to identify these commitments early on, all loan commitments in the W&W Group are regularly reviewed for whether there is evidence that the borrower is experiencing financial difficulties. In particular, arrears that trigger collection warnings constitute objective evidence that the borrower is experiencing financial difficulties.

The forbearance measures implemented also have a fundamental effect on the level allocation in the expected credit loss model. In the spirit of a forward-looking concept for risk provision under IFRS 9, we augment the quantitative criteria for a change of level with a qualitative transfer criterion with respect to the forbearance measures that have been taken. This ensures that, as a rule, all forbearance measures trigger a change of level under IFRS 9 from Level 1 to Level 2.

Loan commitments for which the evaluation of creditworthiness, taking into account an annuity reduction, is positive and that were not previously in default are converted directly to the new repayment terms. The effects from the undertaken modifications were not material in the W&W Group in the current financial year (unsubstantial modifications).

However, despite careful review of creditworthiness and the targeted measures taken, it cannot be ruled out that repayment problems will arise in the future. Should that occur, the customer's creditworthiness is once again critically reviewed on the basis of its current economic circumstances.

If the assessment of creditworthiness is negative, or if the loan is in default, it is first decided whether it appears reasonable under the given circumstances to restructure the existing loan or refinance the debt through a new loan. In all other cases, the settlement process is initiated for loans in default.

Customer loan agreements with active forbearance measures are assigned to at least Level 2. If there is an active default, categorisation takes place in Level 3. If the default or the forbearance measures are completed, a transfer back to a better level in accordance with IFRS 9 takes place, provided there are no other reasons (e.g. quantitative transfer criterion) to the contrary.

Hedge accounting

The regulations on hedge accounting are applied in the Residential Property segment. The objective is to reflect the economic interest rate risk management in the accounting in accordance with the economic content of the hedging relationships. As part of fair value hedge accounting, fluctuations in the market value of financial assets and/or financial liabilities are hedged on an individual transaction and portfolio basis, whichare attributable to the interest rate change risk and can have an impact on the result for the period. As IFRS 9 does not contain any regulations for portfolio fair value hedge accounting, hedge accounting is applied in the W&W Group in accordance with the regulations of IAS 39.

At the beginning of a hedge relationship, the hedging relationship assessed as highly effective and the associated risk management objective and strategy are formally documented. This includes, among other things, the description of underlying and hedging transactions as well as the definition of the hedged risk, the frequency and the method for initial and ongoing effectiveness measurement.

The concept of fair value hedge accounting in the Residential Property segment is aligned with the processes and objectives of the W&W Group's risk management, especially internal interest rate risk management. For further information on the management of market price risks in the W&W Group, please refer to Note 48 and the risk reporting in the management report. Only interest rate swaps are used as hedging instruments in the existing fair value hedges. Fixed-interest securities classified as financial assets at fair value through other comprehensive income (OCI) or financial liabilities measured at amortised cost are designated as hedged items at individual transaction level. For the formation of the portfolio fair value hedge relationships , the amount to be hedged against the interest rate change risk is mainly determined using portfolios of building loans and home loan savings deposits. As part of the management of complex interest rate portfolios, which generally consist of a large number of positions with a wide variety of maturity structures, portfolio formation includes defining the selection criteria for the financial assets and/or financial liabilities to be included in the respective portfolio, generating the associated cash flows for each portfolio and allocating them to maturity bands to be defined, determining the amount to be hedged from the portfolio and identifying those derivatives that have a particularly good compensatory effect in terms of their market value fluctuations induced by interest rate changes. The so-called "remaining-term-to-maturity effect" is not a component of the hedged risk. Hedges are concluded for a term in line with their respective hedging purpose. While hedging relationships at the individual transaction level are generally agreed for a longer designation period, hedges at the portfolio level are designed for a calendar month. The one-month hedging periods of the hedge at portfolio level mean that the volume designated as at the reporting date does not correspond to the volume of the individual hedging periods during the reporting period.

The effectiveness of a fair value hedge relationship is demonstrated prospectively in the W&W Group on the basis of the matching, significant valuation parameters of the underlying and hedging transactions. Retrospectively, effectiveness is measured using the cumulative dollar offset method. The effectiveness of portfolio hedges is measured both prospectively and retrospectively using the dollar offset method. Under this method, the changes in the fair value of the individual hedged items or the amount to be hedged in a portfolio of hedged items relating to the hedged risk are measured using the discounted cash flow method and compared with changes in the fair value of the corresponding hedging instruments. If the ratio is in the range of 80% to 125%, the hedge relationship is considered highly effective in accordance with IAS 39.AG105. Effectiveness is regularly reviewed and documented, at a minimum on the reporting date. For portfolio hedges, this is done monthly at the end of each month. The corresponds to the length of one-month hedge periods and applies to both the prospective and the retrospective view. For the purpose of prospective effectiveness measurement, fluctuations in market value are analysed on the basis of various interest rate scenarios for each portfolio (market data shifts). The retrospective effectiveness test is carried out on the basis of the interest rate-induced changes in fair value that actually occurred during the hedge period.

The measurement results from hedged items and hedging transactions measured as part of the retrospective effectiveness test are recognised in profit or loss in the measurement result under the result from hedging relationships item. The carrying amount of an individually hedged item measured at amortised cost is adjusted for the gains and losses attributable to the hedged risk. These hedge adjustments are recognised in profit or loss over the remaining term of the underlying transaction. The carrying amount of an underlying transaction from the category "Financial assets at fair value through other comprehensive income (OCI)" remains at fair value, whereby only the gains and losses attributable to the hedged risk are recognised in profit or loss during the hedge period. In the case of portfolio hedges, the hedge-related book value adjustments are accumulated in a separate line item. These are shown as a separate adjustment item, asset-side portfolio hedge adjustment, within the balance sheet item "Financial assets at amortised cost" or as a liability-side portfolio hedge adjustment within the balance sheet item "Liabilities". The separate line items are amortised on a straight-line basis over the remaining term of the hedged items in the portfolio from the time the hedging relationship is terminated. Any change in the fair value of the derivative used as a hedging instrument is recognised in the income statement under positive or negative market values from hedging relationships. Amounts relating to hedged items and hedging instruments and to ineffectiveness, i.e. the interest rate-induced changes in the fair value of the hedged items and hedging instruments that go beyond the compensatory effect are presented in Note 39.

Possible causes of ineffectiveness that are likely to affect the hedging relationship during its term are generally differences between the expected and actual revaluations. If the ratio between the interest rate-induced changes in value of the hedged item and the hedging transaction falls outside the specified tolerance range, the hedging relationship can no longer be assessed as highly effective and is cancelled retrospectively at the beginning of the hedge period. In the case of portfolio hedges, balance sheet disposals of the underlying transactions designated in the portfolio can also influence the effectiveness and amortisation of the separate line item positions created. As part of the monthly portfolio fair value hedge process, unscheduled disposals in the underlying transaction portfolios are determined by comparing the future cash flows resulting from the underlying transactions from the beginning and end of the respective hedge period. New business actually concluded since the beginning of the period is regularly deducted from the cash flow at the end of the period.

Genuine securities repurchase agreements and securities lending transactions

Genuine securities repurchase agreements are contracts under which securities are sold for consideration but where it is at the same time agreed that such securities have to be purchased back at a later point in exchange for payment to the seller of an amount agreed to in advance.

Securities sold in connection with repurchase agreements continue to be recognised in the seller's balance sheet in accordance with the prior categorisation, since it retains the risk and opportunities associated with ownership of the security. At the same time, the seller recognises a financial liability in the amount received. If there is a difference between the amount received upon sale of the security and the amount to be paid when repurchasing it, it is imputed over the term of the agreement using the effective interest method and recognised in the income statement. Current income is recognised in the consolidated income statement according to the rules for the relevant securities category.

Securities lending transactions are accounted for in the same way as repurchase agreements. Lent securities continue to be recognised in the balance sheet in the relevant category. By contrast, borrowed securities are not recognised. If borrowed securities are sold to a third party, the obligation to return them is recognised under "Financial liabilities at fair value through profit or loss". A corresponding liability is recognised for received cash collateral, and a corresponding receivable is recognised for provided cash collateral. If securities are provided as collateral, they continue to be recognised by the collateral provider. Income and expenses from securities lending transactions are recognised in the consolidated income statement corresponding to the relevant term.

Detailed information about the scope of repurchase agreements and securities lending transactions entered into in the W&W Group can be found in Note 40 "Transfers of financial assets and granted and received collateral".

Principles for the recognition, measurement and presentation of insurance contracts

Classification and aggregation level

All insurance contracts and reinsurance contracts concluded by companies in the W&W Group transfer significant insurance risk and are recognised in accordance with the principles of IFRS 17 Insurance Contracts. A distinction is made between insurance contracts issued, which include reinsurance contracts held as well as primary insurance contracts , and reinsurance contracts held. In some cases, the W&W Group does not apply IFRS 17 when accounting for products and services that also have both financial and insurance characteristics. This mainly relates to policy loans and premium deposits, which continue to be recognised in accordance with IFRS 9.

The primary insurance business is also divided into contracts with direct and without direct profit participation. This categorisation is the basis for the allocation of corresponding contract groups to the various measurement models of IFRS 17, which are described below. Insurance contracts with direct profit participation must fulfil the following three criteria cumulatively:

- the policyholders contractually participate in a clearly identified pool of underlying items;
- the entity expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items;
- the entity expects a substantial proportion of the amounts to be paid to the policyholder to vary depending on changes in fair value of the underlying items.

In the W&W Group, the entire portfolio of the primary insurance business in life insurance and large parts of the health insurance business fulfil the aforementioned criteria and are classified as directly participating business. IFRS 17 does not specify a concrete threshold for the assessment of the second criterion. In the W&W Group, this is considered to be fulfilled by the MindZV (life insurance) and KVAV (health insurance) because the policyholders must participate in at least 50% of the income from the various profit sources.

For accounting and measurement purposes, the W&W Group aggregates the insurance contracts at divisional level - life insurance, health insurance and property and casualty insurance - into so-called accounting units (level of aggregation) in accordance with the requirements of the standard. Groups of insurance contracts (GIC) that are subject to similar risks and managed together are formed as the unit of account. In life insurance, the portfolio is formed on the basis of the biometric risk and the capital investment risk, whereby a distinction is made between conventional and unit-linked tariffs. In health insurance, all insurance contracts are based on the same underwriting risk – the insured person's state of health. The portfolio is therefore formed on the basis of joint management. The decisive factors here are joint reporting, premium adjustment, the AUZ procedure (actuarial company interest rate), profit participation and the option of changing tariffs. In property and casualty insurance, the portfolios are based on the reserve valuation lines, which also form the basis for accounting in accordance with Solvency II and the German Commercial Code (HGB). Various criteria are used, including product features such as guarantees, underwriting logic, claims settlement patterns and the risk profile of policyholders. For an illustration of the portfolios formed, please refer to the tables on the expected maturity structure of the cash flows in Note 51.

Within the portfolios, the insurance contracts are divided into three profitability groups and the annual cohorts. As a rule, contracts in the same group may not be dated more than one year apart. At the level of life and health insurance, the W&W Group - in accordance with the exemption in EU Regulation (EU) 2021/2036 of 19 November 2021 - does not form annual cohorts for insurance contract groups with direct profit participation. Contracts are categorised into different profitability groups in life and health insurance based on the results of profit tests and the initial assessment. Insurance contracts for which the calculation of premiums or the level of benefits for policyholders with different risk characteristics are subject to statutory or regulatory restrictions (e.g. unisex tariffs) are categorised in the same profitability groups. In property and casualty insurance, the differentiating features of the various claims profiles and distribution channels with varying commission rates are taken into account in the subdivision into different profitability groups.

Recognition and measurement

A group of issued insurance contracts is recognised for the first time from the earlier of the date on which this GIC's coverage period begins and the date on which a premium payment in the GIC first falls due or the date of the first premium payment, if there is no due date. The coverage period is the period in which the company provides insurance contract services and for which premiums were paid within the boundaries of the contract. In the case of onerous groups of contracts, initial application applies from the date on which it becomes known that the group is onerous. The initial recognition date for a group of reinsurance contracts held depends on the start of their coverage period or the initial recognition date of the underlying loss-making insurance contracts. Regardless of this, the first-time recognition of reinsurance contracts with proportionate coverage (as for quota share reinsurance contracts) is postponed until the date at which an underlying insurance contract was recognised for the first time if this date is after the start of the reinsurance contracts' coverage period.

Measurement under IFRS 17 is generally performed for each group of insurance contracts using the general measurement model, also known as the building block approach (BBA). Accordingly, the principles set out below apply equally to insurance and reinsurance contracts. Special rules must be observed for insurance contracts with direct profit participation, for which IFRS 17 provides for a variation of the BBA, the variable fee approach (VFA), as well as for the application of the BBA to reinsurance contracts held, which are discussed below where applicable. Under certain conditions, an approximation method known as the premium allocation approach (PAA) is also permitted.

Measurement using the general measurement model

The general measurement model of IFRS 17 follows the principle of the fulfilment of insurance contract obligations. Consistent with the principles of IFRS 15, revenue is recognised on the basis of the services rendered in the respective reporting period. Accordingly, the carrying amount of a GVV, which represents a technical liability at the end of a reporting period, is made up of the following measurement components:

- the **provision for future policy benefits (liability for remaining coverage)**, which comprises the fulfilment value (fulfilment cash flows) in relation to future insurance cover and the contractual service margin (CSM); and
- The **provision for outstanding insurance claims (liability for incurred claims)**, which reflects the fulfilment value in relation to expected cost and claims payments for claims that have already occurred over the course of the settlement period.

Correspondingly, a technical asset from held reinsurance is made up of the following components:

- the **asset for remaining coverage** and
- the **asset for incurred claims**.

The **fulfilment value** is calculated in the BBA as the present value of the expected future cash flows, taking into account an explicit risk adjustment for non-financial risks. When determining expected future cash flows, the W&W Group considers all cash flows within the boundaries of the contract and thus directly related to meeting contractual obligations. In particular, these include payments to policyholders, commission payments and other payments for the purposes of fulfilling the contract. The W&W Group also treats cash flows in connection with intermediaries as future cash flows within the insurance contract limits in accordance with the IFRS Interpretations Committee (IFRS IC) decision of 12 September 2023. Estimates of cash flows within the boundaries of the contract also cover cash flows of the investment components. Under IFRS 17, these are the amounts to which the policyholder is entitled under all circumstances – including the expiry of the contract. There is no investment component only if there is a scenario with commercial substance in which the policyholder does not receive any services. Investment components at the W&W Group are primarily in life insurance primary insurance contracts. These are often linked to the underlying insurance contract and thus not recognised separately. In addition, costs attributable to underwriting must be projected for the future. The cost cash flows for determining the provision for future policy benefits include future claims adjustment, contract administration and acquisition costs. Service commissions as part of administrative costs and, for direct participating business, capital investment management costs are considered separately here. On the other hand, provisions for outstanding insurance claims include exclusively provisions for claims adjustment costs.

The risk adjustment for non-financial risks is the compensation requested for bearing the uncertainty about the amount and timing of the technical cash flows when fulfilling insurance contracts.

The **contractual service margin** accrues the unrealised profit for issued insurance contracts and distributes this over the coverage period in accordance with the basic principle of IFRS 17 based on the provision of services. The initial recognition of a GVV that is not expected to be loss-making is therefore recognised directly in equity. By contrast, the expected loss from business expected to be onerous at initial recognition is recognised immediately as an expense. The CSM cannot assume a negative value for insurance contracts issued. In this case, it is recognised at zero in the balance sheet and a loss component is formed that is reduced in stages over the coverage period. By contrast, the CSM in reinsurance held corresponds to the net costs or net profit initially expected from the reinsurance contract on initial recognition. As part of the subsequent measurement, the CSM is adjusted for the effects of new business, changes in the fulfilment value in relation to future benefits, interest accrued using the interest rate at the time of initial recognition and, if applicable, the effects of any exchange rate differences. The CSM is then amortised through profit or loss on a pro rata basis for the services rendered during the reporting period on the basis of the so-called cover units.

Further details on the projection of future cash flows and the determination of discount rates, coverage units and the risk adjustment for non-financial risks can be found in the section on the use of judgements and estimates. It also explains the measurement of insurance contracts as at the date of initial application of IFRS 17.

Measurement using the variable fee approach

Compared to the BBA, measurement under the VFA features an additional adjustment of the CSM to account for changes to the entity's share of the fair value of the underlying items. This is considered part of the variable fee that the entity withholds in the future over the coverage period of the insurance contract in exchange for settling its obligations to the policyholder. Fulfilment cash flows are determined based on contractual options and guarantees on a market-consistent basis as part of a risk-neutral valuation. As underlying items generally generate higher income, differences arise in comparison to the risk-neutral valuation in the VFA. These are taken into account in the amount of the entity's share in the CSM, resulting in a systematic increase in the variable fee. In order to recognise the service appropriately, the entity's share of the excess return expected for the past reporting period is therefore released through profit or loss as part of the subsequent measurement.

The underlying items based on contracts with direct participation features in the W&W Group's life and health insurance are shown at fair value in Note 45. A special structure applies if an underlying item is a participation in a fully consolidated subsidiary. Here, net assets are not measured at fair value in the consolidated financial statements (after consolidation) but instead result from the measurement of the subsidiary's individual assets and liabilities under the relevant IFRS. In this case, the fair value of the participation / share in affiliated companies is used as the underlying item. The difference between net assets and the fair value of the participation is recognised in the W&W Group in other comprehensive income (OCI option) under IFRS 17.89(b) (see further information on the option under Use of discretionary decisions and estimates). Measurement discrepancies resulting from the joint application of IFRS 9 and IFRS 17 thus affect other comprehensive income (OCI), not the consolidated income statement.

Measurement using the premium allocation approach

In accordance with IFRS 17, the PAA may be applied to insurance contract groups as an approximation method for the measurement of the provision for future policy benefits if:

- this simplification leads to approximately the same results for the group as the valuation using the BBA, or
- the coverage period of each contract in the group does not exceed one year.

When using the PAA, the provision for future policy benefits is mapped in a simplified manner using unearned premiums.

Application of the measurement approaches described above in the W&W Group

In the W&W Group, the insurance contracts issued in the area of life and health insurance are measured almost exclusively in accordance with the provisions of the VFA, as these are classified as directly participating business. In health insurance, the PAA is applied to a portfolio of short-term contracts in primary insurance and in the area of reinsurance held. Reinsurance business in the area of life insurance is measured according to the BBA. In the area of composite insurance, insurance contracts issued with a term of several years are generally measured using the BBA. With a few exceptions permitted by the standard, the insurance and reinsurance contracts measured using the PAA have a coverage period of one year or less.

Leases

A lease is a contract or part of a contract that entitles the lessee to control the use of an asset for a period of time in exchange for consideration. At inception of a contract, it must be assessed whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

IFRS 16 is not being applied to intangible assets.

W&W Group as lessee

As a rule, a right-of-use asset and a lease liability are recognised in the consolidated balance sheet on the commencement date. The capitalised rights of use are valued according to the same principles as other similar assets owned by the W&W Group.

The fair value model is applied to the rights of use within investment property in life and health insurance. The annual changes in fair value are then recognised in profit or loss in the valuation result. They are not written down.

If the lease liabilities already recognised separately are not taken into account in the measurement of investment property held by a lessee, then these are added to determine the carrying amount of the investment property.

All other capitalised rights of use are amortised according to the cost model until the end of the contract and tested for impairment on each reporting date. If the recoverable amount of the right-of-use asset is less than its carrying amount, an impairment loss is taken. If the reasons for taking the impairment loss no longer exist, it is tested for reversal. Scheduled depreciation and impairment losses are recognised in the sub-item “Depreciation/amortisation” under “General administrative expenses”.

The lease liability is measured at amortised cost using the effective interest method. In addition, the present value is calculated on the basis of the lease payments for the right to use the underlying asset that have not yet been made, which are discounted using the interest rate implicit in the lease. As that rate cannot be readily determined, we use our incremental borrowing rate, which is determined on the basis of an alternative borrowing in the form of an observable return over a period that corresponds to the term of the relevant lease. In addition, the lessee’s credit default risk is taken into account in the interest rate, paying regard to term and creditworthiness.

Lease payments are divided into financing costs and a repayment portion, whereby the financing costs are recognised as an expense under "Current financial result" (interest expenses under “Interest result”). The repayment portion reduces the financial liability.

The W&W Group recognises its right-of-use assets in the same balance sheet item in which its own underlying assets are recognised, i.e. under “Property, plant and equipment” and under “Investment property”.

Lease liabilities are recognised under “Liabilities” as a separate sub-item in the consolidated balance sheet.

Short-term leases with a term of up to one year, as well as leases whose underlying asset is of low value, are recognised as a general administrative expense in the income statement on a straight-line basis over the lease term.

W&W Group as lessor

Every lease is classified by the lessor either as an operating lease or a finance lease. The classification is made at the start of the lease and is reevaluated only if the lease is amended.

The lessor classifies a lease as a finance lease if essentially all risks and opportunities associated with ownership are transferred to the lessee. The leased asset held at the time of contract conclusion is derecognised, and a receivable from the lessee in the amount of the net investment in the lease is recognised under “Other receivables”. Payments of lease instalments are to be broken down into receivable amortisation and financial income. The derecognition and impairment rules of IFRS 9 are applied to the receivable.

If the lessor classifies a lease as an operating lease, the assets underlying the lease are recognised in the corresponding balance sheet item, irrespective of the characteristics of these assets. Income from operating leases is generally recognised on a straight-line basis over the lease term under other current result. Costs, including depreciation, incurred in connection with operating leases are recognised as an expense in the item “Other current result” in the consolidated income statement. The depreciation rates for depreciable leased assets are consistent with those for similar assets. Recognised leased assets are tested for impairment as at each reporting date. If the reasons for taking the impairment loss no longer exist, it is tested for reversal.

Disclosures concerning select items in the consolidated balance sheet

Cash and cash equivalents

This item includes cash, current account balances at banks that are available at any time without notice, as well as balances at central banks and foreign postal giro offices with a term to maturity of less than three months. They are measured at amortised cost.

Non-current assets held for sale and discontinued operations

A non-current asset is classified as held for sale if the associated carrying amount is to be realised primarily through a sale and not through continued use.

Such assets are recognised in the balance sheet under the item "Non-current assets classified as held for sale and discontinued operations". Associated liabilities are recognised in the balance sheet under the item "Liabilities under non-current assets classified as held for sale and discontinued operations". Income and expenses from individual assets held for sale or disposal groups are not recognised separately in the income statement but instead are included under the normal items.

Non-current assets that are classified as held for sale are recognised at the carrying amount or at fair value less costs of disposal, whichever is lower. If the carrying amount is higher than fair value less costs of disposal, the amount of the difference is recognised as a loss for the relevant period. Assets held for sale are not subject to scheduled depreciation.

Costs of disposal mean the additionally incurred costs that are directly attributable to the sale of an asset (or a disposal group), with the exception of financing costs and the income tax expense.

The criteria for classifying an asset as held for sale are considered met only if the sale is very likely and the asset or the disposal group can be immediately sold in its current condition. In principle, it may be expected that the planned sale will take place within one year of the time of classification.

Financial assets at fair value through profit or loss

In the W&W Group, this item mainly includes equity instruments, fund units and capital investments for the account and risk of life insurance policyholders. This item also includes the positive market values of derivative financial instruments that are not recognised as hedging instruments as part of hedge accounting. Overall, these are financial assets that are allocated to the "other/trading" business model or correspond to the "hold" or "hold and sell" business models and do not pass the SPPI test.

Initial recognition and subsequent measurement take place at fair value. Changes in fair value and currency translations are recognised through profit or loss under "Measurement result". Interest components are shown under "Current financial result" and commissions under "Commission result".

Financial assets at fair value through other comprehensive income (OCI)

In the W&W Group, this item mainly consists of bearer bonds, registered bonds, subordinated bonds and debenture bonds. These debt instruments are allocated to the "hold and sell" business model and fulfil the SPPI criteria.

They are initially recognised at fair value plus or less directly attributable transaction costs. Fees that are not a part of effective interest are recognised under "Commission result" at the time they are collected. In the case of subsequent measurement, changes in fair value are recognised through other comprehensive income. At the same time, the risk provision for expected credit losses, as described in the section "Risk provision (expected credit loss)", is recognised/reversed through profit or loss in other comprehensive income (OCI). The transaction costs, premiums and discounts are amortised at a constant effective interest rate. Interest components are recognised in the current financial result, while currency effects are recognised in the measurement result. The recycling of the changes in value recognised in equity takes place in the result from disposals when the debt instrument is disposed of .

Financial assets at amortised cost

In the W&W Group, this item mainly includes debt instruments, which are allocated to the "Hold" business model and fulfil the SPPI criteria. Included are building loans with a focus on mortgage loans for retail customers secured by property as well as bearer bonds, promissory note loans and registered bonds. Other receivables are also included. These mainly consist of loans and advances to credit institutions, customers and affiliated companies as well as financial receivables that were paid as part of the non-management business and are generally reimbursed within 12 months.

Costs at the time of acquisition correspond to fair value, plus or minus transaction costs that are directly attributable to acquisition or issue. Fees that are not a part of effective interest are recognised under "Commission result" at the time they are collected. In addition, an impairment loss for expected credit losses is recognised in the income statement in accordance with the section on expected credit loss. In subsequent measurement, the acquisition costs are amortised through profit or loss depreciating transaction costs, premiums and discounts at a constant effective interest rate. Interest components are presented in the current financial result, while foreign currency expenses and income are recognised in the measurement result.

This item also includes the asset-side portfolio hedge adjustment. This represents an adjustment to the carrying amount resulting from the interest rate-induced measurement of the financial assets hedged as part of the portfolio fair value hedge at amortised cost in accordance with IAS 39. Further details are provided in the section on hedge accounting.

Positive market values from hedges

This item includes the positive market values of derivative financial instruments that are recognised as hedging instruments in hedge accounting. Initial recognition and subsequent measurement is at fair value in accordance with the special regulations on hedge accounting (see corresponding section).

Technical assets

Technical assets on the assets side of the balance sheet include portfolios of insurance contracts that represent assets on the reporting date, whereby insurance contracts issued and reinsurance contracts held are recognised separately.

Please refer to the section “Principles for the recognition, measurement and presentation of insurance contracts” for the accounting principles applied to technical assets.

Investment property

The item "Investment property" includes land and buildings as well as rights of use from leases (see the section on leases) that are held for the purposes of generating rental income and/or appreciating in value.

Investment property is initially recognised at acquisition or production cost. The fair value model is used for the subsequent measurement of all investment property in life and health insurance. The annual changes in the fair value of the properties are then recognised in profit or loss in the measurement result. They are not written down.

The investment property of Group companies outside the life and health insurance segment continues to be measured at cost less depreciation and amortisation based on use and any impairment losses (cost model).

Each part of a property with an acquisition value that is significant in relation to the value of the entire property is subjected to separate scheduled depreciation. In so doing, a distinction is made, at a minimum, between shell construction and interior outfitting/technical systems.

The individual useful lives of shell construction and interior outfitting/technical systems are estimated by architects and engineers in the property division of the W&W Group. For shell construction, the maximum useful life is estimated to be: for residential properties 80 years (previous year: 80 years) and for commercial properties a maximum of 50 years (previous year: 50 years). For the component Interior fittings/technology, a maximum useful life is assumed of 25 years (previous year: 25 years).

Shell construction and interior outfitting/technical systems are subjected to scheduled depreciation on a straight-line basis over the expected remaining useful life. Right-of-use assets from investment property are depreciated on a straight-line basis over the expected useful life of up to 99 years (previous year: 99 years). In this regard, the expected useful life corresponds to the contract term.

Impairment testing for investment property that is not measured at fair value is performed in two steps. First, it is examined whether there is evidence of impairment on the reporting date. If this is the case, the anticipated recoverable amount is determined as the net realisable value (fair value less costs of disposal). If this value is less than amortised cost, an impairment loss is taken in the corresponding amount. In addition, it is examined on the reporting date whether there is evidence that an impairment loss taken for investment property in earlier periods no longer exists or might have declined. If this is the case, the recoverable amount is likewise determined and, if appropriate, the carrying amount is modified to reflect the recoverable amount, paying regard to amortised cost. Impairment losses and reversals of impairment losses on investment property are recognised in the consolidated income statement under the item "Measurement result".

The fair value of investment property is essentially determined using the discounted cash flow method, with deposits and withdrawals planned in detail. Significant non-observable input parameters are used here.

In connection with determining fair value, expected future cash inflows (rents, other revenues) and cash outflows (maintenance, non-apportionable operating expenses, vacancy costs, costs for re-leasing) are discounted to present value for a 10-year forecast period and planned in detail.

Cash inflows and outflows are considered on an individual basis, i.e. each lease and each construction measure is planned separately. Likewise, vacancy periods, real estate agent costs, etc. in the commercial area are viewed separately for each rental unit. With regard to residential properties, market-based assumptions about the change in the average rents of all residential units over the forecast period are taken as a basis. Because residential units are similar, we dispense with individual planning.

In particular, the following significant non-observable inputs are used:

- The adjusted capitalisation interest rate of a risk-free financial investment, plus a risk premium, is used as the internal interest rate. The risk premium for properties ranged from 210 basis points (previous year: 202 basis points) (e.g. for residential properties in prime locations) and 597 basis points (previous year: 638 basis points) (e.g. for retail locations without recognisable advantages/strengths). This results in an adjusted capitalisation interest rate of between 4.35% (previous year: 4.02%) and 8.22% (previous year: 8.38%), although deviations from the interest margin may occur in individual cases due to special property and location features.
- As the basis for determining rent increases and changes in average rents in the forecast period, the inflation rate of 2.50% (previous year: 2.50)% p. a. was used as a basis. For commercial properties, this was the basis used to make a property-specific, contractually conforming forecast of rent trends independent of location, site, building age and type of use. For residential properties, the basis used is the anticipated change in comparable local rents. In addition, on the basis of past experience, an assumption was made as to the frequency of tenant turnover p.a. for newly rented residential units. In the area of residential properties, it is assumed that rents could be expected to increase between 1.00% (previous year: 1.00%) and 2.75% (previous year: 2.75%).

Investment property is initially valued using outside appraisers. Thereafter, it is valued on an ongoing basis by commercial and technical employees (portfolio managers, controllers, architects and engineers) from the property department. Management's assumptions are taken into consideration in making valuations. With property investments under outside management, fair value is normally determined by outside appraisers.

The fair values of the properties of the Group companies outside of life and health insurance recognised in the notes to the consolidated financial statements are also determined using the method described above.

Financial liabilities at fair value through profit or loss

This item shows the negative market values of derivative financial instruments that are not recognised as hedging instruments in hedge accounting.

Changes in the fair value and results from currency translation are recognised in profit or loss under "Measurement result", while interest components are recognised under "Current financial result".

Liabilities

On the one hand, this item includes financial liabilities from the measurement category "Measured at amortised cost". These are mainly liabilities to customers, securitised liabilities and liabilities to banks. Costs at the time of acquisition correspond to fair value, plus or minus transaction costs that are directly attributable to acquisition or issue. Fees that are not a part of effective interest are recognised under "Commission result" at the time they are collected. In subsequent measurement, the carrying amount is amortised through profit or loss by depreciating transaction costs, premiums and discounts at a constant effective interest rate. Interest components are recognised in the current financial result.

This item also includes lease liabilities, which are initially recognised at the present value of the lease payments not yet made at that time. Thereafter, they are measured at amortised cost, as increased by interest expenses and reduced by the repayment portion of the lease payments that are made.

The portfolio hedge adjustment on the liabilities side is also recognised under this item. This is a carrying amount adjustment resulting from the interest-induced measurement of the financial liabilities designated as part of the portfolio fair value hedge in accordance with IAS 39. Further details can be found at in the section on hedge accounting.

Negative market values from hedges

This item includes the negative market values of derivative financial instruments that are recognised as hedging instruments in hedge accounting. Initial recognition and subsequent measurement is at fair value in accordance with the special regulations on hedge accounting (see corresponding section).

Technical liabilities

Technical liabilities on the equity and liabilities side of the balance sheet include portfolios of insurance contracts that represent liabilities as at the reporting date, whereby insurance contracts issued and reinsurance contracts held are recognised separately.

Please refer to the section "Principles for the recognition, measurement and presentation of insurance contracts" for the accounting principles applied to technical liabilities.

Other provisions

Provisions for pensions

The company pension scheme in the W&W Group consists of both defined-contribution and defined-benefit commitments. Prior to reorganising the company pension scheme in 2002, all employees at Wüstenrot companies (Wüstenrot Bausparkasse AG, Wüstenrot Immobilien GmbH, Wüstenrot Haus- und Städtebau GmbH and Gesellschaft für Markt- und Absatzforschung mbH) were granted defined-benefit pension commitments. At Württembergische Versicherung AG, Württembergische Lebensversicherung AG and Württembergische Krankenversicherung AG, defined-contribution commitments were granted (Pensionskasse der Württembergische). In addition, managers, senior executives and directors received pension commitments (defined-benefit commitments). At Wüstenrot & Württembergische AG, W&W Informatik GmbH and W&W Asset Management GmbH, both defined-benefit and defined-contribution commitments were granted. The various defined-benefit commitments in the Group are primarily structured in a manner dependent on salary and length of service and sometimes as fixed-amount commitments. Pension commitments for new hires between 2002 and 2017 have been financed Group-wide by ARA Pensionskasse AG (defined-contribution benefit commitments). For new hires from 2018, pension commitments have been carried out Group-wide through direct insurance policies at Württembergische Lebensversicherung AG (defined-contribution benefit commitments). Until 2019, managers, senior executives and directors received pension commitments (defined-contribution benefit commitments) that are reinsured by ARA Pensionskasse AG. From 2020, newly hired senior employees and executives and directors receive insurance-linked pension commitments (defined-contribution benefit commitments) that are reinsured by Württembergische Lebensversicherung AG. In addition, all employees have the option of receiving a pension commitment in the form of a capital commitment through deferral of future remuneration, which is reinsured by Württembergische Lebensversicherung AG. In addition, since 2020, full-time representatives of Württembergische Versicherung AG have been offered insurance-linked pension commitments (defined contribution plans) that are reinsured by Württembergische Lebensversicherung AG.

Obligations under pension commitments are measured using the projected unit credit method on the basis of expert actuarial opinions. Taken into account in doing so are both the pensions and acquired pension entitlements known on the reporting date and the increases in salary and pensions expected in the future. Pursuant to IAS 19.83, the rate used to measure pension provisions is to be determined on each reporting date on the basis of yields on senior fixed-income corporate bonds. The currency and term of the underlying corporate bonds must be consistent with the currency and estimated term of the commitments to be met.

Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognised directly in equity within the reserve for the pension obligation after taking deferred taxes into account in the period in which they are incurred and are part of other comprehensive income (OCI).

Income and expenses from pension commitments are recognised in the consolidated income statement under "Personnel expenses" (service cost). Past service cost is recognised immediately in full as an expense under "Personnel expenses".

Assets transferred to an outside pension fund constitute plan assets, which are netted at their fair value against existing defined-benefit commitments.

Provisions for other long-term employee benefits

Other long-term employee benefits include commitments for early retirement, agreements on phased-in early retirement ("Altersteilzeit"), the granting of long-service benefits and other social benefits. Actuarial gains and losses arising in connection with the accounting for other long-term employee benefits are recognised in the income statement.

For information on the corresponding discount rates, please refer to Note 20.

Miscellaneous provisions

Miscellaneous provisions are measured and recognised in the anticipated settlement amount, provided there are legal or constructive obligations to third parties based on past business events or occurrences and the outflow of resources is likely. The settlement amount is determined on the basis of best estimates. Miscellaneous provisions are recognised if they can be reliably determined. They are not set off against refund claims. The determined obligations are discounted at market interest rates that correspond to the risk and the period until settlement, provided that the resulting effects are material.

Provisions for restructuring are recognised if a detailed formal plan for the restructuring was approved and the main restructuring measures contained in it have been publicly announced, or the restructuring plan has already begun to be implemented.

Provisions for the reimbursement of acquisition fees are recognised if certain contractually agreed criteria (e.g. loan waiver) results in the obligation to reimburse the home loan savings customers for the closing fees. Under the assumption that, in the event of a loan waiver by home loan savings customers, the claim to closing fees was earned by the reporting date at the latest, the present value is calculated on the basis of a probability-based forward projection of past statistical data that constitutes the best estimate of the current obligation. Uncertainties in determining the future amount of the obligation arise, in particular, from the established assumptions concerning the input parameters used, such as statistical data, termination behaviour and loan waiver ratio.

Provisions for interest bonus options are created where the obligation to pay interest bonuses to home loan savings customers is contained in concluded home loan savings contracts. Taking as a basis the bonus claims earned by the reporting date that may potentially need to be disbursed, the present value is calculated on the basis of a probability-based forward projection that constitutes the best estimate of the current obligation. Uncertainties in determining the future amount of the obligation may arise, in particular, from the established assumptions concerning the input parameters used, such as termination behaviour and bonus utilisation behaviour.

Additional provisions include, for example, provisions for contingent losses from pending transactions, which are created if a contingent liability results from a pending transaction.

There are no assets for expected reimbursements in connection with recognised miscellaneous provisions.

Subordinated capital

Subordinated capital consists of subordinated liabilities and profit participation certificates. The initial recognition of subordinated capital takes place at fair value. Costs at the time of acquisition correspond to fair value, plus or minus transaction costs that are directly attributable to acquisition or issue. Fees that are not a part of effective interest are recognised under "Commission result" at the time they are collected. In subsequent measurement, the carrying amount is amortised through profit or loss by depreciating transaction costs, premiums and discounts at a constant effective interest rate. Interest components are presented in the current financial result.

Equity

This item consists of paid-in capital, earned capital and non-controlling interests in equity.

Paid-in capital consists of share capital and the capital reserve. Share capital consists of registered no-par-value shares that are fully paid up. Outstanding contributions to share capital are to be openly set off against it. The capital reserve is generated from the premium realised above the mathematical value when shares are issued.

Earned capital is composed of retained earnings and other reserves. Retained earnings consist of statutory reserves and reinvested profits. Other reserves include:

- the reserve for financial assets at fair value through other comprehensive income,
- the reserve for financial assets accounted for using the equity method,
- the reserve for insurance finance income or expenses (IFRS 17 OCI option) and
- the reserve for pension commitments.

The reserve for financial assets at fair value through other comprehensive income consists of unrealised gains and losses from the measurement of financial assets at fair value through other comprehensive income. The reserve for financial assets accounted for using the equity method consists of unrealised gains and losses from the measurement of financial assets accounted for using the equity method. The reserve for insurance finance income or expenses comprises the amounts that are recognised in other comprehensive income (OCI) after splitting the insurance finance income or expenses into a portion to be recognised in profit or loss in the consolidated income statement and a portion not recognised in profit or loss in accordance with the IFRS 17 OCI option. For a more detailed explanation of the IFRS 17 OCI option, please refer to the section on the use of judgements and estimates. The reserve for pension commitments consists of actuarial gains and losses from defined-benefit plans.

The aforementioned components of other reserves are recognised taking deferred taxes into account.

Non-controlling interests in equity consist of the interests of non-Group third parties in the equity of subsidiaries.

Other items

Intangible assets

Allocated to the item "Intangible assets" are software, brand names, copyrights and other intangible assets. An intangible asset must satisfy the following requirements: (a) it must be an asset, (b) it must be identifiable, (c) it must be devoid of any physical substance and (d) it must have a non-monetary character.

All intangible assets exhibit a limited useful life, are measured at amortised cost (cost model) and are amortised on a straight-line basis over their estimated useful life. An extraordinary impairment loss must always be recognised if the recoverable amount is below the carrying amount in accordance with IAS 36. The recoverable amount is the higher of value in use or fair value less disposal costs.

Internally developed software from which the Group is likely to receive a future economic benefit and that can be reliably measured is capitalised at its production cost and amortised on a straight-line basis over its estimated useful life. Production costs for internally developed software consist of all directly attributable costs that are necessary for developing and producing the respective asset and preparing it in such a way that it is capable of operating in the manner intended.

Research and development costs that are not required to be capitalised are treated as an expense in the period. If the acquisition or production of software takes longer than one year, the directly attributable borrowing costs incurred up to completion are capitalised as a component of the production costs for the qualified asset.

As a general rule, internally developed and acquired software is amortised on a straight-line basis over a period of three to five years (previous year: three to five years). Standard software, in particular, is also used beyond this in some cases. This continues until a product is significantly expanded or re-licensed or can no longer be used for technical reasons.

Brand names are amortised on a straight-line basis over a useful life of 20 years (previous year: 20 years) and the other acquired intangible assets are amortised on a straight-line basis over a maximum useful life of 15 years (previous year: 15 years) amortised on a straight-line basis.

Scheduled amortisation of and impairment losses taken for intangible assets are recognised as general administrative expenses under the item "Depreciation/amortisation".

Property, plant and equipment

Property, plant and equipment includes property for own use, plant and equipment and right-of-use assets from leases. The W&W Group recognises rights of use in the same balance sheet item in which its own underlying assets are reported.

Property for own use means land and buildings used by Group companies.

Property for own use (including rights of use) in life and health insurance, on which insurance contracts with direct participation in surplus are based as a reference value, is measured in accordance with IAS 16.29A using the fair value model in accordance with IAS 40. For the purposes of this option, insurance contracts also include capital investment contracts with discretionary participation features.

Property, plant and equipment is measured pursuant to the cost model at acquisition or production cost, as reduced by scheduled use-related depreciation and, where applicable, impairment losses.

Property for own use is measured using the same measurement methods that apply to the recognition of investment property. Reference is therefore made to the corresponding comments. Rights of use for property for own use outside of personal insurance are amortised on a straight-line basis over a period of up to 12 (previous year: 12) years.

Plant and equipment is subject to scheduled depreciation on a straight-line basis over the estimated useful life. Useful life normally amounts to up to 13 years (previous year: 13 years), but can also be up to a maximum of 50 years (previous year: 50 years) in individual cases. Acquired EDP equipment is depreciated on a straight-line basis over its estimated useful life, normally up to at most seven years (previous year: seven years).

Economic useful life is regularly reviewed in connection with preparation of the financial statements. Modifications that need to be made are recognised as a correction to scheduled depreciation over the remaining useful life of the respective asset.

In addition, as at each reporting date, it is reviewed whether there is evidence of impairment to the corresponding asset. If this is the case, impairment is determined by comparing the carrying amount with the recoverable amount (fair value less costs of disposal or value in use, whichever is higher). If an item of property, plant and equipment does not generate cash flows that are largely independent of cash flows from other items of property, plant and equipment or groups of property, plant and equipment, impairment is tested not on the level of the specific item of property, plant and equipment but rather on the level of the cash-generating unit to which the item of property, plant and equipment is to be allocated. If it is necessary to take an impairment loss, it corresponds to the amount by which the carrying amount exceeds the recoverable amount for the item of property, plant and equipment or, if applicable, for the cash-generating unit, whichever is lower. If fair value less costs of disposal cannot be determined, the recoverable amount corresponds to the value in use. The value in use is determined as the present value of forecast cash flows from continued use. Once there is evidence that the reasons for taking the impairment loss no longer exist, it is tested for reversal.

Scheduled depreciation and impairment losses on property for own use outside of personal insurance and plant and equipment are recognised in administrative expenses under "Depreciation/amortisation".

Inventories

Inventories are recognised at acquisition or production cost or at net realisable value, whichever is lower.

Production costs are determined on the basis of individual costs and directly attributable overhead costs. The scope of production costs is determined by the costs expended up to the point of completion and readiness for use (total costs-of-conversion approach). Acquisition and production costs for non-interchangeable and special inventories are determined by specific allocation. Certain acquisition and production costs for interchangeable inventories are determined according to the first-in, first-out (FIFO) method or the weighted average cost method.

Net realisable value corresponds to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Current tax assets, deferred tax assets, current tax liabilities and deferred tax liabilities

Current tax assets and liabilities are recognised in the amount that is most likely or corresponds to the expected value. Deferred tax assets and liabilities are created because of temporary differences between the carrying amounts of assets and liabilities in the consolidated balance sheet drawn up pursuant to IFRS and the tax carrying amounts pursuant to local tax rules of the Group companies. Deferred taxes are calculated at the respective country-specific tax rates that are in effect or that have been announced as at the reporting date. Deferred tax assets are recognised for tax loss carryforwards to the extent that, in accordance with planning calculations, it is probable that they can be utilised in the future. Deferred tax assets from temporary differences and loss carryforwards are tested for impairment as at each reporting date. Deferred tax assets and deferred tax liabilities are shown netted. Deferred tax assets and deferred tax liabilities in connection with OECD Pillar 2 are not recognised.

Off-balance-sheet business

Irrevocable loan commitments

Irrevocable loan commitments are fixed obligations under which the W&W Group is required to provide loans at predetermined terms. They are carried at their nominal value. If a pending liability under a contractual obligation to a third party is likely on the reporting date, a provision is created under the item "Other provisions".

Risk provisions for loan commitments are calculated in accordance with the provisions of IFRS 9, according to which a value adjustment for expected credit losses for off-balance sheet business is recognised as an expense under "Other provisions". Further details can be found in the section “Risk provision (expected credit loss)”.

Contingent liabilities

Contingent liabilities are potential obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the W&W Group.

Contingent liabilities are also current obligations that arise from past events but are not recognised because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the balance sheet.

If the outflow of resources is not improbable, information on these contingent liabilities is provided in the notes to the consolidated financial statements at 58 "Contingent assets, contingent liabilities and other obligations". If contingent liabilities are assumed in connection with corporate mergers, they are recognised in the balance sheet at fair value at the time of acquisition.

Trust business

Trust business is generally characterised by a trustee acquiring property, assets or claims in its own name on behalf of the settlor and managing same in the interest of and at the instruction of the settlor. The trustee acts in its own name on behalf of others.

Trust assets and liabilities are recognised outside the balance sheet in the notes. Detailed information about the nature and scope of existing trust assets and liabilities in the W&W Group can be found in Note 41 "Trust business".

Disclosures concerning select items in the consolidated income statement

Financial result

The financial result of the W&W Group is made up of the following components:

- Current financial result (including net interest income, dividends),
- Result from credit risk adjustments,
- Measurement result,
- Result from disposals and
- Insurance finance result (net).

The current financial result includes interest income and expenses, dividend income, the result from financial assets accounted for using the equity method and the result from investment property. Interest income and expenses in the IFRS 9 categories “Financial assets at amortised cost” and “Financial assets at fair value through other comprehensive income” are recognised on an accrual basis using the effective interest method.

All income and expenses relating to the lending business, the securities business and other business are recognised in the result from credit risk adjustments.

Recognised under “Measurement result” are the following gains and losses:

- Measurement gains and losses from financial assets at fair value through profit or loss and such liabilities as equity instruments, investment fund units, derivative financial instruments and fixed-income financial instruments that do not pass the SPPI test.
- Gains and losses from the interest rate-based measurement of home loan savings provisions measured at present value.
- Recognised under "Result from hedges" is the net income/expense from hedged items and hedging instruments involving fair value hedges. Also recognised here is the impact on profit or loss from the ineffective portion of the hedging instrument and from the release of the reserve for cash flow hedges.
- Impairment losses/reversals of impairment losses taken on financial assets accounted for using the equity method.
- Impairment losses/reversals of impairment losses taken on investment property.
- Recognised under “Currency result” are currency gains and losses that result from the measurement or sale of financial instruments as well as all other capital investments.

Recognised under “Result from disposals” are disposal gains and losses for all financial assets and liabilities not at fair value through profit or loss and all other capital investments (financial assets at amortised cost, financial assets at fair value through other comprehensive income, financial assets accounted for using the equity method, investment property, receivables and liabilities, as well as subordinated capital). Pursuant to IFRS 9, financial assets must be remeasured at the time of derecognition. For this reason, all gains and losses from the derecognition of financial assets at fair value through profit or loss are generally recognised under “Measurement result”.

Insurance finance income or expenses from insurance contracts issued (gross) and from reinsurance contracts held are recognised in the insurance finance result (net). These result from the effects of the time value of money and financial risks and their changes. For insurance contracts with direct profit participation, the amount that eliminates valuation mismatches with the expenses and income of the underlying reference values recognised in profit or loss is also reported in the insurance finance result. Both this amount for insurance contracts with direct profit participation and the effects attributable to changes in financial assumptions from insurance contracts without direct profit participation are calculated using the other comprehensive income (OCI) option. The OCI option is described in more detail in the section on exercising judgement.

The financial result does not include any costs for the management of the financial instruments contained in them. These costs are recognised under “Commission expenses” and “General administrative expenses”. For insurance contracts with direct profit participation, the expenses for the management of capital investments are included in the technical result.

Technical result (net)

The technical result (net) is made up of the technical expenses and income from insurance contracts issued and the net result from reinsurance contracts held.

The changes in the provision for future policy benefits (liability for remaining coverage) in relation to the benefits provided in the reporting periodare recognised as technical income at. These changes include:

- the expected technical expenses for the period excluding investment components,
- changes in the risk adjustment for non-financial risks in relation to services rendered in the current period,
- the release of the contractual service margin (CSM) recognised in profit or loss on a pro rata basis over the coverage period and
- other changes, including experience adjustments relating to premiums that do not relate to future benefits.

In addition, the share of the premium for the amortisation of acquisition costs is recognised under technical income.

Technical expenses include claims incurred during the reporting period excluding investment components paid out and other technical expenses as well as the amortisation of acquisition costs. In addition, the technical expenses include the changes in the provision for outstanding insurance claims (liability for incurred claims), which comprises the fulfilment value in relation to past benefits, losses from groups of loss-making contracts and reversals of such losses.

Commission result

Recognised under "Commission result" are commission income and expenses, insofar as they are not recognised in connection with calculating the effective interest rate.

Commission income and expenses result in particular from the banking business, home loan savings business, investment business and brokerage activities (excluding insurance business). Commission expenses are recognised at the time the service is received. Expenses for the conclusion and management of insurance contracts are recognised in the technical result (see Note 31). Commission income from the conclusion of home loan savings contracts is recognised in the income statement at the time the service is provided in accordance with IFRS 9.

Commission income from the home loan savings business, brokerage activities (excluding insurance business) and the investment business is recognised as revenue from contracts with customers in accordance with IFRS 15 (see Note 55). Such revenue exists if it is based on the provision of services to customers, whereby the service is an end result of ordinary business activities. Revenue is realised when existing performance obligations are satisfied through transfer of control over the subject of the contract or the service.

General administrative expenses

In the W&W Group, general administrative expenses consist of personnel expenses, materials costs, scheduled depreciation/amortisation, and impairment losses on property, plant and equipment and intangible assets.

W&W Group expenses are allocated to materials costs and personnel expenses according to the principles of the nature-of-expense method.

Expenses of the insurance companies that are included in this item and are also recognised as components of the technical result result due to their insurance-related nature are reported as deductible items ("Administrative expenses attributable to the technical result"). These are expenses for the administration of insurance contracts, the management of capital investments (insofar as a business valued according to the variable fee approach (VFA) is concerned), the conclusion of insurance contracts and the settlement of insurance claims, surrenders and repayments.

Other operating result

The item "Other operating result" includes income and expenses from property management and urban development. The property development business is a key component of this. Its income is recognised over time according to the construction progress of the residential units earmarked for sale and the contractually agreed advance payments received. Furthermore, pursuant to IAS 2, the associated residential units that are currently under construction or have not yet been turned over to customers are carried under inventories at cost and then recognised upon sale as an expense under “Other operating expenses”. It also includes changes in inventories from the property development business as well as other expenses and income from property management and urban development services.

Further, it also includes expenses and income from the addition to and reversal of provisions, income and expenses from disposals, including property for own use, property, plant and equipment and intangible assets, as well as miscellaneous income and expenses.

Income taxes

Actual income taxes are calculated on the basis of the respective national tax results and rules for the financial year. In addition, the taxes actually recognised in the financial year also include adjustment amounts for tax payments or refunds likely due for periods that have not yet been finally assessed. Uncertain tax treatments are taken into consideration by calculating the amount from the most likely value or from the expected value of tax refunds or tax claims.

Income tax earnings and expenses are recognised in the consolidated income statement as income taxes and subdivided in the notes (Note 35 by actual and deferred taxes.

The W&W Group is generally affected by the OECD Pillar 2 regulations, which came into force on 1 January 2024. Wüstenrot & Württembergische AG, Kornwestheim, is to be regarded as the ultimate parent company within the meaning of the regulations. Taxes on income and earnings, which are related to OECD Pillar 2, are recognised in the notes (Note 35).

Disclosures concerning the cash flow statement

For the Group's cash flow statement, all cash flow is evaluated on the basis of the business models of the various Group entities – these are mainly the business models for the home loan and savings bank and the insurance companies – as to the extent to which it is contingent on operating activities or originates from investing or financing activities.

Cash flow from operating activities essentially includes all payments from the lending and deposit business as well as the insurance business from insurance contracts issued and reinsurance contracts held. It also includes tax payments, as well as cash flow from the receivables and liabilities of the Group's operational business.

The cash flow from investing activities includes both for the home loan savings business and for all insurance business the contributions and distributions from investments in intangible assets and property, plant and equipment. It also includes deposits and disbursements under mortgage loans made by the insurance companies, real estate investments, equities, participating interests, assets accounted for using the equity method, various investment funds and fixed-income securities, as well as registered bonds and debenture bonds. Strategic investments in unconsolidated subsidiaries and other business entities also generate cash flow that is allocated to investing activities.

Cash flow from financing activities consists of cash flow that results from transactions with owners of the parent company and non-controlling interests in the equity of subsidiaries. Cash flow from financing activities also includes cash flow from subordinated bonds issued for corporate financing purposes, as well as distributions made for the purpose of settling the lease liabilities of consolidated companies.

On whole, the cash flow statement is only of minor significance for the Group. It is not used for liquidity and financial planning or for control.

Currency translation

The euro is the functional currency and the reporting currency of W&W AG.

Transactions in foreign currencies are posted at the exchange rate prevailing at the time of the transaction. Monetary assets and liabilities that deviate from the functional currency of the respective Group company are translated into the functional currency using the reference rate of the European Central Bank (ECB) as at the reporting date. Non-monetary items that are recognised at fair value are likewise translated into the functional currency at the ECB's reference rate as at the reporting date. Other non-monetary assets and debts are measured at the rate prevailing on the date of the transaction (historical rate).

Translation differences arising from monetary items are generally recognised in the consolidated income statement. For non-monetary items recognised at fair value, the translation differences are recognised in line with their measurement results.

Use of discretionary decisions and estimates

Exercise of discretionary judgment in applying accounting policies

The application of accounting policies is subject to various discretionary judgements by management that may materially influence the consolidated financial statements of the W&W Group. For instance, discretion is exercised with respect to the application of the rules on hedge accounting pursuant to IAS 39 as well as to assets held for sale.

Management judgement in the application of accounting policies is also exercised to the effect that the cost model is used for property, plant and equipment, including property for own use outside personal insurance. By contrast, property for own use in life and health insurance is valued using the fair value model.

Discretionary decisions are also made when applying accounting policies for investment property in life and health insurance. These are subject to the fair value model. The cost model is used for investment property that is held outside of personal insurance.

In connection with the determination of control of certain public funds, discretionary decisions are sometimes necessary in order to define the role of the outside fund manager as principal or agent. In such cases, contractual arrangements are looked at in order to evaluate whether the outside fund manager is to be classified as a principal or an agent. Material indicators used in evaluating the duty to consolidate are the fund manager's decision-making authority, including potential participatory rights of investors, the existing termination rights of investors with respect to the fund manager and their structure, and the amount of participation in the fund's success, particularly through the holding of units.

In lease accounting, the determination of the term of each lease in the case of open-ended contracts in the area of rented properties is subject to discretion. For the determination of the term in the case of open-ended contracts, a period is estimated in which termination is not financially expedient for the lessee.

In connection with the accounting of financial instruments in accordance with IFRS 9 and the accounting of insurance contracts in accordance with IFRS 17, the management of the W&W Group has made the following significant judgements that have a material impact on the amounts in the consolidated financial statements .

Exercise of discretion in connection with the application of IFRS 9 "Financial Instruments"

Business model

Assignment to one of the business models takes place when the financial asset is acquired, and it is dependent on how the Group’s companies manage a group of financial assets in order to achieve a specific business objective. Discretionary judgment needs to be exercised when assessing which business model is to be applied and how the assigned portfolios are specified, and in doing so, both factors are taken into account. With regard to qualitative factors, it is assessed how reports about the financial assets are made to the Executive Board of the Group company concerned and how the risks are managed. The quantitative factors primarily relate to the expected frequency and the expected value of sales.

Financial assets that are acquired with the intention to realise cash flows by collecting contractual payments over the life of the instrument are explicitly characterised as such in the W&W Group in connection with the purchase and are maintained and reported on in a separate portfolio.

Sales are not inconsistent with the "Hold to collect" business model in the W&W Group in the following cases:

- Sales that are due to an increased risk of default:
  In verifying whether the sale of an instrument is necessary in order to minimise potential credit losses due to a material deterioration of creditworthiness, various prerequisites need to be met. If they are, the sale is not inconsistent with the business model due to an increased risk of default.
- Sales that are made close to the maturity:
  In the W&W Group, we assume that sales of financial instruments with a certain residual term to maturity at the time of sale qualify as not inconsistent with the business model. In addition, it must be verified in each individual instance that the proceeds from the sales approximate the collection of the remaining contractual cash flows.
- Sales that are infrequent:
  From the standpoint of the W&W Group, and for the purpose of IFRS 9, sales are not inconsistent with the "Hold to collect" business model if they are infrequent, i.e. they are attributable to events that are unique, non-recurring and outside of the company's power of control and could not have been reasonably foreseen by the company.
- Sales that are insignificant:
  The W&W Group uses both portfolio-based and results-based criteria in evaluating significance.

SPPI test (Solely Payments of Principal and Interest)

As a rule, contractual cash flows from financial assets are reviewed on the basis of each individual contract. For reasons of materiality, the W&W Group uses a cluster formation in the case of highly standardised portfolios. In connection with this cluster formation at the highest level, we first identify the most material financial assets of the W&W Group that are taken into consideration in the course of SPPI testing. In this regard, clustering takes place on the basis of either specific contract arrangements or portfolio features.

In the W&W Group, the existence of characteristics detrimental to the SPPI is examined to determine whether they only have a minor impact on the contractual cash flows and are therefore irrelevant (de minimis). In the case of a greater than de minimis effect, a discretionary decision is also made as to whether the effect on the contractual cash flows can be categorised as extremely rare, highly unusual and highly unlikely (not genuine), so that this does not affect the categorisation of the financial asset. Furthermore, contracts with termination options fulfil the SPPI criterion if payments are made at the time of repayment in an amount equal to the market value of the outstanding contractual cash flows. For further information about the SPPI test, please see the section "Principles for the recognition, measurement and presentation of financial instruments".

Fair value option

In the case of initial recognition, financial assets and liabilities may voluntarily be measured permanently at fair value in order to avoid or significantly reduce inconsistent measurement (accounting mismatch). The W&W Group currently does not have any portfolios for which this fair value option is applied.

Financial investments in equity instruments

For certain financial investments in equity instruments, it is possible to make an irrevocable choice on initial recognition to recognise changes in value permanently directly in equity (there is no recycling to the consolidated income statement). The W&W Group currently does not make use of this option.

Calculation of the risk provision

The discretionary decisions made in determining the expected credit loss under the expected credit loss model of IFRS 9 can be found in the section "Risk provision (expected credit loss)" in the chapter "Accounting policies".

Exercise of discretion in the course of the application of IFRS 17 Insurance Contracts

Measurement at the transition date

At the time of the first-time application of IFRS 17 as at 1 January 2023, the full retrospective approach (FRA) was the transitional approach to be applied in principle, unless this proved to be impracticable for the company concerned within the meaning of IFRS. In the case of insurance contracts that have been in force for some time, the availability of data is not comparable with that of recently concluded contracts, which is why the W&W Group applied the modified retrospective approach (MRA) in addition to the FRA for the portfolio available at the transition date of 1 January 2022. The W&W Group has made simplifications permitted under the MRA in the identification and classification of groups of insurance contracts (GIC), in the measurement of the CSM or the loss component for contracts without and with direct profit participation at the transition date and in the allocation of insurance finance income or expenses to components recognised in profit or loss and components recognised directly in equity. The fair value approach (FVA), which is an alternative to the MRA in the event that the FRA is impracticable, was not used in the W&W Group.

In the area of life insurance, the MRA was applied to the primary insurance portfolio available at the time of transition and valued using the VFA. The information available at the transition date of 1 January 2022 was used to define the GIC and no annual cohorts were formed in accordance with IFRS 17.C10. For the initial measurement of technical liabilities (technical provisions) at the end of the years from 2019 to 2021, the yield curves available at the start of the year were used for discounting. The CSM was measured under the MRA as at 31 December 2019 and was further developed in the subsequent measurement at the transition date. The MRA was applied to GVV in the area of health insurance, with the exception of short-term tariffs by type of non-life insurance and the reinsurance contracts held. The same approach was taken to recognising the GIC as in life insurance. By contrast, the FRA was used in full for short-term rates. The CSM and the loss components for insurance contracts with direct participation features in life and health insurance was determined in line with IFRS 17.C17 and the simplification options provided here. By exercising the OCI option described below in this section, the insurance finance income or expenses for contracts with direct profit participation are divided into those recognised in profit or loss and those recognised directly in equity. The OCI amount was determined at the value recognised for the underlying items at the transition date.

For the recognition of composite insurance contracts, a distinction was made between different contract portfolios according to the existence of residual cover. Contracts without residual cover that were signed more than one year apart were measured as a GIC within the corresponding portfolio using the MRA in accordance with IFRS 17.C10. For reasons of simplicity, illiquidity when determining the yield curve was taken into account for the period from 2017 until the transition date. For years prior to 2017, the arithmetic mean of the illiquidity premium from 2017 to 2022 was used in accordance with the relief under IFRS 17.C13. The FRA was used for contracts with remaining coverage. Regardless of this, methodological simplifications were used in determining cost and loss ratios, in risk adjustment and in testing for onerous business.

Projection of future cash flows

When determining the expected future cash flows, all appropriate and reliable information available on the respective measurement date is used. The estimates reflect the W&W Group's own current assessment of future developments that may have a significant impact on cash flows. Expectations regarding future changes in the law that would amend or replace an existing obligation or create obligations from existing contracts are not taken into account until these take effect.

The W&W Group considers stochastic modelling techniques to be appropriate for the life insurance business, whereby future cash flows are projected under a large number of possible economic scenarios for market variables (such as interest rates and share returns). These methods are used to account for the customary options and guarantees included, in particular, in life insurance. The cash flows are allocated to closing activities, other settlement activities and other activities by way of process cost accounting methods. Cash flows allocated to closing and other settlement activities are allocated to groups of contracts using methods that are systematically applied appropriately and consistently to all costs with similar features. In the projection, assumptions are made from current company-specific and line-specific perspectives, relating to areas including actuarial bases (interest rates, biometrics and costs), policyholder behaviour when exercising contractual option rights (such as dynamic premium option, lump-sum payment, call-up and annuity commencement, cancellation) and the internal management of the transaction. These assumptions are consistent with those of the ORSA (own risk and solvency assessment) under Solvency II, provided IFRS 17 does not require deviations from these.

A deterministic projection was applied in health insurance. The value of the options and guarantees customary for the German health insurance business is essentially already taken into account via an appropriate premium structure, which is why stochastic modelling can be dispensed with. Furthermore, in health insurance, a modification of the contract that would have to be modelled as new business in accordance with the annual cohort arrangement is represented in a simplified manner by a rate change probability as part of the premium adjustment.

In property and casualty insurance, premium payment flows are determined on the basis of premium amounts and due dates from individual policy information and, if necessary, adjusted on the basis of empirical observations. Actuarial techniques/economic business models are used to estimate cash flows from future claims/claims already incurred. Here, basic claims, large claims and claims from natural events (such as storms, earthquakes, flooding and hail) are modelled separately to suitably present the differences in amount and frequency. Annual parameterisation is based on established actuarial procedures. The simulated expected loss ratios of the risk model are validated by means of back-testing.

With regard to the modelling of acquisition costs, the W&W Group makes the simplifying assumption that these are incurred together with the first premium. Accordingly, corresponding receivables are not capitalised before the initial recognition of an allocated GIC. Instead, the acquisition costs are taken into account directly in the estimated cash flows at the time of initial recognition in the CSM without offsetting in accordance with IFRS 17.38(c)(i) and are systematically distributed in the income statement over the coverage period of the GIC. The option under IFRS 17.59(a) to recognise acquisition costs directly in the income statement is exercised in the W&W Group for the GICs, which include insurance contracts with a coverage period of one year or less and are measured using the PAA.

Yield curve

The W&W Group uses the bottom-up approach for estimating the yield curve, which is based on a liquid risk-free yield curve derived from market-traded interest rates of securities. From a last liquid point, the yield curve is determined using the weighted average between the interest rates still observable on the market and the interest rates extrapolated to the ultimate forward rate using the Smith-Wilson method. The ultimate forward rate reflects the interest rate expected in the long term that changes if significant changes are made to long-term expectations. The “illiquidity premium” is added to this base yield curve to reflect the different liquidity characteristics of the securities and insurance contracts underlying the base yield curve. For this, a liquidity measure is established that differentiates between liquid and illiquid securities. The premium for the illiquidity of insurance contracts is calculated as the product of a liquidity spread based on the capital investments underlying the insurance contracts and an application ratio that reflects the illiquidity of the insurance contracts. The W&W Group uses fixed-for-floating swaps as securities used to determine the base yield curve. The host instrument underlying the fixed-for-floating swap is initially six-month Euribor (for EUR) and an interest rate benchmark equivalent for foreign currencies (USD and GBP). Interest rates are provided for fixed interest periods of up to 120 years. Any fixed interest rates required during the year are determined by interpolating the interest rates in annual tranches. For fixed-interest periods of up to two years, fixed-interest periods are supplemented in 6-month instalments in order to use market data to the greatest extent possible in accordance with IFRS 17.B78(a).

When applying the PAA, the discounting of future cash flows to determine the provision for outstanding insurance claims in accordance with IFRS 17.59(b) may be waived if the claims are settled within a maximum of one year after the occurrence of the loss. This option was utilised for short-term portfolios of health insurance contracts that are valued using the PAA. The regulation does not apply to property and casualty insurance. The health and property and casualty insurance portfolios valued using the PAA do not contain any significant financing components; accordingly, the adjustment of the provision for future policy benefits for the time value of money and the effects of financial risks in accordance with IFRS 17.56 does not apply.

The following table shows the (base) yield curve used at the reporting date in question:

(Base) yield curve

	1 year		5 years		10 years		15 years		20 years	
in %	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
EUR	2.21	3.39	2.15	2.42	2.25	2.47	2.31	2.53	2.25	2.48
GBP	4.47	4.72	4.11	3.43	4.10	3.29	4.22	3.38	4.27	3.40
USD	4.17	4.77	4.03	3.53	4.06	3.46	4.11	3.48	4.10	3.46

The (base) yield curve shown is adjusted to account for the illiquidity premium. This amounted to between 0.47% and 0.70% for the companies in the Life and Health Insurance segment (previous year: 0.33% to 0.57%) and for the Property/Casualty Insurance segment at 0.43% to 0.50% (previous year: 0.31% to 0.33%).

Quantification of the risk adjustment for non-financial risks

Pursuant to the requirements under IFRS 17, the W&W Group incorporates the entity's own perspective when quantifying the risk adjustment and takes account only of the risks identified as underwriting risks in line with the entity's own risk and solvency assessment (ORSA). The legal units individually apply the methods of computation and allocation procedures that are appropriate for their risks and in terms of the timing of calculation requirements. Diversification effects between the units are not taken into account here. The risk adjustment is initially determined at the level of the legal units and so diversification effects between the GICs formed are accounted for directly. The risk adjustment is then allocated to the GIC – generally proportionally or on the basis of volume using the undiversified risk capital of the individual groups. The capital cost method was selected as the method for calculating the risk adjustment. Under this method, the required one-year risk capital at the 99.5% quantile is calculated at each measurement date to fulfil future obligations under the insurance contracts. The cost of capital, which is calculated using the company-specific cost of capital, is applied to this risk capital and used for present value calculation to determine the risk adjustment. For life and health insurance, the risk capital projection from Solvency II was used, which involves making the required adjustments based on specific requirements under IFRS 17. The company's own economic business model is used in property/casualty insurance.

Using a confidence level method, the corresponding confidence level in life and health insurance for Württembergische Lebensversicherung AG was in the range of 95% to 100% as at the reporting date due to an increased cost of capital rate (previous year: 90–95%). For the property/casualty insurance companies, the corresponding confidence level on the reporting date and in the previous year was in the range of 75% to 80% and for all other companies in the range of 95% to 100%.

Changes to the risk adjustment for non-financial risks are generally to be broken down into the technical result and insurance finance income and expenses (such as the effects from the change in the discount rate). However, IFRS 17.81 allows the entire change in the risk adjustment to be recognised in the technical result. The W&W Group makes use of this option in life and health insurance.

Coverage units

The CSM is realised on the basis of coverage units. At the W&W Group, these are determined in the relevant area depending on the product. For insurance contracts with direct profit participation, the cover unit in life insurance is made up of two components - the investment service and the insurance service. The investment service is measured as a capital investment-related service based on the amount of capital investments under management. Depending on the type of insurance cover, either the risk capital or the insured annuity is used for the insurance service. The weighting between the two components is determined for each insurance tariff as an expert estimate and reviewed annually. A detailed analysis of the product-specific characteristics serves as the basis. The weighting is then combined on the basis of the statistical sums insured for the entire portfolio. In health insurance, earned premiums are used to measure insurance and capital investment-related services. In addition, the entity's share of the excess return expected for the past reporting period is taken into account when reversing the CSM in life and health insurance through profit or loss. For contracts without direct participation features, earned premiums are used as the coverage unit. The reinsurance held is based on the coverage unit of the underlying primary insurance business, taking into account the cover ratio. The expected reversal through profit or loss of the remaining CSM at the reporting date is presented in Note 44 using appropriate time bands.

OCI option

For VFA portfolios, as described above, the other comprehensive income (OCI) option in accordance with IFRS 17.89(b) provides the option to divide insurance finance income or expenses between the consolidated income statement and Other comprehensive income (OCI). Under this option, the amount is be recognised in the consolidated income statement through profit or loss is the amount that eliminates measurement discrepancies for the expenses and income of the underlying items recognised through profit or loss. The remaining amount is recognised through other comprehensive income (OCI). The W&W Group applied the OCI option to all VFA portfolios. A similar option applies in accordance with IFRS 17.88(b) for the effects of changes in financial assumptions from insurance contracts without direct profit participation. In the BBA, the portion of the change in present value recognised in profit or loss results from the extrapolation using the locked-in yield curve at the time of initial recognition. The present value adjustments from changes in the discount factors are recognised in other comprehensive income (OCI). The PAA portfolios are broken down according to the same principle, but the locked-in yield curve at the time of the loss occurrence is used to determine the portion recognised in profit or loss. To reduce volatility in the income statement, the W&W Group applies the OCI option described to all portfolios within the scope of the IFRS 17 measurement models in life and health and property/casualty insurance. Please refer to Note 45 for an analysis of the insurance finance income or expenses.

Accounting estimates and assumptions

Principles

In drawing up the consolidated financial statements according to IFRS, estimates and assumptions have to be made that affect the carrying amount of assets, liabilities, income and expenses, as well as the disclosure of contingent liabilities. The application of several of the accounting principles described in the chapter "Accounting policies" presupposes material estimates that are based on complex, subjective evaluations and assumptions and may relate to issues that exhibit uncertainties.

The estimating methods used and the decision about the suitability of the assumptions require management to exercise good judgment and decision-making power in order to determine the appropriate values. Estimates and assumptions are moreover based on past experience and expectations with respect to future events that appear reasonable under the given circumstances. In so doing, carrying amounts are determined carefully and, taking into account all relevant information, as reliably as possible. In determining values, existing uncertainties are suitably taken into account in conformity with the relevant standards. However, actual results may vary from estimates, since new findings have to be taken into account when determining values. Estimates and their underlying assumptions are, therefore, continuously reviewed. The effects of changes in estimates are accounted for in the period in which the estimate changes.

General estimates and assumptions for the purpose of accounting are set forth in the chapter "Accounting policies". However, special and one-time circumstances are explained in greater detail in the relevant items or in the notes. Accounting principles whose application is based to a considerable extent on estimates and assumptions and that are classified as material for the W&W Group are presented in the following.

Determining the fair value of assets and liabilities

Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same: to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In determining the fair value of assets and liabilities whose prices are quoted on an active market, estimates by management are necessary to only an insignificant extent. In a similar manner, only a few subjective measurements or estimates are required for assets and liabilities that are measured with models customary in the industry and whose input are quoted on active markets.

When no observable market transactions or market information are available, fair value is measured using another measurement technique that maximises the use of relevant observable inputs.

The required degree of subjective measurement and estimates by management has a higher weight for those assets and liabilities that are measured using special, complex models and for which some or all inputs are not observable. The values determined in this way are significantly influenced by the assumptions that have to be made.

Further information on the fair value measurement of financial instruments, investment property and property for own use in life and health insurance can be found in Note 38 "Disclosures concerning fair value measurement".

Impairment losses and reversals of impairment losses

The impairment rules for financial assets within the scope of IFRS 9 can be found in the section "Risk provision (expected credit loss)" in the chapter "Accounting policies". The assumptions and estimates made when determining the risk provision for financial assets are also explained there.

All other (non-financial) assets in the W&W Group's portfolio are tested at regular intervals for objective indications of impairment. Impairment is also tested where events or changed underlying conditions indicate that the value of an asset might have declined.

Details on the methodology used to test for impairment or reversal of impairment in accordance with IAS 36 for investment property, intangible assets and property, plant and equipment are described in the sections of the same name in the chapter "Accounting policies".

In addition to the estimates to be made when assessing the existence of impairment, the amount of the impairment loss to be recognised is characterised by further estimation uncertainties. These result, in particular, from assumptions and estimates concerning the time at which future cash flows will be received, as well as their amount at such time, which in turn are based on past experience with respect to the probabilities of occurrence and the assessment of future developments and long-term prospects for success. In addition, in the course of testing for impairment, estimates are made about incurred sales costs and trends in discount rates that are in line with the market.

The assumptions and estimates that are made may be subject to changes over time, which will lead to impairment losses or reversals of impairment losses in future periods.

In reliance on the method for identifying impaired assets, impairment losses are reversed if there are sufficiently objectifiable criteria indicating permanent value recovery and it is moreover permissible to reverse the impairment loss pursuant to the applicable standard.

Measurement of other provisions

Provisions for pensions and other long-term employee benefits
In calculating provisions for pensions and other long-term employee benefits, assumptions and estimates are necessary concerning the underlying conditions, such as actuarial interest rate, salary increases, future pension increases and mortality and disability.

For further quantitative disclosures, please see Note 20 "Other provisions".

Miscellaneous provisions
The amount recognised as a provision constitutes the best possible estimate of the expenditures needed to settle the current obligation as at the reporting date. The measurement and recognition of provisions are determined by the assumptions made with respect to probability of occurrence, expected payments and the underlying discount rate. Regarding the estimates underlying the provisions for interest bonus options, please see the chapter “Accounting policies”, in the section “Miscellaneous provisions”.

If the aforementioned criteria for creating provisions are not met, then the corresponding obligations are recognised as contingent liabilities, unless they are unlikely (see Note 36).

Further information on all the types of provisions mentioned can be found in Note 20 “Other provisions”.

Income taxes

Income taxes are subject to estimates. These are described in the chapter “Accounting policies” and there in the sections “Income taxes” and “Current tax assets, deferred tax assets, current tax liabilities and deferred tax liabilities”.

Consolidation

Consolidation principles

The annual financial statements of Wüstenrot & Württembergische AG and the consolidated subsidiaries, including structured entities (public and special funds and certain investments in alternative investment funds) and consolidated joint ventures and associated companies, all of which are prepared according to accounting policies that are uniform throughout the Group, form the basis for the consolidated financial statements of the W&W Group.

Reporting date

The consolidated financial statements are prepared as at the reporting date of the parent company's annual financial statements, 31 December 2024.

Subsidiaries

All subsidiaries are entities that are directly or indirectly controlled by W&W AG. Control exists where W&W AG has the power to direct the relevant activities of the entity, has a right to significant variable returns from the entity and has the ability to use its power of direction to influence the amount of the significant variable returns.

The subsidiaries also include consolidated structured entities within the meaning of IFRS 12. These are entities that have been designed in such a way that voting or similar rights are not the dominant factor in determining whether control exists. With regard to W&W AG, these include public and special funds that are characterised, in particular, by narrowly circumscribed business activities, such as a specific capital investment strategy or limited investor rights (lack of voting rights).

Public and special funds are consolidated if, despite insufficient voting rights, they are directly or indirectly controlled by W&W AG on the basis of contractual agreements concerning management of the relevant activities.

Subsidiaries, including directly and indirectly controlled public and special funds are included in the scope of consolidation. Consolidation begins when control is attained and ends when it is lost. Consolidation is based on the purchase method in accordance with IFRS 10.B86 in conjunction with IFRS 3, whereby the carrying amount of the parent company's investment in each subsidiary is netted against the proportional share of equity in each subsidiary.

Interests in the acquired proportional share of net assets of subsidiaries that are attributable to non-Group third parties are recognised under the item "Non-controlling interests in equity" in the consolidated balance sheet and the consolidated statement of changes in equity. The interests of non-Group third parties in the profits, losses and total comprehensive income of companies included in the consolidated financial statements are recognised in the consolidated income statement and the consolidated statement of comprehensive income under the item "Non-controlling interests in equity”.

Interests in public and special funds that are attributable to non-Group third parties are recognised in the consolidated balance sheet under "Miscellaneous liabilities" (Note 17). Interests in the profits and losses of non-Group third parties can be found in the consolidated income statement under "Other operating result" (Note 34).

Intra-group receivables and liabilities as well as expenses, income and interim results are adjusted as part of debt consolidation, expense and income consolidation or the elimination of interim results.

Joint ventures and associated companies

A joint venture is based on an agreement under which the parties share management of the venture and have rights to its net assets. Joint ventures are accounted for using the equity method.

Associated companies are entities that are neither subsidiaries nor joint ventures and where the Group is in a position to exert significant influence over the entity's financial and operating policy decisions but does not exercise control. Significant influence generally means directly or indirectly holding 20-50% of the entity's voting rights. Where less than 20% of the voting rights are held, it is assumed that a significant influence does not exist, unless such influence can be unambiguously demonstrated. Associated companies are included in the consolidated financial statements when significant influence is attained, and they are accounted for using the equity method. Inclusion ceases when significant influence ends.

Under the equity method, the income effects and the carrying amount of financial investments generally correspond to the share of the entity's net income and net assets attributable to the Group. When acquired, holdings in associated companies and joint ventures are recognised in the consolidated financial statements at cost. In subsequent periods, the carrying amount of the holdings increases or decreases according to the W&W Group's share of the entity's net income for the period. Unrealised gains and losses, which are elements of the consolidated statement of comprehensive income, are recognised under "Other reserves" under the reserve for financial assets accounted for using the equity method in the consolidated statement of changes in equity.

Scope of consolidation

W&W AG is the parent company of the W&W Group. As at the reporting date, the scope of consolidation was as follows:

	Domestic	Foreign	Total
Subsidiaries			
Included as at 31 December 2024	20	5	25
Included as at 31 December 2023	20	5	25
Structured entities (public and special funds)			
Included as at 31 December 2024	21	13	34
Included as at 31 December 2023	18	14	32
Associated companies accounted for using the equity method			
Included as at 31 December 2024	1	-	1
Included as at 31 December 2023	2	-	2

The individual companies are presented in the “List of ownership interests”.

Changes to the scope of consolidation

Additions and disposals in the scope of consolidation

In the first half of the year 2024, the W&W International Global Convertibles Fund, Dublin, was removed from the scope of consolidation following the redemption of all shares. In addition, the newly launched fund LBBW AM-US Municipals 3, Stuttgart, was consolidated for the first time.

In the second half of 2024, the special funds LBBW AM-SüdInvest HW EMB, Stuttgart, and LBBW AM-USD Corp. Bonds Fonds 3, Stuttgart, were included in the scope of consolidation. Furthermore, the W&W Group lost its significant influence over V-Bank AG, Munich, as a result of which the company is no longer included in the consolidated financial statements using the equity method.

Company mergers

On 1 July 2024, W&W AG acquired 100% of the voting shares in start:bausparkasse AG, Hamburg, from the previous owner, BAWAG P.S.K.,Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft (BAWAG), Vienna, via its subsidiary, Wüstenrot Bausparkasse AG, Kornwestheim, and thus gained control over this company. start:bausparkasse AG is a private home loan and savings bank based in Hamburg. In addition to home loan savings, start:bausparkasse AG's business focuses on the financing of housing-related measures for residential property for personal use. As part of the takeover, the voting shares held by start:bausparkasse AG in Domus Beteiligungsgesellschaft der Privaten Bausparkassen mbH, based in Berlin (4.08%), were also acquired. This company is currently not operational. With the takeover of start:bausparkasse AG,Wüstenrot Bausparkasse AG is intentionally continuing its course of growth in the home loan savings business. The expected additional annual volume of new business is in the double-digit million range.

The transfer of control of start:bausparkasse AG took place following regulatory approval with effect from 1 July 2024. The results of start:bausparkasse AG are included in the consolidated financial statements of W&W AG from the date of initial consolidation . With the takeover, Wüstenrot Bausparkasse AG is entering into a sales co-operation with a company affiliated with the seller,, in the home and loan savings and mortgage lending business. Multi-year sales targets were agreed with this co-operation partner. In the course of the financial year, start:bausparkasse AG was merged with Wüstenrot Bausparkasse AG with retroactive effect from 1 January 2024.

In addition to the agreed and paid base purchase price, the purchase and transfer agreement contains further purchase price adjustment clauses. In connection with the termination and settlement of interest rate derivatives due to the positive performance since the signing of the purchase agreement, Wüstenrot Bausparkasse AG incurred compensation payments to BAWAG. In addition, start:bausparkasse AG generated higher earnings than expected in the period from 1 January 2024 to 30 June 2024 and therefore reported higher equity at the time of the transfer of control. This higher result is still due to the seller and will be offset accordingly as part of a supplementary purchase price payment . Furthermore, a purchase price adjustment of up to €5 million may arise in connection with the newly concluded sales co-operation over the next five years, both in favour of and at the expense of the existing owners, depending on the sales targets from the sales cooperation. According to current estimates based on probabilities of occurrence, the fair value of this purchase price adjustment amounts to €0 million. The fair value of the consideration transferred therefore amounts to €2 million.

Furthermore, the pension liabilities of start:bausparkasse AG accrued until 31 December 2023 were assumed by BAWAG as part of the transaction. However, the resulting tax benefits from the associated expenses can only be claimed in instalments and will therefore accrue to Wüstenrot Bausparkasse AG in the future. This leads to a deferred tax asset of €5 million. In the purchase agreement, Wüstenrot Bausparkasse AG has undertaken to allow BAWAG to participate in the tax benefits on a pro rata basis. A provision of €2 million was recognised for this.

The preliminary fair values of the assets and liabilities acquired are shown in the following tables.

Assets

in € million	01.07.2024
Cash and cash equivalents	4
Financial assets at fair value through other comprehensive income (OCI)	84
Financial assets at amortised cost	365
Other assets	26
Total assets	**480**

Equity and liabilities

in € million	01.07.2024
Financial liabilities at fair value through profit or loss	5
Liabilities	402
Other provisions	17
Other liabilities	11
Equity	45
Total equity and liabilities	**480**

Due to an earlier change of ownership in 2018, start:bausparkasse AG (then trading as Deutscher Ring Bausparkasse AG) has reimbursement claims from the release of customer claims for the payment of interest and loyalty bonuses for existing home loan savings contracts, provided that these reach a defined threshold value in total. In the course of the final purchase price allocation, expected reimbursement claims against BAWAG in the amount of €13 million were recognised under Financial assets measured at amortised cost.

On the basis of the purchase price allocation, hidden reserves were identified, a significant portion of which (€24 million) resulted from the valuation of the home loan savings pool. The financial instruments taken over (home loans and savings) were revalued taking into account the current interest rate level. In the course of the final purchase price allocation, these are allocated to liabilities to customers (previously other assets). In addition, a sales cooperation amounting to €8 million was recognised under other assets.

The acquired receivables consist of loans and advances to credit institutions, and loans and advances to customers. According to current estimates, these receivables are generally classified as recoverable. The receivables shown in the following table are included in the balance sheet items cash and cash equivalents, financial assets at fair value through other comprehensive income (OCI) and financial assets at amortised cost.

Acquired receivables

	Fair value of contractual receivables	Gross amounts of contractual receivables
in € million	01.07.2024	01.07.2024
Loans and advances to credit institutions	142	142
Loans and advances to customers	225	254
Total	**367**	**396**

€25 million of the hidden liabilities recognised in the course of the acquisition of start:bausparkasse AG result, in particular, from the measurement of customer receivables. This is due to the lower interest rates on building loans compared to current market interest rates.

The difference from the purchase price allocation between the acquired net assets of start:bausparkasse AG, i.e. the balance of the recognised assets and assumed liabilities, and the fair value of the consideration transferred is €43 million. Several effects are responsible for the amount of this negative difference. In addition to the consideration transferred , the currently prevailing interest rate level, which has led to a positive fair value adjustment of the home loan savings pool of start:bausparkasse AG, must also be taken into account. In addition, migration expenses in the IT area, investments in marketing and sales and other integration costs may not be recognised as part of the purchase price allocation. The loss carryforwards of start:bausparkasse AG from past results can probably no longer be used for tax purposes after the transfer of control and therefore cannot be recognised as deferred tax assets.

The negative difference was recognised under other operating income in other operating income in the year under review.

Following the transfer of control on 1 July 2024, start:bausparkasse AG was merged into Wüstenrot Bausparkasse AG with retroactive effect from 1 January 2024. At the same time, start:bausparkasse AG was integrated into the systems and fully integrated into the management of Wüstenrot Bausparkasse AG. It is therefore not possible to determine the revenue and profit of the former start:bausparkasse AG since the merger took place.

Interests in subsidiaries, including consolidated structured entities

Disposal restrictions

Statutory, contractual or regulatory restrictions, as well as protected rights of non-controlling interests, may restrict the ability of the Group, the parent company or a subsidiary to obtain access to assets and to make unimpeded transfers to or receive unimpeded transfers from other companies in the Group and to pay Group debts.

Since the adoption of the German Life Insurance Reform Act (LVRG) in August 2014, the subsidiaries Württembergische Lebensversicherung AG and Allgemeine Rentenanstalt Pensionskasse AG have been subject to a statutory payout block pursuant to Section 139 (2) sentence 3 German Act on the Supervision of Insurance Undertakings (VAG) depending on any hedging requirements pursuant to Section 139 (4) VAG. As at 31 December 2024, there was no payout block on this basis, as there was no need for hedging for Württembergische Lebensversicherung AG and Allgemeine Rentenanstalt Pensionskasse AG.

As a credit institution, the subsidiary Wüstenrot Bausparkasse AG must comply with extensive regulatory requirements. For example, the liquidity coverage ratio (LCR) represents the short-term resilience of a credit institution's liquidity risk profile in a 30-day liquidity stress scenario. The LCR is the ratio of the volume of High-Quality Liquid Assets (HQLA) that could be used to raise liquidity over a period of 30 days to the total volume of net stressed outflows in the same period arising from both actual and contingent exposures. The LCR of Wüstenrot Bausparkasse AG as at 31 December 2024 was 688.82% (previous year: 284.54%).

The Group is subject to the following restrictions with respect to the use to which assets may be put:

- Assets used in collateralised financing, e.g. repurchase agreements, securities lending transactions and other forms of collateralised lending. Repurchase agreements, securities lending transactions and other forms of collateralised lending.
- Assets used in collateral or margin agreements, e.g. to hedge derivative transactions.
- Assets used in the cover pool for German covered bonds.
- The assets of consolidated investment funds are subject to a variety of restrictions with respect to transferability.
- The assets of consolidated insurance companies mainly serve to settle obligations to policyholders.
- Regulatory requirements and the requirements of central banks can limit the Group's ability to transfer assets to or from other companies in the Group.

With regard to the restricted assets and liabilities recognised in the consolidated financial statements, please also refer to Note 40 “Transfers of financial assets, collateral provided and received, as well as netting financial assets and liabilities”.

Interests in unconsolidated structured entities

As a result of its business activities, the W&W Group holds interests in unconsolidated structured entities that have been formed either as investment funds (public or special funds) or as alternative investment companies in the legal form of a corporation or partnership. These structured entities serve to meet various customer needs with respect to investment in various assets. Group companies mainly assume the role of investor, sometimes also that of fund manager or custodian.

Structured entities are entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. The W&W Group has structured entities in which it does not have control within the meaning of IFRS 10 despite holding more than 50% of the voting rights. There are also structured entities that are not included in the consolidated financial statements as associated companies despite the W&W Group having an interest of more than 20%. The reason for the lack of control or the ability to exercise influence is, for instance, that the entities are managed outside of the Group or the management and supervisory bodies are composed of persons outside the Group. Moreover, a structured entity is classified as such based one or more of the following features or attributes:

- restricted activities,
- a narrow and well-defined objective,
- insufficient equity to permit the structured entity to finance its activities without subordinated financial support,
- financing in the form of multiple contractually linked instruments issued to investors that create concentrations of credit or other risks (tranches).

As at the reporting date, other than interests in investment funds and alternative investment companies, no structured entities were identified, either with an investment interest or as structured entities supported by W&W without an investment interest.

Interests in investment funds

As at 31 December 2024, the carrying amounts, the investment strategy, the maximum loss risk and the scope vis-à-vis unconsolidated investment funds were as follows:

2024

	Equity fund	Bond funds	Real estate funds	Other funds	Funds of unit-linked life insurance policies[3]	Total
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Recognised assets (fund units held)						
Financial assets at fair value through profit or loss	20	91	34	874	3,902	4,921
Total	**20**	**91**	**34**	**874**	**3,902**	**4,921**
Maximum loss risk[1]	20	91	34	874	3,902	4,921
Total scope of fund assets as at the reporting date[2]	8,364	254	767	24,148	308,428	341,961

1 The maximum loss risk is determined on the basis of fund units held and, where applicable, capital contribution calls not yet made and guarantees.
2 Several funds are included in more than one fund category. In those cases, the total scope of fund assets was assigned to the category with the greatest value.
3 Capital investments are for the account and risk of policyholders.

2023

in € million	Equity fund 31.12.2023	Bond funds 31.12.2023	Real estate funds 31.12.2023	Other funds 31.12.2023	Funds of unit-linked life insurance policies[3] 31.12.2023	Total 31.12.2023
Recognised assets (fund units held)						
Financial assets at fair value through profit or loss	24	363	7	610	3,073	4,077
Total	**24**	**363**	**7**	**610**	**3,073**	**4,077**
Maximum loss risk[1]	24	363	7	610	3,073	4,077
Total scope of fund assets as at the reporting date[2]	5,432	584	793	14,204	246,377	267,390

1 The maximum loss risk is determined on the basis of fund units held and, where applicable, capital contribution calls not yet made and guarantees.
2 Several funds are included in more than one fund category. In those cases, the total scope of fund assets was assigned to the category with the greatest value.
3 Capital investments are for the account and risk of policyholders.

Unconsolidated investment funds are financed by issuing redeemable unit certificates. The carrying amount of the units corresponds to fair value. The types of income that the W&W Group receives from these held interests are mainly dividend income and income from the fair value measurement of investment fund units. The amount of current income and the amount of the measurement result depends, in particular, on general market trends in the respective investment class and on the specific investment decisions made by the respective fund manager.

Interests in alternative investments, including private equity

Alternative investment companies maintain holdings in the area of alternative energy production from wind, photovoltaic, biomass and water. In addition, there are investments in the area of private equity, such as venture capital financing. Scope and size are primarily determined on the basis of fair value. The carrying amount of interests in alternative investments, including private equity, corresponds to the fair value under the item "Financial assets at fair value – Participations in alternative investments” and amounted to €3,685 million (previous year: €3,428 million). This carrying amount corresponds to the maximum loss risk. Financing is accomplished by issuing redeemable unit certificates.

The W&W Group as interest owner receives variable reflows, mainly in the form of distributions from alternative investments, including private equity. In addition, the investments are subject to fluctuations in value. Variable reflows are dependent on general market trends in the respective industry and on the specific business decisions made by the respective investment company.

Segment reporting

The segment information is prepared in accordance with IFRS 8 Operating Segments on the basis of internal reporting, which is regularly used by the chief operating decision maker to assess the business development of the segments and to make decisions on the allocation of resources to the segments (management approach). The Management Board is the chief operating decision maker in the W&W Group.

The reportable segments are identified on the basis of products and services and regulatory requirements. For this purpose, individual business segments are included in the Life and Health Insurance segment. The following section lists the products and services through which revenue is generated by the reportable segments. There is no dependence on individual major accounts.

Housing

The reportable segment Housing consists of one business segment and includes home loan savings and banking products primarily for retail customers in Germany, e.g. home loan savings contracts, bridging loans and mortgage loans. Home loan savings contracts, pre-financing and interim financing loans as well as other building loans such as mortgage loans.

Life and Health Insurance

The reportable Life and Health Insurance segment has several business segments, all of which have similar characteristics and are comparable in terms of all IFRS 8 aggregation criteria. In particular, the group of persons, sales channels, regulatory framework, underlying actuarial calculations and the product type all have similar economic characteristics.

The reportable Life and Health Insurance segment provides a wide range of life and health insurance products for individuals and groups, including classic and unit-linked life and pension insurance, risk life and health insurance policies, occupational disability insurance, comprehensive and supplementary private health insurance and care insurance.

Property/Casualty Insurance

The reportable Property/Casualty Insurance segment offers a comprehensive range of insurance products for retail and corporate customers, including motor, liability, personal accident, legal expenses, homeowners, household contents, transport and technical insurance.

All other segments

All other business activities of the W&W Group, such as central Group functions, asset management activitiesand property development activities, have been summarised under All other segments, as they are not directly related to the other reportable segments. This also includes interests in subsidiaries of W&W AG that cannot be consolidated in All other segments (e.g. Wüstenrot Bausparkasse AG, Württembergische Lebensversicherung AG, Württembergische Versicherung AG and Württembergische Krankenversicherung AG), because they are allocated to another segment (Housing, Life and Health Insurance, Property/Casualty Insurance).

W&W AG is the reinsurer of Württembergische Versicherung AG and passes the majority of assumed risks on to the reinsurance market. The externally held reinsurance business (retrocession) is recognised in the Property/Casualty Insurance reporting segment in accordance with the management approach of IFRS 8. The segment information for Property/Casualty Insurance thus fully reflects the technical risk profile of property and casualty insurance, taking into account the externally held reinsurance contracts.

Consolidation/reconciliation

Consolidation measures that are necessary for reconciliation to Group figures are shown under the column Consolidation/reconciliation.

As in previous years, each individual segment's performance is measured by the segment result under IFRS. Transactions between the segments were carried out on an arm's length basis.

Measurement principles

The measurement principles used in segment reporting are the same as the accounting policies used in the IFRS consolidated financial statements, with the following exceptions. In line with internal Group reporting and management, IFRS 16 is not applied to leases under the law of obligations within the Group. Interests in the subsidiaries of W&W AG that are not consolidated in All other segments are measured there at fair value through other comprehensive income (OCI, not reclassified to the consolidated income statement).

Segment income statement

in € million	Housing 1.1.2024 to 31.12.2024	Housing 1.1.2023 to 31.12.2023	Life and Health Insurance 1.1.2024 to 31.12.2024	Life and Health Insurance 1.1.2023 to 31.12.2023
Current financial result	281	273	963	911
Result from credit risk adjustments	-31	-24	7	-1
Measurement result	12	13	417	269
Result from disposals	37	191	-76	-83
Insurance finance result (net)	-	-	-1,313	-1,100
Financial result	**299**	**453**	**-2**	**-4**
thereof: result from financial assets accounted for using the equity method	-	-	-	-4
Technical result (net)	-	-	102	101
Commission result	-10	-38	-	-
General administrative expenses (gross)	-338	-347	-254	-261
General administrative expenses attributable to the technical result	-	-	215	226
General administrative expenses (net)	-338	-347	-39	-35
Other operating result	62	12	3	-1
Segment result before income taxes from continued operations	**13**	**80**	**64**	**61**
Income taxes	3	-25	-20	-20
Segment result after taxes	**16**	**55**	**44**	**41**
Other disclosures				
Total sales revenue [2]	1,086	988	2,299	2,180
thereof: with other segments	26	27	26	24
thereof: with external customers	1,054	961	2,273	2,156
Interest income	871	705	601	575
Interest expenses	-590	-432	-26	-33
Scheduled depreciation	-17	-19	-	-3
Impairment losses[3]	-	-	-	-
Reversals of impairment losses[3]	-	-	-	-
Material non-cash items	89	313	778	441
Segment assets[4]	34,462	30,976	32,040	32,087[5]
Segment liabilities[4]	33,096	29,607	31,299	31,369[5]
Financial assets accounted for using the equity method[4]	-	-	30	34

1 The consolidation/reconciliation column contains the consolidation effects between the segments, the reconciliation of the intra-segment valuations to the Group valuation and rounding effects.
2 Interest, dividend, commission and rental income as well as income from property development business and technical income.
3 Impairment losses and reversals of impairment losses relate to intangible assets, property, plant and equipment and investment property.
4 Values as at 31 December 2024 and 31 December 2023.
5 Previous year's figure adjusted; see section 'Changes in accordance with IAS 8'.

	Property/Casualty Insurance		Total for reportable segments		All other segments		Consolidation/reconciliation[1]		Group	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
	87	79	1,331	1,263	103	95	-38	-38	1,396	1,320
	-3	-	-27	-25	-	-	-	-	-27	-25
	18	1	447	283	56	27	-31	-27	472	283
	1	-7	-38	101	-	-4	-	1	-38	98
	-55	-27	-1,368	-1,127	-	-	41	33	-1,327	–1,094
	48	**46**	**345**	**495**	**159**	**118**	**-28**	**-31**	**476**	**582**
	-	-4	-	-8	2	3	-1	-	1	-5
	-118	21	-16	122	1	4	-1	-4	-16	122
	-9	-12	-19	–50	40	44	-33	-37	-12	-43
	-500	-463	-1,092	-1,071	-76	–92	5	14	-1,163	-1,149
	442	404	657	630	-	-	-	-	657	630
	-58	–59	-435	-441	-76	–92	5	14	-506	-519
	6	20	71	31	5	24	9	5	85	60
	-131	**16**	**–54**	**157**	**129**	**98**	**-48**	**-53**	**27**	**202**
	40	-8	23	-53	-12	-7	-2	-1	9	-61
	-91	**8**	**-31**	**104**	**117**	**91**	**–50**	**–54**	**36**	**141**
	2,900	2,710	6,285	5,878	212	284	-187	-186	6,310	5,976
	21	26	73	77	126	120	-199	-197	-	-
	2,879	2,684	6,206	5,801	86	164	13	11	6,305	5,976
	82	70	1,554	1,350	54	41	-49	–41	1,559	1,350
	-28	-25	-644	-490	-29	-30	63	52	-610	-468
	-4	-5	-21	-27	–54	–59	1	1	-74	-85
	-	-	-	-	-35	-	-	-	-35	-
	-	-	-	-	-	-	-	-	-	-
	-19	-9	848	745	31	-32	–56	-9	823	704
	4,866	4,709	71,368	67,772[5]	5,611	5,793	-4,713	-5,013	72,266	68,552[5]
	2,507	2,396	66,902	63,372[5]	1,590	1,694	-1,156	–1,475	67,336	63,591[5]
	50	54	80	88	-	21	-20	-20	60	89

Information by region (Group)

in € million	Sales revenues with external customers[1] 1.1.2024 to 31.12.2024	Sales revenues with external customers[1] 1.1.2023 to 31.12.2023	Non-current assets[2] 31.12.2024	Non-current assets[2] 31.12.2023
Germany	6,303	5,975	3,239	3,239
Other countries	2	1	1	1
Total	**6,305**	**5,976**	**3,240**	**3,240**

1 Revenue was allocated in accordance with the country in which the operational units are based.
This relates to interest, dividend, commission and rental income as well as income from property development business and technical income.
2 Non-current assets include investment property, intangible assets and property, plant and equipment.

Notes concerning the consolidated balance sheet

(1) Cash and cash equivalents

in € million	31.12.2024	31.12.2023
Deposits with central banks	88	51
Deposits with foreign postal giro offices	-	1
Current account deposits	909	994
Cash and cash equivalents	**997**	**1,046**

(2) Non-current assets held for sale and discontinued operations

in € million	31.12.2024	31.12.2023
Financial assets at fair value through profit or loss	-	28
Non-current assets held for sale and discontinued operations	**-**	**28**

The financial assets classified as held for sale at fair value through profit or loss at 31 December 2023 relate to the participation in the Hungarian home loan and savings bank Fundamenta Lakáskassza Zrt. from “All other segments”. The participating interest was sold for reasons of diversification and was finalised during the first half of 2024. The sale resulted in a small positive contribution to earnings.

(3) Financial assets at fair value through profit or loss

in € million	31.12.2024	31.12.2023
Participating interests, not including alternative investments	538	422
Participating interests in alternative investments	3,685	3,428
Equities	391	370
Investment fund units	1,019	1,003
Fixed-income financial instruments that do not pass the SPPI test	1,975	2,018
Derivative financial instruments	28	174
Senior fixed-income securities	-	142
Capital investments for the account and risk of life insurance policyholders	3,902	3,073
Financial assets at fair value through profit or loss	**11,538**	**10,630**

Capital investments for the account and risk of life insurance policyholders primarily contains fund units and, to a lesser extent, derivatives such as index options.

(4) Financial assets at fair value through other comprehensive income (OCI)

in € million	31.12.2024	31.12.2023
Subordinated securities and receivables	881	817
Senior debenture bonds and registered bonds	3,727	4,089
Senior fixed-income securities	19,201	18,781
Financial assets at fair value through other comprehensive income (OCI)	**23,809**	**23,687**

Risk provision by class for debt instruments required to be measured at fair value through other comprehensive income

in € million	31.12.2024	31.12.2023
Subordinated securities and receivables	-1	-1
Senior debenture bonds and registered bonds	-3	-3
Senior fixed-income securities	-26	-33
Risk provision	**-30**	**-37**

(5) Financial assets at amortised cost

To improve the depth of information, the table below provides a more detailed breakdown of the carrying amounts of assets measured at amortised cost after risk provision:

in € million	31.12.2024	31.12.2023
Subordinated securities and receivables	**218**	**213**
Credit institutions	126	119
Other financial enterprises	57	57
Other enterprises	35	37
Senior debenture bonds and registered bonds	**72**	**57**
Building loans	**28,401**	**26,707**
Loan under a building savings contract	2,242	1,713
Advance and bridge financing loans	19,085	18,024
Other building loans	7,074	6,970
Other receivables	**2,249**	**1,180**
Active portfolio hedge adjustment	**422**	**304**
Financial assets at amortised cost	**31,362**	**28,461**

Without accounting for risk provisions, loans and advances to credit institutions included in Other receivables came to €1,742 million (previous year: €685 million), of which €1,469 million (previous year: €550 million) are payable on demand and €273 million (previous year €135 million) are not.

Risk provision per class for financial assets at amortised cost

in € million	31.12.2024	31.12.2023
Building loans	-108	-90
Other receivables	-41	-46
Risk provision	**-149**	**-136**

(6) Positive market values from hedges

in € million	31.12.2024	31.12.2023
Fair value hedges	**2**	**2**
Hedge of the interest rate risk	2	2
Positive market values from hedges	**2**	**2**

(7) Technical assets

	Asset for remaining coverage		Asset for incurred claims		Total	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Insurance contracts issued that are assets	**49**	**44**	**-8**	**-7**	**41**	**37**
Life and Health Insurance	49	44	-8	-7	41	37
Reinsurance contracts held that are assets	**-8**	**-**	**297**	**320**	**289**	**320**
Life and Health Insurance	11	27	10	10	21	37
Property/Casualty Insurance	-19	-27	287	310	268	283
Technical assets	**41**	**44**	**289**	**313**	**330**	**357**

Further details can be found in the chapter "Notes concerning insurance contracts".

(8) Financial assets accounted for using the equity method

in € million	2024	2023
Carrying amount as at 1.1.	**89**	**109**
Changes in the scope of consolidation	-23	-
Dividend payments	-5	-16
Pro rata share of net income/expense for the year	1	-5
Changes recognised directly in equity	-	1
Other changes	-2	-
Carrying amount as at 31.12	**60**	**89**

For all financial assets in the portfolio that are accounted for using the equity method, the following table presents, among other things, all assets, liabilities, revenue and net income/expense for the year for each company, as well as the shares thereof attributable to the W&W Group:

	BWK GmbH Unternehmens-beteiligungsgesellschaft	V-Bank AG
Participation purpose	Strategic investment	Strategic investment
Principal place of business	Stuttgart, Germany	Munich, Germany
Reporting date	31 December	31 December

	BWK GmbH Unternehmens-beteiligungsgesellschaft		V-Bank AG		Total	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Share of capital, in %	35.00	35.00		15.26		
Assets	183	207	-	4,015	183	4,222
Liabilities	11	11	-	3,889	11	3,900
Net assets (100%)	**172**	**196**	**-**	**126**	**172**	**322**
Group share of net assets	**60**	**69**	**-**	**19**	**60**	**88**
Reconciliation	-	-	-	1	-	1
Carrying amount of financial assets accounted for using the equity method	**60**	**69**	**-**	**20**	**60**	**89**

	BWK GmbH Unternehmens-beteiligungsgesellschaft		V-Bank AG		Total	
in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 until 30.06.2024[1]	1.1.2023 to 31.12.2023	1.1.2024 until 31.12.2024[1]	1.1.2023 to 31.12.2023
Income	40	15	50	79	90	94
Net income/expense for the year (100%)	**-4**	**-25**	**13**	**26**	**9**	**1**
Other comprehensive income (100%)	-	-	2	5	2	5
Total comprehensive income (100%)	**-4**	**-25**	**15**	**31**	**11**	**6**
Group share of net income/expense for the year	**-1**	**-9**	**2**	**4**	**1**	**-5**
Group share of other comprehensive income	**-**	**-**	**-**	**1**	**-**	**1**
Group share of total comprehensive income	**-1**	**-9**	**2**	**5**	**1**	**-4**
Dividends received	5	16	-	-	5	16

1 V-Bank figures only included until 30 June 2024.

In the case of V-Bank AG, although we held less than 20% of the voting rights, we exercised significant influence over it as a result of our representation on its supervisory body. With the loss of a seat on the Supervisory Board on 1 July 2024, significant influence within the meaning of IAS 28 no longer exists. For this reason, the investment has been recognised at fair value in accordance with IFRS 9 since this date. Fair value measurement had a positive effect on earnings of €33 million after taxes in the current financial year.

No publicly quoted market prices are available for the interests in associated companies in the W&W Group that are accounted for using the equity method.

(9) Investment property

As at 31 December 2024, there were restrictions on the saleability of investment property in the amount of €93 million (previous year: €90 million). There were no restrictions on the availability of income and disposal proceeds.

As at 31 December 2024, there were contractual obligations to purchase and construct investment properties amounting to €78 million (previous year: €159 million). There were no material contractual obligations to develop investment property or for repairs, maintenance or improvements.

Investment property measured according to the cost model

The fair value of investment property measured using the cost model,, at the end of the year was €238 million (previous year: €326 million).

in € million	2024	2023
Gross carrying amounts as at 1.1.	**287**	**135**
Additions	11	58
Disposals	-17	-2
Reclassifications	-8	96
As at 31.12.	**273**	**287**
Cumulative depreciation and impairment losses as at 1.1.	**-126**	**-26**
Additions: depreciation (scheduled)	-2	-2
Disposals	7	1
Reclassifications	5	-99
As at 31.12.	**-116**	**-126**
Net carrying amounts as at 1.1.	**161**	**109**
Net carrying amounts as at 31.12.	**157**	**161**

Additions included capitalised production costs of €10 million (previous year: €58 million).

Investment property measured according to the fair value model

in € million	2024	2023
As at 1.1.	**2,408**	**2,331**
Additions	93	91
Disposals	-61	-
Changes in the scope of consolidation	-60	-
Net gains or losses from measurement at fair value	-64	-15
Reclassifications	-7	1
As at 31.12.	**2,309**	**2,408**

Additions included capitalised production costs of €13 million (previous year: €25 million).

(10) Intangible assets

in € million	31.12.2024	31.12.2023	Remaining amortisation period (years)
Software	112	127	1-5
Brand names	5	6	3
Other acquired intangible assets	7	-	1-15
Intangible assets	**124**	**133**	**-**

Changes to intangible assets in 2024

in € million	Externally procured software	Internally developed software	Brand names	Other acquired intangible assets	Total
Gross carrying amounts as at 1.1.	**447**	**3**	**32**	**15**	**497**
Additions	44	-	-	-	44
Change in scope of consolidation	-	-	-	10	10
As at 31.12.	**491**	**3**	**32**	**25**	**551**
Cumulative amortisation and impairment losses as at 1.1.	**-320**	**-3**	**-26**	**-15**	**–364**
Additions: amortisation (scheduled)	-24	-	-1	-	-25
Additions: impairment losses	-35	-	-	-3	-38
As at 31.12.	**–379**	**-3**	**-27**	**-18**	**-427**
Net carrying amounts as at 1.1.	**127**	**-**	**6**	**-**	**133**
Net carrying amounts as at 31.12.	**112**	**-**	**5**	**7**	**124**

Changes to intangible assets in 2023

in € million	Externally procured software	Internally developed software	Brand names	Other acquired intangible assets	Total
Gross carrying amounts as at 1.1.	**410**	**3**	**32**	**15**	**460**
Additions	38	-	-	-	38
Disposals	-1	-	-	-	-1
As at 31.12.	**447**	**3**	**32**	**15**	**497**
Cumulative amortisation and impairment losses as at 1.1.	**-294**	**-2**	**-24**	**-12**	**-332**
Additions: amortisation (scheduled)	-27	-1	-2	-3	-33
Disposals	1	-	-	-	1
As at 31.12.	**-320**	**-3**	**-26**	**-15**	**–364**
Net carrying amounts as at 1.1.	**116**	**1**	**8**	**3**	**128**
Net carrying amounts as at 31.12.	**127**	**-**	**6**	**-**	**133**

When determining the value in use of an ongoing software project in the Property/Casualty Insurance segment, the acquisition costs of €35 million were fully impaired due to delays and cost increases. As a result, no discounting was performed.

There is a brand transfer and use agreement between Wüstenrot Holding AG and W&W AG. As at 31 December 2024, the carrying amount of the resulting intangible asset amounted to €5 million (previous year: €6 million). The asset has a limited useful life, and it is being amortised on a straight-line basis over 20 years. The remaining useful life is three years. As at 31 December 2024, the capitalised brand name was offset by a financial liability to Wüstenrot Holding AG in the amount of €4 million (previous year:. €6 million).

Total expenditures for research and development that were recognised in the income statement for the 2024 financial year amounted to €34 million (previous year: €45 million).

There were obligations to purchase intangible assets in the amount of € 7 million (previous year: €7 million). These have to do with software licences of W&W Informatik GmbH.

(11) Property, plant and equipment

In the area of property, plant and equipment, there were obligations for the acquisition of property, plant and equipment, which primarily result from the acquisition of hardware in the amount of €1 million (previous year: €13 million).

Property, plant and equipment measured at amortised cost

	Property for own use		Plant and equipment		Total	
in € million	2024	2023	2024	2023	2024	2023
Gross carrying amounts as at 1.1.	**723**	**806**	**116**	**148**	**839**	**954**
Additions	12	33	21	17	33	50
Disposals	-	-9	-6	-49	-6	-58
Reclassifications	-31	-107	-	-	-31	-107
As at 31.12.	**704**	**723**	**131**	**116**	**835**	**839**
Cumulative depreciation and impairment losses as at 1.1.	**-225**	**-308**	**-76**	**-108**	**-301**	**-416**
Additions: depreciation (scheduled)	-29	-34	-17	-18	-46	-52
Disposals	-	7	5	50	5	57
Reclassifications	31	110	-	-	31	110
As at 31.12.	**-223**	**-225**	**-88**	**-76**	**-311**	**-301**
Net carrying amounts as at 1.1.	**498**	**498**	**40**	**40**	**538**	**538**
Net carrying amounts as at 31.12.	**481**	**498**	**43**	**40**	**524**	**538**

Property, plant and equipment measured at fair value

	Property for own use	
in € million	2024	2023
As at 1.1.	**-**	**-**
Net gains or losses from measurement at fair value	-1	-
Reclassifications	10	-
As at 31.12.	**9**	**-**

(12) Inventories

Inventories in the amount of € 50 million (previous year: €69 million) related to property development business and primarily included land and buildings held for sale, as well as land with buildings under construction The carrying amount of inventories recognised at the lower fair value less costs of disposal amounted to €8 million (previous year: €8 million). Also recognised under "Inventories" were raw materials and consumables in the amount of million €0 million (previous year: €1 million).

An impairment provision in the amount of million € 13 million (previous year: €3 million) was recognised on inventories. Expenses for the utilisation of inventories during the reporting period amounted to million €23 million (previous year: €235 million). Inventories in the amount of €14 million (previous year: €14 million) were pledged as collateral for liabilities in the year under review.

(13) Current tax assets

Current tax assets related to current tax receivables, and they are expected to be realised in the amount of €13 million (previous year: €9 million) within 12 months.

(14) Deferred tax assets

Deferred tax assets were recognised in connection with the following items:

in € million	31.12.2024	31.12.2023
Financial assets/liabilities at fair value through profit or loss	86	105[1]
Financial assets at fair value through other comprehensive income	1,889	1,840[1]
Financial assets at amortised cost	241	270[1]
Positive/negative market values from hedges	7	11
Investment property	40	31[1]
Liabilities	31	39
Technical assets/liabilities	9	-
Provisions for pensions and similar obligations	145	152
Other balance sheet items	78	79[1]
Tax loss carryforward	22	26
Deferred tax assets before netting effects	**2,548**	**2,553[1]**
Netting effects	-1,616	-1,671[1]
Deferred tax assets after netting effects	**932**	**882[1]**

1 Previous year's figure adjusted, see chapter "Changes in accordance with IAS 8".

The portion of the changes to deferred tax assets recognised directly in equity for some items can be seen in the consolidated statement of comprehensive income. The changes recognised in the income statement for some items are presented in Note 35.

Deferred taxes on provisions for pensions and other obligations in the amount of €169 million (previous year: €172 million) were recognised directly in the reserve for pension commitments.

Deferred tax assets in the amount of €313 million (previous year: €357[1] million) and deferred taxes on tax loss carryforwards in the amount of €9 million (previous year: €8 million) are expected to be realised within 12 months .

Deferred taxes for deductible temporary differences and tax loss carryforwards that related to corporate income and trade taxes in the amount of €3 million (previous year: €16 million), no deferred taxes were recognised as it cannot be assumed that they will be realised in the medium term.

(15) Other assets

Other assets mainly related to deferred income items for leasing and maintenance costs.

[1] Previous year's figure adjusted, see chapter "Changes in accordance with IAS 8".

(16) Financial liabilities at fair value through profit or loss

The category “Financial liabilities at fair value through profit or loss” includes derivatives in the amount of €237 million (previous year: €24 million). This figure includes €11 million (previous year: €15 million) in interest-related transactions, €224million (previous year: €9 million) in currency-related transactions and€2 million (previous year: €0 million) in equity/index transactions.

(17) Liabilities

in € million	31.12.2024	31.12.2023
Liabilities evidenced by certificates	**3,365**	**2,842**
Liabilities to credit institutions	**1,271**	**2,219**
Home loan savings business deposits	4	4
Other liabilities to credit institutions	1,267	2,215
Liabilities to customers	**27,468**	**23,479**
Home loan savings business deposits and savings deposits	19,815	19,607
Other liabilities to customers	7,653	3,872
Lease liabilities	**44**	**52**
Miscellaneous liabilities	**474**	**545**
Other liabilities	311	375
Sundry liabilities	163	170
Passive portfolio hedge adjustment	**-397**	**-561**
Liabilities	**32,225**	**28,576**

Of the other liabilities to credit institutions included in liabilities to credit institutions, €9 million (previous year: €23 million) are payable on demand and €1,258 million (previous year: €2,193 million) are not. These liabilities not payable on demand included securities lending and open market operations and margin liabilities.

Of the other liabilities from liabilities to customers, €4,975 million (previous year: €1,968 million) were due on demand, €2,678 million (previous year: €1,904 million) have an agreed term.

The other liabilities recognised under other liabilities include trade payables in the amount of €85 million (previous year: €104 million) and other financial liabilities in the amount of €217 million (previous year: €235 million). Sundry liabilities mainly include personnel-related liabilities in the amount of €70 million (previous year: €85million) and non-controlling interests in fully consolidated mutual and special funds in the amount of €90 million (previous year: €82 million).

The fair value of each liability can be obtained from the overview of the measurement hierarchy in Note 38.

(18) Negative market values from hedges

in € million	31.12.2024	31.12.2023
Fair value hedges	**1**	**-**
Hedge of the interest rate risk	1	-
Negative market values from hedges	**1**	**-**

(19) Technical liabilities

	Provision for future policy benefits (liability for remaining coverage)		Provision for outstanding insurance claims (liability for incurred claims)		Total	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Insurance contracts issued that are liabilities	**29,843**	**29,723**	**2,409**	**2,176**	**32,252**	**31,899**
Life and Health Insurance	29,518	29,448	183	157	29,701	29,605
Property/Casualty Insurance	325	275	2,226	2,019	2,551	2,294
Reinsurance contracts held that are liabilities	**1**	**1**	**-**	**-**	**1**	**1**
Property/Casualty Insurance	1	1	-	-	1	1
Technical liabilities	**29,844**	**29,724**	**2,409**	**2,176**	**32,253**	**31,900**

Further details can be found in the chapter "Notes concerning insurance contracts".

(20) Other provisions

in € million	31.12.2024	31.12.2023
Provisions for pensions	1,189	1,207
Provisions for other long-term employee benefits	26	27
Provisions for pensions and other long-term employee benefits	**1,215**	**1,234**
Miscellaneous provisions	505	635
Risk provision for issued loan commitments and financial guarantees	1	2
Other provisions	**1,721**	**1,871**

Provisions for pensions and other long-term employee benefits

Provisions for pensions

The change in the projected benefit obligation is depicted in the following:

Projected benefit obligation

in € million	Present value of pension commitments		Fair value of plan assets		Net liabilities (net assets) of defined pension plans/recognised pension provisions	
	2024	2023	2024	2023	2024	2023
As at 1.1.	**1,468**	**1,370**	**261**	**242**	**1,207**	**1,128**
Income and expenses recognised in the consolidated income statement	55	59	7	8	48	51
Current service cost	11	10	-	-	11	10
Interest expense/income	44	49	-	-	44	49
Actuarial gains (–) or losses (+) recognised in “Other comprehensive income”	-6	113	3	7	-9	106
Pension payments (utilisation)	-76	-74	-19	-19	-57	-55
Employer contributions	-	-	-	23	-	-23
As at 31.12.	**1,441**	**1,468**	**252**	**261**	**1,189**	**1,207**

There was no past service cost for either the current or the previous financial year. The projected benefit obligation corresponds to the carrying amount of the provision for pensions as at 1 January and 31 December of each financial year.

Current service cost is recognised in the consolidated income statement under “General administrative expenses”. Interest expenses were recognised under “Current result”.

The plan assets capable of being netted in connection with the outsourcing of pension commitments can be broken down as follows:

List of plan assets by investment class

in € million	31.12.2024	31.12.2023
Cash and cash equivalents	20	27
Equities	20	51
Investment fund units	33	35
Senior debenture bonds and registered bonds	50	50
Senior fixed-income securities	129	94
Derivative financial instruments	-	4
thereof: market price quoted on an active market	-	3
Financial assets	**252**	**261**

With the exception of shares and derivatives, there were no prices for any other assets that could be observed on an active market.

The following material actuarial assumptions were applied when calculating pension provisions under defined-benefit plans:

in %	2024	2023
Actuarial interest rate	3.30	3.10
Trend in pensions	2.00	2.00
Trend in the projected benefit obligation	3.00	3.00
Trend in salaries	3.00	3.00
Trend in inflation	2.00	2.00
Biometrics	Heubeck Mortality Tables 2018 G	Heubeck Mortality Tables 2018 G

Sensitivity analysis

Changes in assumptions would have had the following effects on the defined-benefit obligation. In the process, each sensitivity analysis is performed independently of the others.

Present value of defined-benefit pension commitments

		31.12.2024		31.12.2023	
		Present value	Change	Present value	Change
		in € million	in %	in € million	in %
Discount rate	+50 bp	1,357	-5.6	1,379	-5.9
	–50 bp	1,528	6.3	1,560	6.5
Trend in pensions/inflation	+25 bp	1,468	2.1	1,497	2.2
	–25 bp	1,408	-2.0	1,434	-2.1
Trend in salaries/projected benefit obligation	+25 bp	1,441	0.2	1,468	0.2
	–25 bp	1,435	-0.2	1,462	-0.2
Life expectancy	By one more year	1,489	3.6	1,513	3.3

With respect to biometrics, the effects are depicted if life expectancy increases by one year. This is approximately achieved through a reduction of mortality probabilities by 10%.

There are no extraordinary company- or plan-specific risks. The change in obligations is depicted for the current and the subsequent three financial years through annual forecasts.

Internal financing through pension provisions without explicit plan assets is an intentional, proven strategy for financing pension commitments. In so doing, sufficient risk offsetting takes place. There was no liquidity problem.

The weighted average term to maturity of benefit obligations (Macaulay duration) amounted to 12.3 years (previous year: 12.8 years).

The expected contributions to the pension plan for the next annual reporting period amounted to €11 million.

Provisions for other long-term employee benefits

In measuring other long-term employee benefits, actuarial interest rates were used that corresponded to the shorter terms to maturity of the commitments, e.g., for early retirement 2.50% (previous year: 3.40%), phased-in early retirement agreements 2.50% and 2.60% (previous year: 3.40% and 3.50%), long-term service benefits 2.70% (previous year: 3.30%).

Miscellaneous provisions in 2024

in € million	For restructuring	For the refunding of closing fees in the event of a loan waiver	For the interest bonus option	Other	Total
As at 1.1.	**2**	**24**	**541**	**68**	**635**
Additions	4	1	37	13	55
Use	-	-2	-119	-24	-145
Release	-1	-6	-48	-9	-64
Interest effect	-	1	16	-	17
Reclassification	-3	-	-	-7	-10
Changes from the scope of consolidation	-	2	13	2	17
As at 31.12.	**2**	**20**	**440**	**43**	**505**

Miscellaneous provisions in 2023

in € million	For restructuring	For the reimbursement of closing fees in the event of a loan waiver	For the interest bonus option	Other	Total
As at 1.1.	**1**	**23**	**648**	**72**	**744**
Additions	1	3	44	43	91
Use	-	-3	-172	-39	-214
Release	-	-1	-10	-8	-19
Interest effect	-	2	31	-	33
Changes from the scope of consolidation	-	-	-	-	-
As at 31.12.	**2**	**24**	**541**	**68**	**635**

The change in the risk provision for loan commitments is presented in Note 49.

The expected maturities of the amounts recognised in the balance sheet can be broken down as follows:

2024

in € million	Within 1 year	1 to 5 years	Later than 5 years	Undefined maturity	Total
Miscellaneous provisions for restructuring	2	-	-	-	2
Miscellaneous provisions for the refunding of closing fees in the event of a loan waiver	2	6	12	-	20
Miscellaneous provisions for interest bonus options	128	196	116	-	440
Other	27	10	6	-	43
Miscellaneous provisions	**159**	**212**	**134**	**-**	**505**

2023

in € million	Within 1 year	1 to 5 years	Later than 5 years	Undefined maturity	Total
Miscellaneous provisions for restructuring	1	1	-	-	2
Miscellaneous provisions for the refunding of closing fees in the event of a loan waiver	2	7	15	-	24
Miscellaneous provisions for interest bonus options	130	228	183	-	541
Other	43	17	8	-	68
Miscellaneous provisions	**176**	**253**	**206**	**-**	**635**

(21) Current tax liabilities

Current tax liabilities amounted to €136 million (previous year: €133 million) and are expected to be realised within twelve months.

(22) Deferred tax liabilities

Deferred tax liabilities were recognised in connection with the following items:

in € million	31.12.2024	31.12.2023
Financial assets/liabilities at fair value through profit or loss	23	47
Financial assets at amortised cost	24	31
Financial assets available for sale	-	2
Positive/negative market values from hedges	34	38
Investment property	156	168[1]
Financial assets accounted for using the equity method	1	1
Liabilities	175	226
Technical assets/liabilities	1,498	1,550
Other balance sheet items	55	40
Deferred tax liabilities before netting effects	**1,966**	**2,103[1]**
Netting effects	-1,616	-1671[1]
Deferred tax liabilities after netting effects	**350**	**432[1]**

1 Previous year's figure adjusted, see chapter "Changes in accordance with IAS 8".

The portion of the changes to deferred tax liabilities recognised directly in equity for some items can be seen in the consolidated statement of comprehensive income. The changes recognised in the income statement for some items are presented in Note 35.

Deferred tax liabilities in the amount of €274 million (previous year: €287[1] million) are expected to be realised within 12 months.

Differences from the OECD Pillar 2 regulations in accordance with IAS 12 were not taken into account when recognising and measuring deferred taxes.

(23) Sundry liabilities

This item includes contract liabilities in the amount of €1 million (previous year: €6 million) million and government grants for assets in the amount of €4 million (previous year: €4 million).

(24) Subordinated capital

Subordinated capital is depicted in the reporting about liquidity risk (Note 51) and takes into consideration existing options to repay it prior to final maturity.

	Carrying amount		Fair value	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Subordinated liabilities	404	640	353	559
Participation rights capital	2	2	2	2
Subordinated capital	**406**	**642**	**355**	**561**

1 Previous year's figure adjusted, see chapter "Changes in accordance with IAS 8".

(25) Equity

in € million	31.12.2024	31.12.2023
Share in paid-in capital attributable to shareholders of W&W AG	1,486	1,486
Share in retained earnings attributable to shareholders of W&W AG	3,411	3,441
Non-controlling interests in equity	33	34
Equity	**4,930**	**4,961**

It is proposed that the unappropriated surplus of €80 million that was generated by W&W AG in the 2024 financial year be appropriated as follows: distribution of a dividend in the amount of €0.65 for each share entitled to receive dividends. This would correspond to a distribution amount of €61 million.

The proposal for the appropriation of profit takes into account the 101,879 treasury shares held directly by the company on 31 December 2024, which pursuant to Section 71b of the German Stock Corporation Act (AktG) are not entitled to receive dividends. The number of shares entitled to receive dividends may change by the time of the Annual General Meeting. In such case, a correspondingly modified proposal for the appropriation of profit will be submitted to the Annual General Meeting for adoption that provides for keeping the distribution unchanged at €0.65 per share entitled to receive dividends while adjusting the amounts for the total distributed amount and for retained earnings.

On 14 May 2024, the Annual General Meeting of W&W AG resolved to use the unappropriated surplus for the financial year 2023, as calculated in accordance with German commercial law, in the amount of €80 million (previous year: €80 million) to distribute a dividend in the amount of €0.65 (previous year: €0.65) per share. In relation to the shares entitled to dividends, this corresponds to a distribution of €61 million (previous year: €61 million). Of the remaining amount, €18 million (previous year: €19 million) was appropriated to other reserves and €1 million (previous year: €0 million) was carried forward to new account.

Share capital

Share capital is divided into 93,647,841 outstanding registered no-par-value shares and is fully paid up. In legal terms, these are ordinary shares. In addition, as at 31 December 2024, W&W AG still held 101,879 (previous year: 34,335) treasury shares. These are to be used for further employee share ownership programmes.

This means that they carry voting and dividend rights, a right to share in liquidation proceeds and subscription rights. There are no preferential rights or restrictions.

Change in the number of shares outstanding

	2024	2023
As at 1.1.	**93,715,385**	**93,715,088**
Repurchase for employee share ownership programme	-150,000	-84,898
Issuance to employees	82,136	85,035
Return to the market	320	160
As at 31.12.	**93,647,841**	**93,715,385**

Authorised capital

In accordance with Article 5 (5) of the Articles of Association of W&W AG, the Executive Board is authorised until 13 May 2029 to increase the company's share capital with the approval of the Supervisory Board by issuing new no-par value registered shares against cash and/or non-cash contributions on one or more occasions, but by no more than €100 million in total. Shareholders are entitled to a statutory subscription right.

Contingent capital

By resolution adopted at the Annual General Meeting on 14 May 2024, the Executive Board was authorised to issue warrant bonds, convertible bonds, participation rights, profit participation bonds or a combination of these instruments on or before 13 May 2029. Article 5 (6) of the Articles of Association accordingly stipulates that the share capital of W&W AG is conditionally increased by up to a nominal amount of €240 million, divided into up to 45,889,102 no-par value registered shares.

Non-controlling interests in equity

The non-controlling interests in equity can be broken down as follows:

in € million	31.12.2024	31.12.2023
Interest in consolidated net profit	2	2
Share of other reserves (OCI)	-	2
Other interests	31	30
Non-controlling interests in equity	**33**	**34**

The following table shows information on Württembergische Lebensversicherung AG, in which non-controlling interests are held. The figures are balance sheet and income statement figures calculated for the individual company in accordance with International Financial Reporting Standards. In the previous year's report, figures from the subgroup financial statements of Württembergische Lebensversicherung AG were reported in this table. The company is not required to prepare consolidated financial statements in the reporting year. No figures were therefore calculated for the subgroup financial statements.

in € million	31.12.2024	31.12.2023
Participation of non-controlling interests, in %	5.11	5.11
Assets (100%)	29,260	29,988
Liabilities (100%)	28,686	29,473
Net assets (100%)	**574**	**515**
Carrying amount of non-controlling interests in net assets	**29**	**26**
Sales revenues	1,394	1,354
Net income/expense for the year (100%)	35	36
Other comprehensive income (100%)	34	62
Total comprehensive income (100%)	**68**	**98**
Net income/expense for the year allocated to non-controlling interests	**3**	**5**
Dividends paid to non-controlling interests	1	1
Cash flows (100%)	65	-16

Employee share ownership programme

In the first half of 2024, an employee share ownership programme was once again implemented in which all eligible employees of the Group companies of the W&W Group were offered up to 40 (previous year: 40 shares) at a price of €8.48 (previous year: €11.28) per share, which represented a discount of €5.00 (previous year: €5.00) per share. Employees are required to hold these shares for at least three years. The purchase price was established based on the XETRA closing price on 25 March 2024. The changes in treasury shares for the employee share ownership programme are shown in the table “Change in the number of shares outstanding” in the section “Share capital”.

Notes concerning the consolidated income statement

(26) Current financial result

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Interest income	**1,559**	**1,350**
Subordinated securities and receivables	34	29
Fixed-income financial instruments that do not pass the SPPI test	83	88
Derivative financial instruments	135	103
Senior debenture bonds and registered bonds	72	84
Senior fixed-income securities	512	457
Building loans	576	480
Other receivables	147	109[1]
Interest expenses	**-610**	**-468**
Liabilities evidenced by certificates	-56	-32
Deposit liabilities and other liabilities	-276	-168
Lease liabilities	-1	-1
Miscellaneous liabilities	-2	-2
Subordinated capital	-18	-23
Derivative financial instruments	-200	-176
Other	-57	-66
Dividend income	**316**	**316**
Other current result	**131**	**122**
Result from financial assets accounted for using the equity method	1	-5
Result from investment property	130	127[1]
Current financial result	**1,396**	**1,320**

1 Previous year's figure adjusted.

The interest expenses listed essentially correspond to the W&W Group’s financing expenses.

The result from investment property includes income from letting and leasing (operating leases) in the amount of €137 million (previous year: €131 million). In addition, it includes directly attributable operating expenses for repairs, maintenance and management, as well as depreciation. Of this amount, €30 million (previous year: €27 million) is attributable to investment property with which rental income was generated; €1 million (previous year: €2 million) is attributable to investment property with which no rental income was generated.

(27) Result from credit risk adjustments

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Income from credit risk adjustments	**75**	**66**
Release of risk provision	67	56
Senior debenture bonds and registered bonds	1	1
Senior fixed-income securities	18	10
Building loans	47	43
Other receivables	1	2
Release of provisions in the lending business, for irrevocable loan commitments	2	3
Reversals of write-downs/payments received on securities and receivables written down	6	7
Expenses for credit risk adjustments	**–102**	**-91**
Addition to risk provision	–100	-89
Senior debenture bonds and registered bonds	-1	-1
Senior fixed-income securities	-9	-14
Building loans	-66	–54
Other receivables	-24	-20
Allocation to provisions in the lending business, for irrevocable loan commitments	-2	-2
Result from credit risk adjustments	**-27**	**-25**

(28) Measurement result

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Result from financial assets/liabilities at fair value through profit or loss	**618**	**539**
Participating interests, shares, investment fund units and participating interests in alternative investments	147	86
Senior fixed-income securities	1	2
Derivative financial instruments	58	–56
Capital investments for the account and risk of life insurance policyholders	385	393
Fixed-income financial instruments that do not pass the SPPI test	27	114
Result from the discounting of provisions for home loan savings business	**-32**	**-29**
Result from hedges[1]	**-38**	**–54**
Result from properties measured at fair value	**-65**	**-15**
Currency result	**-11**	**-158**
Participating interests, shares, investment fund units and participating interests in alternative investments	103	–56
Fixed-income financial instruments that do not pass the SPPI test	47	-32
Senior debenture bonds and registered bonds	-	-2
Senior fixed-income securities	274	-141
Other receivables	21	-24
Derivative financial instruments	-481	113
Capital investments for the account and risk of life insurance policyholders	26	-13
Liabilities	-1	-3
Measurement result	**472**	**283**

1 Hedge accounting (hedged items and hedging instruments)

(29) Result from disposals

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Income from disposals	**78**	**292**
Subordinated securities and receivables	1	-
Senior debenture bonds and registered bonds	3	136
Senior fixed-income securities	61	153
Investment property	13	3
Expenses for disposals	**-116**	**-194**
Subordinated securities and receivables	-1	-1
Senior debenture bonds and registered bonds	-1	-33
Senior fixed-income securities	-114	–160
Investment property	-	-
Result from disposals	**-38**	**98**

(30) Insurance finance income or expenses

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Life and Health Insurance		
Insurance finance result (net)	**-1,271**	**-1,067**
Insurance finance result (gross)	-1,271	-1,067
Insurance finance income from insurance contracts issued	528	264
Insurance finance expenses for insurance contracts issued	-1,799	-1,331
Insurance finance result from reinsurance contracts held	-	-
Insurance finance income from reinsurance contracts held	1	-
Insurance finance expenses for reinsurance contracts held	-1	-
Property/Casualty Insurance		
Insurance finance result (net)	**–56**	**-27**
Insurance finance result (gross)	-60	-31
Insurance finance income from insurance contracts issued	5	5
Insurance finance expenses for insurance contracts issued	-65	-36
Insurance finance result from reinsurance contracts held	4	4
Insurance finance income from reinsurance contracts held	4	4
Insurance finance income or expenses	**-1,327**	**–1,094**

(31) Technical result

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Life and Health Insurance		
Technical result (net)	**102**	**101**
Technical result (gross)	116	118
Technical income	1,298	1,222
Technical expenses	-1,182	-1,104
Result from reinsurance contracts held	-14	-17
Property/Casualty Insurance		
Technical result (net)	**-118**	**21**
Technical result (gross)	-75	19
Technical income	2,768	2,579
Technical expenses	-2,817	-2,560
Result from reinsurance contracts held	-43	2
Technical result (total)	**-16**	**122**

(32) Commission result

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Commission income	**205**	**269**
from banking/home loan savings business	160	236
from consulting/brokering activities	38	28
from investment business	4	3
from other business	3	2
Commission expenses	**-217**	**-312**
for banking/home loan savings business	-168	-270
for consulting/brokering activities	-14	-13
for investment business	-11	-6
for other business	-24	-23
Commission result	**-12**	**-43**

During the reporting period, transactions involving financial instruments not at fair value through profit or loss generated commission income in the amount of €160 million (previous year: €239 million) and commission expenses in the amount of €168 million (previous year: €269 million).

(33) General administrative expenses

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
General administrative expenses (net)	**-506**	**-519**
General administrative expenses (gross)	**-1,163**	**-1,149**
Personnel expenses	**-633**	**-632**
Wages and salaries	-490	-484
Social remittances	-94	-92
Expenses for the company pension scheme	-32	-35
Other	-17	-21
Materials costs	**-420**	**-434**
Depreciation, amortisation and write-downs	**-110**	**-83**
Property for own use	-29	-34
Plant and equipment	-13	-14
Intangible assets	-64	-31
Other	-4	-4
General administrative expenses attributable to the technical result	**657**	**630**

During the reporting period, contributions totalling €28 million (previous year: €33 million) was paid toward defined contribution plans. In addition, employer contributions toward statutory pension insurance totalling €44 million (previous year: €42 million) were paid.

General administrative expenses contain personnel expenses totalling €7 million (previous year: €8 million) for phased-in early retirement (“Altersteilzeit”) and early retirement.

(34) Other operating result

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Other operating income	**130**	**255**
Income from property management and urban development	27	159[1]
Release of provisions	20	20
Income from disposals	-	11
Miscellaneous income	83	65[1]
Other operating expenses	**-45**	**-195**
Expenses for property management and urban development	-27	-138[1]
Additions to provisions	-7	-15
Miscellaneous expenses	-7	-391
Other taxes	-4	-3
Other operating result	**85**	**60**

1 Previous year's figure restated.

(35) Income taxes

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Current taxes on income for the reporting period	-104	-117
Current taxes of prior periods	-	-4
Deferred taxes	113	60
Income taxes	**9**	**-61**

Deferred taxes recognised in the income statement were created in connection with the following items:

Deferred taxes

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Financial assets/liabilities at fair value through profit or loss	7	116
Financial assets at fair value through other comprehensive income (OCI)	-5	-67
Financial assets at amortised cost	-25	-69
Financial assets available for sale	2	-1
Positive/negative market values from hedges	-	-21
Liabilities	50	122
Technical assets/liabilities	110	14
Provisions for pensions and similar obligations	-10	-8
Other balance sheet items	-11	-10
Tax loss carryforward	-5	-16
Deferred taxes	**113**	**60**

The following reconciliation statement shows the relationship between the income taxes expected and those actually recognised in the consolidated financial statements:

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Earnings before income taxes from continued operations	**27**	**202**
Uniform consolidated tax rate, in %	29.70	29.70
Expected income taxes	-8	-60
Effects of tax-free income	37	11
Effects of non-deductible expenses	-4	-12
Prior-period effects (current and deferred)	-9	-2
Other	-7	2
Income taxes	**9**	**-61**

The applicable income tax rate of 29.70% (previous year: 29.70%) chosen as the basis for the reconciliation is made up of the corporation tax rate of 15% plus the solidarity surcharge of 5.5% on the corporation tax and an average tax rate for the municipal trade tax of 13.88% (previous year: 13.88%).

No deferred tax liabilities were recognised for temporary differences in the amount of €101 million (previous year: €157 million) in connection with interests in subsidiaries, branches and associated companies since the run-off of the release of temporary differences is not taxable and it is not probable that these temporary differences will reverse in the foreseeable future.

(36) Earnings per share

Basic earnings per share are calculated as the ratio of consolidated net profit to the weighted average number of shares:

		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Result attributable to shareholders of W&W AG	in €	34,110,050	138,657,112
Number of shares at the beginning of the financial year	Share	93,715,385	93,715,088
Treasury shares held as at the reporting date	Shares	-101,879	-34,335
Weighted average shares	Shares	93,664,727	93,715,311
Basic (= diluted) earnings per share	in €	**0.36**	**1.48**

There are not any dilutive potential shares at present. Diluted earnings per share is thus equal to basic earnings per share.

Notes concerning the consolidated statement of comprehensive income

(37) Unrealised gains/losses

	Financial assets at fair value through other comprehensive income		Financial assets accounted for using the equity method	
in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Recognised in other comprehensive income	-174	1,172	-	1
Reclassified to the consolidated income statement	55	141	-	-
Unrealised gains/losses (gross)	**-119**	**1,313**	**-**	**1**

As at 1 January 2019, the W&W Group reclassified senior debenture bonds and registered bonds as well as senior bearer bonds from the business model “Hold to collect” to the business model “Hold to collect and sell”. The holdings were reclassified from the category “Financial assets at amortised cost” with a carrying amount of €1,900 million to the category “Financial assets at fair value through other comprehensive income (OCI)” with a carrying amount/fair value of €2,206 million and unrealised gains of €305 million gross were recognised in OCI. The business model was adjusted as a consequence of the changed objective (particularly due to the sale of Wüstenrot Bank AG Pfandbriefbank) of earning income in future on a regular basis from cash flows and from the sale of financial assets. There were no reclassifications in the year under review.

Notes concerning financial instruments and fair value

(38) Disclosures concerning fair value measurement

Fair value is defined as the price that the W&W Group would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is thus a market-based measurement, not an entity-specific measurement. Different measurement methods are used for the classes in the W&W Group.

In general, the classification for the measurement of fair value in accordance with IFRS 13 corresponds to the classification used for the purposes of the extended disclosures for financial instruments in accordance with IFRS 7. The inclusion of non-current assets held for sale and discontinued operations and, similarly, liabilities from non-current assets held for sale and discontinued operations, investment property and property for own use results in an expansion in order to cover the relevant assets and liabilities.

For reasons of comparability, consistency and quality of the measurements, assets and liabilities measured at fair value in the consolidated balance sheet are categorised in a hierarchy that takes into account the materiality of the factors included in the measurement. The inputs forming part of the measurement methods for determining fair value are assigned to three levels, and this level classification is used for all assets and liabilities that are measured regularly, once or for the purposes of preparing disclosures about fair value. The uniform standards and principles described below apply to this. In conceptual terms, the hierarchy is based on the input factors available on the market. It gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). If fair value cannot be reliably determined, the carrying amount is used as an approximate value to measure fair value. In such event, these financial instruments are allocated to Level 3.

The level to which the asset or liability is allocated in its entirety is selected on the basis of the lowest input factor in the hierarchy that is significant for determining the fair value overall. For this purpose, the significance of an input factor is evaluated in relation to fair value in its entirety. To assess the significance of an individual input factor, the specific characteristics of the asset or liability are analysed and regularly reviewed during the reporting period.

If the relevant input factors change, this may lead to regroupings between the levels at such time. Assets or liabilities categorised in Level 1 are reclassified to Level 2 if the previously identified active market on which they are listed ceases to exist. In this regard, the essential features of an active market are regular trading frequency and a sufficiently traded market volume that guarantees reliable price information. The prices used for measurement are monitored daily in conjunction with a price review process. In the event of conspicuous developments in prices, the quality of the source of prices is analysed and the classification can be amended in there is insufficient market liquidity. In analogous fashion, it is possible to regroup from Level 2 to Level 1 once an active market can be identified.

Financial instruments can be reclassified to Level 3 if their fair value can no longer be measured on the basis of observable inputs. However, if these are identified for assets or liabilities that were previously grouped in Level 3, a change to Level 1 or Level 2 must be made if there are reliable price quotations on an active market or input parameters observable on the market.

In the reporting period, there was a reclassification from Level 3 in to Level 2 in "Participating interests, not including alternative investments", as a more observable transaction price for the investment was available in the first half of the year. Furthermore, three investments classified as alternative investments were reclassified due to the planned sale from Level 3 to Level 2, as an observable transaction price was available. In the previous year, there was a reclassification from Level 3 to Level 2 due to the planned sale of an investment. There were no other reclassifications between the levels in the year under review or in the previous year.

Unadjusted quoted or market prices are used as Level 1 inputs for financial instruments recognised under the balance sheet items “Financial assets at fair value through profit or loss” and “Financial liabilities at fair value through profit or loss”. These are essentially quoted equities and derivative financial instruments such as futures that are traded on a regulated market.

The measurement methods used to calculate fair value in Levels 2 and 3 consist of generally accepted measurement models such as the present value method, where the expected future cash flows are discounted at current interest rates applicable to the corresponding remaining term, credit risks and markets. Here, too, prices used for measurement and inputs are monitored daily in conjunction with a price verification process.

This method is used to measure securities, including debt securities, with agreed cash flows under the items "Financial assets at fair value through profit or loss", "Financial liabilities at fair value through profit or loss" and "Financial assets at fair value through other comprehensive income". In addition, the fair value of financial assets at amortised cost can be calculated in this way. The present value method is therefore primarily used to determine the fair value of other building loans. It is also used for the measurement of unlisted derivative financial instruments such as interest rate swaps and non-optional forward transactions (e.g. currency forwards) in Level 2 in the balance sheet items "Financial assets" and "Financial liabilities at fair value through profit or loss" and in the balance sheet items "Positive market values from hedging relationships" and "Negative market values from hedging relationships". Fund units and capital investments for the account and risk of life insurance policyholders are also mainly assigned to Level 2. The most recently available redemption price for the underlying investment certificate is used in measurement. In the balance sheet item "Liabilities", cost or present value is normally used to calculate fair value and exclusively assigned to Levels 2 and 3.

The fair value of cash and cash equivalents corresponds to the carrying amount, which is primarily due to the short term of these instruments, which is why they are not presented in the measurement hierarchy.

The measurement method for determining the fair value of investment property and property for own use in life and health insurance is essentially based on a discounted cash flow method using unobservable input parameters. For this reason, these properties are allocated to Level 3 of the fair value hierarchy.

The main measurement methods and parameters for measuring the fair value of the individual assets and liabilities in Levels 2 and 3 are presented below.

Overview of the measurement techniques used for different classes in Levels 2 and 3

Class	Measurement model	Main parameters
Non-current assets held for sale and discontinued operations	In accordance with the respective balance sheet items	
Financial assets at fair value through profit or loss		
Participating interests, not including alternative investments	Income capitalisation approach Approximation method Net asset value method	Discount rate, future net cash inflows
Participating interests in alternative investments	Present value method Approximation method Adjusted net asset value method	Discount rate, future net cash inflows
Equities	Approximation method Adjusted net asset value method	
Investment fund units	Redemption price|Approximation method Adjusted net asset value method	
Fixed-income financial instruments that do not pass the SPPI test	Present value method	Liquidity and credit spreads, yield curves
Derivative financial instruments	Present value method Black-Scholes Model Libor market model, Hull-White model	Foreign exchange rates (spot and forward), yield curves Quoted prices/index, volatilities, yield curves, basis price and remaining maturity Yield curves, volatilities
Senior fixed-income securities	Present value method	Liquidity and credit spreads, yield curves
Capital investments for the account and risk of life insurance policyholders	Redemption price Black-Scholes model Adjusted net asset value method	Index weighting, volatility
Investment property in life and health insurance	**Present value method**	**Discount rate, future cash flows**
Financial assets at fair value through other comprehensive income (OCI)		
Subordinated securities and receivables	Present value method	Liquidity and credit spreads, yield curves
Senior debenture bonds and registered bonds	Present value method	Liquidity and credit spreads, yield curves
Senior fixed-income securities	Present value method	Liquidity and credit spreads, yield curves
Financial assets at amortised cost		
Subordinated securities and receivables	Present value method	Liquidity and credit spreads, yield curves
Senior debenture bonds and registered bonds	Present value method	Liquidity and credit spreads, yield curves
Building loans		
Building savings loans and pre- and interim financing loans	Cost	
Other building loans	Present value method	Yield curves
Other receivables	Cost Amortised cost	Nominal value
Investment property (non-life and health insurance)	**Present value method**	**Discount rate, future cash flows**
Property for own use in life and health insurance	**Present value method**	**Discount rate, future cash flows**
Positive market values from hedges	**Present value method**	**Yield curves**
Financial liabilities at fair value through profit or loss		
Derivative financial instruments	Present value method Black-Scholes Model Libor market model, Hull-White model	Foreign exchange rates (spot and forward), yield curves Quoted prices/index, volatilities, yield curves, basis price and remaining maturity Yield curves, volatilities
Liabilities		
Liabilities evidenced by certificates	Present value method	Credit spreads, yield curves
Liabilities to credit institutions	Cost Approximation method	

Overview of the measurement techniques used for different classes in Levels 2 and 3

Class	Measurement model	Main parameters
Liabilities to customers	Cost	
Lease liabilities	Present value method	Discount rate Future cash flows
Miscellaneous liabilities		
Other liabilities	Cost	Nominal value
Sundry liabilities[1]	Acquisition cost/ fulfilment amount	Nominal value
Negative market values from hedges	**Present value method**	**Yield curves**
Subordinated capital	**Present value method**	**Credit spreads, yield curves**

1 Liabilities that are allocated to the class in accordance with IFRS 7 due to reconciliation to the consolidated balance sheet, but are not subject to the scope of IFRS 7 / IFRS 9.

The fair values of options not traded on an exchange are calculated using generally accepted option pricing models appropriate to the types and underlying assets of options and the generally accepted assumptions on which they are based. The value of options is determined, in particular, by the value of the underlying asset and its volatility, the agreed base price, interest rate or index, the risk-free interest rate and the contract’s residual term to maturity. They are assigned to the class “Derivative financial instruments” under the balance sheet items “Financial assets at fair value through profit or loss” and “Financial liabilities at fair value through profit or loss”.

The fair values of the classes of financial instruments derived from the items “Financial assets at amortised cost”, “Liabilities” and “Subordinated capital” and their fair values listed in the notes to the consolidated financial statements are in general likewise measured using the present-value method.

Level 3 for the item “Financial assets at fair value through profit or loss” is characterised by non-exchange-traded equities, as well as investments, including alternative investments. Fair value is mainly determined on the basis of the net asset value. The NAV, which is calculated quarterly in accordance with industry standards, is provided by fund managers and then reviewed by risk controlling units and, if necessary, adjusted to account for outstanding performance-related compensation claims. This also applies to indirect property investments that are assigned to “Participating interests, not including alternative investments”. In the case of participating interests that are not assigned to alternative investments or participating interests in properties, fair value is normally calculated based on the pro-rata interest in the equity shown in the respective current annual financial statements. Amortised cost is used as an approximate fair value if no information is available.

With regard to investment property, the DCF method is applied, utilising payment flows on the lessee and property level, and the specific internal interest rate for the property investment class is used as the discount rate. In the process, the occupancy rate as at the measurement date is taken into consideration.

Construction loans essentially relate to loans under home loan savings contracts from collective business, as well as preliminary and interim financing loans. In the case of this sub-item, the non-interest-induced valuation effects cannot be reliably measured due to the numerous customer options contained in a home loan savings contract and the associated valuation volatilities, so that the carrying amount is used as an approximate value to determine the fair value. For the sub-item “Other construction loans”, by contrast, fair value is calculated using the DCF method. On the other hand, deposits under home loan savings contracts are assigned to the balance sheet item “Liabilities to customers” and likewise measured at amortised cost, which is also considered to be the approximate value for fair value.

For all classes, the liquidity and rating spreads observable on the financial market are taken into account when measuring interest-bearing financial instruments that are assets (Level 2). The measurement spread is determined by comparing reference curves with the financial instrument's corresponding risk-free money market and swap curves. Maturity-dependent spreads are used for the purposes of measurement, which also take into account the quality of the issuer within the various issuer groups within a rating class. The yield curves and rating- and maturity-dependent spreads that are made available by market data providers are automatically updated during the day. As a rule, the discounting curve in this regard is currency-specific. Swaps hedged under master agreements are measured with the aid of tenor-specific interest rate structure curves in the multi-curve approach.

Measurement gains and losses are largely influenced by the underlying assumptions, including in particular the determination of cash flows and discount rates.

The following table "2024 Measurement hierarchy" (items measured at fair value) shows all assets and liabilities that were measured at fair value. It shows the level used in the respective balance sheet items.

For accounting purposes, the only financial instruments regularly measured at fair value in the W&W Group are those that are assigned to the categories:

- Financial assets/liabilities at fair value through profit or loss;
- Financial assets at fair value through other comprehensive income; and
- Positive/negative market values from hedges.

By contrast, the disclosures in the table "2024 measurement hierarchy (items that were not measured at fair value)" consist of those financial instruments and non-financial assets and liabilities for which fair value is provided in the notes.

2024 measurement hierarchy (items that were measured at fair value)

in € million	Level 1 31.12.2024	Level 2 31.12.2024	Level 3 31.12.2024	Fair value/ carrying amount 31.12.2024
Non-current assets held for sale and discontinued operations	**-**	**-**	**-**	**-**
Financial assets at fair value through profit or loss	**361**	**6,829**	**4,348**	**11,538**
Participating interests, not including alternative investments	-	5	533	538
Participating interests in alternative investments	-	29	3,656	3,685
Other financial enterprises	-	-	3,597	3,597
Other enterprises	-	29	59	88
Equities	351	-	40	391
Investment fund units	-	930	89	1,019
Fixed-income financial instruments that do not pass the SPPI test	-	1,949	26	1,975
Derivative financial instruments	10	18	-	28
Interest rate derivatives	1	-1	-	-
Currency derivatives	-	6	-	6
Equity/index-based derivatives	9	13	-	22
Other derivatives	–	–	–	–
Senior fixed-income securities	–	–	–	–
Capital investments for the account and risk of life insurance policyholders	-	3,898	4	3,902
Financial assets at fair value through other comprehensive income (OCI)	**-**	**23,809**	**-**	**23,809**
Subordinated securities and receivables	-	881	-	881
Senior debenture bonds and registered bonds	-	3,727	-	3,727
Credit institutions	-	2,085	-	2,085
Other financial enterprises	-	122	-	122
Other enterprises	-	59	-	59
Public authorities	-	1,461	-	1,461
Senior fixed-income securities	-	19,201	-	19,201
Credit institutions	-	5,202	-	5,202
Other financial enterprises	-	1,434	-	1,434
Other enterprises	-	1,642	-	1,642
Public authorities	-	10,923	-	10,923
Positive market values from hedges	**-**	**2**	**-**	**2**
Investment property in life and health insurance	**-**	**-**	**2,309**	**2,309**
Property for own use in life and health insurance	**-**	**-**	**9**	**9**
Total assets	**361**	**30,640**	**6,666**	**37,667**

2024 measurement hierarchy (items that were measured at fair value) (continuation)

in € million	Level 1 31.12.2024	Level 2 31.12.2024	Level 3 31.12.2024	Fair value/ carrying amount 31.12.2024
Financial liabilities at fair value through profit or loss	**1**	**236**	**-**	**237**
Derivative financial instruments	1	236	-	237
Interest rate derivatives	1	10	-	11
Currency derivatives	-	224	-	224
Equity/index-based derivatives	-	2	-	2
Negative market values from hedges	**-**	**1**	**-**	**1**
Total equity and liabilities	**1**	**237**	**-**	**238**

2023 measurement hierarchy (items that were measured at fair value)

in € million	Level 1 31.12.2023	Level 2 31.12.2023	Level 3 31.12.2023	Fair value/ carrying amount 31.12.2023
Non-current assets held for sale and discontinued operations	**-**	**28**	**-**	**28**
Financial assets at fair value through profit or loss	**341**	**6,353**	**3,936**	**10,630**
Participating interests, not including alternative investments	-	-	422	422
Participating interests in alternative investments	-	-	3,428	3,428
Other financial enterprises	-	-	3,352	3,352
Other enterprises	-	-	76	76
Equities	333	-	37	370
Investment fund units	-	1,002	1	1,003
Fixed-income financial instruments that do not pass the SPPI test	-	1,978	40	2,018
Derivative financial instruments	8	166	-	174
Interest rate derivatives	2	6	-	8
Currency derivatives	-	152	-	152
Equity/index-based derivatives	6	7	-	13
Other derivatives	-	1	-	1
Senior fixed-income securities	-	142	-	142
Capital investments for the account and risk of life insurance policyholders	-	3,065	8	3,073
Financial assets at fair value through other comprehensive income (OCI)	**-**	**23,687**	**-**	**23,687**
Subordinated securities and receivables	-	817	-	817
Senior debenture bonds and registered bonds	-	4,089	-	4,089
Credit institutions	-	2,295	-	2,295
Other financial enterprises	-	118	-	118
Other enterprises	-	59	-	59
Public authorities	-	1,617	-	1,617
Senior fixed-income securities	-	18,781	-	18,781
Credit institutions	-	5,321	-	5,321
Other financial enterprises	-	1,351	-	1,351
Other enterprises	-	1,649	-	1,649
Public authorities	-	10,460	-	10,460
Positive market values from hedges	**-**	**2**	**-**	**2**
Investment property in life and health insurance	**-**	**-**	**2,408**	**2,408**
Owner-occupied property in personal insurance	**–**	**–**	**–**	**–**
Total assets	**341**	**30,070**	**6,344**	**36,755**

2023 measurement hierarchy (items that were measured at fair value) (continuation)

in € million	Level 1 31.12.2023	Level 2 31.12.2023	Level 3 31.12.2023	Fair value/ carrying amount 31.12.2023
Financial liabilities at fair value through profit or loss	**1**	**23**	**-**	**24**
Derivative financial instruments	1	23	-	24
Interest rate derivatives	1	14	-	15
Currency derivatives	-	9	-	9
Equity/index-based derivatives	-	-	-	-
Negative market values from hedges	**-**	**-**	**-**	**-**
Total equity and liabilities	**1**	**23**	**-**	**24**

2024 measurement hierarchy (items that were not measured at fair value)

in € million	Level 1 31.12.2024	Level 2 31.12.2024	Level 3 31.12.2024	Fair value 31.12.2024	Carrying amount 31.12.2024
Financial assets at amortised cost	**-**	**8,700**	**21,914**	**30,614**	**31,362**
Subordinated securities and receivables	-	220	-	220	218
Senior debenture bonds and registered bonds	-	72	-	72	72
Building loans	-	6,555	21,520	28,075	28,401
Other receivables	-	1,853	394	2,247	2,249
Active portfolio hedge adjustment	n/a	n/a	n/a	n/a	422
Investment property outside life and health insurance	**-**	**-**	**238**	**238**	**157**
Total assets	**-**	**8,700**	**22,152**	**30,852**	**31,519**
Liabilities	**-**	**4,418**	**28,060**	**32,478**	**32,225**
Liabilities evidenced by certificates	-	3,266	-	3,266	3,365
Liabilities to credit institutions	-	313	934	1,247	1,271
Liabilities to customers	-	831	26,617	27,448	27,468
Lease liabilities	-	-	44	44	44
Miscellaneous liabilities	-	8	465	473	474
Other liabilities	-	7	303	310	311
Sundry liabilities[1]	-	1	162	163	163
Passive portfolio hedge adjustment	n/a	n/a	n/a	n/a	-397
Subordinated capital	**-**	**355**	**-**	**355**	**406**
Total equity and liabilities	**-**	**4,773**	**28,060**	**32,833**	**32,631**

1 Liabilities that are allocated to the class in accordance with IFRS 7 but are not subject to the scope of IFRS 7 / IFRS 9.

2023 measurement hierarchy (items that were not measured at fair value)

in € million	Level 1 31.12.2023	Level 2 31.12.2023	Level 3 31.12.2023	Fair value 31.12.2023	Carrying amount 31.12.2023
Financial assets at amortised cost	**-**	**7,230**	**20,514**	**27,744**	**28,461**
Subordinated securities and receivables	-	200	-	200	213
Senior debenture bonds and registered bonds	-	57	-	57	57
Building loans	-	6,397	19,877	26,274	26,707
Other receivables	-	576	637	1,213	1,180
Active portfolio hedge adjustment	n/a	n/a	n/a	n/a	304
Investment property outside life and health insurance	**-**	**-**	**326**	**326**	**160**
Total assets	**-**	**7,230**	**20,840**	**28,070**	**28,621**
Liabilities	**-**	**4,872**	**23,993**	**28,865**	**28,576**
Liabilities evidenced by certificates	-	2,695	-	2,695	2,842
Liabilities to credit institutions	-	1,455	691	2,146	2,219
Liabilities to customers	-	712	22,713	23,425	23,479
Lease liabilities	-	-	52	52	52
Miscellaneous liabilities	-	10	537	547	545
Other liabilities	-	9	368	377	375
Sundry liabilities[1]	-	1	169	170	170
Passive portfolio hedge adjustment	n/a	n/a	n/a	n/a	-561
Subordinated capital	**-**	**561**	**-**	**561**	**642**
Total equity and liabilities	**-**	**5,433**	**23,993**	**29,426**	**29,218**

1 Liabilities that are allocated to the class in accordance with IFRS 7 due to reconciliation to the consolidated balance sheet, but are not subject to the scope of IFRS 7 / IFRS 9.

Development of Level 3 for assets measured at fair value through profit or loss

in € million	Participating interests, not including alternative investments	Participating interests in alternative investments (other financial enterprises)	Participating interests in alternative investments (other enterprises)
As at 1.1.2023	**441**	**3,032**	**87**
Total comprehensive income for the period	21	6	-18
Income recognised in the consolidated income statement[1]	27	158	1
Expenses recognised in the consolidated income statement[1]	-6	-152	-19
Unrealised gains/losses (–) from financial assets at fair value through other comprehensive income (gross)	-	-	-
Purchases	25	963	38
Sales	-36	-649	-32
Reclassifications	-	-	-
Reclassifications from level 3	–	–	–
Classified as held for sale	-29	-	-
Change in the scope of consolidation	–	–	–
As at 31.12.2023	**422**	**3,352**	**75**
Income recognised in the consolidated income statement as at the end of the reporting period[2]	6	158	1
Expenses recognised in the consolidated income statement as at the end of the reporting period[2]	-6	-152	-19
As at 1.1.2024	**422**	**3,352**	**75**
Total comprehensive income for the period	30	81	14
Income recognised in the consolidated income statement[1]	48	230	19
Expenses recognised in the consolidated income statement[1]	-18	-149	-5
Unrealised gains/losses (-) from financial assets measured at fair value through other comprehensive income (OCI; gross)	–	–	–
Purchases	21	936	8
Sales	-12	-772	-10
Reclassifications	-	-	-
Transfer from level 3	-	-	-29
Classified as held for sale	–	–	–
Changes in the scope of consolidation	72	-	-
As at 31.12.2024	**533**	**3,597**	**58**
Income recognised in the consolidated income statement as at the end of the reporting period[2]	48	230	5
Expenses recognised in the consolidated income statement as at the end of the reporting period[2]	-3	-147	-5

1 Income and expenses are mainly included in the measurement result in the consolidated income statement.
2 Period income and expenses for assets still in the portfolio at the end of the reporting period.

	Assets measured at fair value through profit or loss						Total
	Equities	Investment fund units	Fixed-income financial instruments that do not pass the SPPI test	Capital investments for the account and risk of life insurance policyholders	Investment property in life and health insurance	Property for own use in life and health insurance	
	32	**3**	**37**	**1**	**2,331**	**-**	**5,964**
	5	-1	-	1	-15	-	-1
	5	-	-	1	74	-	266
	-	-1	-	-	-90	-	-268
	-	-	-	-	1	-	1
	-	-	3	7	91	-	1,127
	-	-1	-	-1	-	-	-719
	-	-	-	-	1	-	1
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-29
	-	-	-	-	-	-	-
	37	**1**	**40**	**8**	**2,408**	**-**	**6,343**
	4	-	-	1	74	-	244
	-	-	-	-	-90	-	–267
	37	**1**	**40**	**8**	**2,408**	**-**	**6,343**
	3	5	-	-8	-64	-1	60
	3	5	-	-	152	1	458
	-	-	-	-8	-216	-2	-398
	-	-	-	-	-	-	-
	-	85	-	12	93	-	1,155
	-	-2	-14	-8	-61	-	-879
	-	-	-	-	-7	10	3
	-	-	-	-	-	-	-29
	-	-	-	-	-	-	-
	-	-	-	-	-60	-	12
	40	**89**	**26**	**4**	**2,309**	**9**	**6,665**
	4	5	-	-	152	1	445
	-	-	-	-8	-216	-2	-381

Description of the measurement processes used and effects of alternative assumptions for assets and liabilities measured at fair value in Level 3

The income capitalisation method, the adjusted net asset value method and approximations are typically used in the measurement process to determine fair value.

With regard to the capitalised earnings method, which is uniform throughout the Group, internal plan values and estimates are used as the basis for discounting future net cash flows and distributions under application of risk parameters derived on the market.

The adjusted net asset value method is based on the net asset value, whose individual investments are calculated outside the Group using recognised measurement methods such as the DCF, multiplier and income capitalisation methods. Measurement is typically based on the IPEV Valuation Guidelines. The pro rata net asset value is adjusted for, among other things, the fund manager's outstanding performance-based remuneration claims. The W&W Group then verifies and validates the net asset values provided by the relevant fund companies and, if necessary, reviews the key portfolio companies held by each of the fund companies. It also monitors the carrying amounts, fair values, distributions, payment and additional funding obligations. An exception to the external delivery of the pro rata net asset value is made for self-measured participating interests in properties that are assigned to "Participating interests, not including alternative investments".

When using approximations, amortised cost is typically used to measure fair value for reasons of simplicity. This method is used, for example, when there are no quoted prices or the financial instruments are immaterial.

Level 3 securities essentially comprise unquoted shares of participating interests, including alternative investments, which in turn include private equity, private debt and infrastructure projects. The fair values of these Level 3 holdings are usually calculated by the management of the respective company. For the majority of the amountof €3,878 million (previous year: €3,564) million of all externally valued shares, the fair value is determined on the basis of the net asset value . Of the total amount of shares valued externally using net asset value, €144 million (previous year: €157 million) is in unlisted shares and fund certificates as well as €3,734 million (previous year: €3,407 million) in investments in alternative investments. The net asset value of these interests measured by third parties is calculated based on specific information that is not publicly available and that the W&W Group cannot access. Thus, it was not possible to subject them to a sensitivity analysis.

In the W&W Group, net asset values in the amount of €271 million (previous year: €213 million) are taken on in-house for property investments, which are allocated to investments without alternative investments. The value of the properties in this category is calculated using income-based present value methods. These recognised valuation methods are based on discount rates of 4.6% to 7.8% (previous year: 3.87 % to 6.56 %), which largely determine the fair value of the property. A change in the discount rates of +100 basis points assumed as part of a sensitivity analysis leads to a reduction in the fair value to €256 million (previous year: €192 million) , while a change in the discount rate of -100 basis points led to an increase to €291 million (previous year: €227 million).

The most important valuation parameters for the shares valued using the capitalised earnings method in the amount of €73 million (previous year: €35 million) is the risk-adjusted discount rate and the future net cash inflows.
A change in the discount rates of + 100 basis points assumed as part of a sensitivity analysis leads to a reduction in the fair value to €64 million (previous year: €32 million) , while a change in the discount rate of - 100 basis points resulted in an increase to €85 million (previous year: €37 million). A change in the cash flows included in the valuation of + 10% leads to an increase in the fair value to €81 million (previous year: €39 million) , a change of - 10 %, on the other hand, led to a reduction to €66 million (previous year: €30 million).

The W&W Group also holds investment property totalling €2,309 million (previous year: €2,408 million) and property for own use totalling €9 million in life and health insurance using the present value method. For both, the risk-adjusted discount rate and the future net cash inflows are the most important valuation parameters. A change in discount rates of + 100 basis points assumed as part of a sensitivity analysis for investment properties leads to a reduction in fair value of €171 million (previous year: €186 million) , while a change in the discount rate of - 100 basis points would have led to an increase of €188million (previous year: €205 million) . A change in the cash flows included in the valuation of + 10 % leads to an increase in fair value of €223 million (previous year: €240 million) , whereas a change of - 10 % resulted in a reduction of €223 million (previous year: €240 million). A change in the discount rates by +/- 100 basis points and in the cash flows included in the valuation by +/- 10 % assumed as part of a sensitivity analysis for property for own use in life and health insurance only have an insignificant effect on the presentation of the net assets, financial position and results of operations of the W&W Group.

In addition, for certain interests, fair value is by way of exception deemed to be approximated by amortised cost. In this case, as well, a sensitivity analysis is not possible due to lack of the specific parameters used.

All changes in the category "Financial assets at fair value through profit or loss" in Level 3 are reflected in the consolidated income statement. Meanwhile, there are no financial assets at fair value through other comprehensive income in Level 3.

The measurement methods used are listed in the table below (Quantitative information on fair value measurement in Level 3).

Quantitative information on fair value measurement in Level 3

	Fair value		Measurement methods	Non-observable input factors	Range in %	
in € million	31.12.2024	31.12.2023			31.12.2024	31.12.2023
Financial assets at fair value through profit or loss	**4,348**	**3,936**				
Participating interests, not including alternative investments	533	422				
	73	16	Income capitalisation approach	Discount rate, future cash flows	8.0-9.83	8.6[2]
	47	34	Approximation	n/a	n/a	n/a
	413	372	Net asset value method	n/a	n/a	n/a
Participating interests in alternative investments	3,656	3,428				
Other financial enterprises	3,597	3,352				
	7	4	Approximation	n/a	n/a	n/a
	3,590	3,348	Adjusted net asset value method[1]	n/a	n/a	n/a
Other enterprises	59	76				
	-	18	Present value method	Discount rate, future cash flows	n/a	5.32
	59	58	Adjusted net asset value method[1]	n/a	n/a	n/a
Equities	40	37	Approximation	n/a	n/a	n/a
Investment fund units	89	1	Adjusted net asset value method[1]	n/a	n/a	n/a
Fixed-income financial instruments that do not pass the SPPI test	26	40	Approximation	n/a	n/a	n/a
Capital investments for the account and risk of life insurance policyholders	**4**	**8**				
	2	8	Black-Scholes Model	Index weighting, volatility	n/a	n/a
	2	-	Adjusted net asset value method[1]	n/a	n/a	n/a
Investment property in life and health insurance	**2,309**	**2,408**	**Present value method**	**Discount rate, future net cash inflows**	4.24-8.22	4.02-8.38
Property for own use in life and health insurance	**9**	**-**	**Present value method**	**Discount rate, future net cash inflows**	3.96-6.73	n/a

1 The net asset values provided are calculated for the individual investments outside the Group using recognised measurement methods such as DCF, the multiplier and income capitalisation methods. Measurement is typically based on the IPEV Valuation Guidelines. A range has not been disclosed as the calculation of the net asset values incorporates a variety of investments and the information on the measurement methods and parameters used (including, for example, adjustments for the fund manager's outstanding performance-based remuneration claims) is either incompletely or inconsistently available.
2 Prior year adjusted

(39) Disclosures concerning hedges

Hedge accounting for fair value hedges in the W&W Group is described in the chapter "Accounting policies".

Disclosures concerning hedges

	Fair value hedges	
	Hedging of interest rate risk through interest rate swaps	
in € million	31.12.2024	31.12.2023
Nominal values of hedges	17,405	16,891
Up to 1 year	280	1,401
1–5 years	5,863	4,503
More than 5 years	11,262	10,987
Positive market values from hedges	2	2
Negative market values from hedges	1	-
Changes in fair value	-5	-176

The hedging instruments are recognised in the items "Positive market values from hedges" and "Negative market values from hedges".

Disclosures concerning hedged items

	Fair value hedges Hedging of interest rate risk through interest rate swaps			
	Existing hedges		Terminated hedges	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Carrying amounts from hedging relationships				
Assets	1,647	2,054	-	-
Liabilities	2,426	2,706	-	-
Cumulative changes attributable to the hedged risk	-	-	-	-
Assets	301	254	-1	9
Liabilities	515	613	32	44
Change from the hedged risk	88	223	-	-

The hedged items are contained in the following balance sheet items:

- Financial assets at fair value through other comprehensive income (OCI)
- Financial assets at amortised cost
- Liabilities

In the measurement result in the consolidated income statement, the ineffective portions of the changes in the fair value of the hedged items and hedging transactions attributable to the hedged interest rate change risk in the current reporting period are recognised at €15 million (previous year: €30million) in expenses.

(40) Transfers of financial assets and granted and received collateral, as well as netting of financial assets and liabilities

During the reporting period and in the previous year, financial assets were transferred that were not or were not fully derecognised. In the W&W Group, all of these had to do with securities that were sold in connection with repurchase agreements or lent in connection with securities lending transactions. These securities are categorised as financial assets at fair value through other comprehensive income (OCI) and continue to be subject to the risks of the corresponding class.

Repurchase agreements are characterised by the fact that securities are sold for consideration, but at the same time it is agreed that such securities have to be purchased back at a later point against payment to the seller of an amount agreed to in advance. In addition to the purchase price, collateral is granted and received, depending on the market value of the securities sold. In securities lending transactions, securities are lent against the granting of cash or non-cash collateral. After the borrowing period expires, the securities are returned to the lender. Securities sold under repurchase agreements or on loan continue to be recognised in the W&W Group's balance sheet in accordance with the previous categorisation, "Financial assets at fair value through other comprehensive income (OCI)". The ability of the W&W Group to dispose of these securities is restricted. At the same time, a financial liability is recognised in the amount of money received. Non-cash collateral is recognised only if the W&W Group is authorised to resell or pledge it without the issuer being in default in payment. This was not the case.

The relationship between the securities sold under repurchase agreements and the associated liabilities is as follows:

Transfers of financial assets

				Carrying amount
	Repurchase agreements		Total	
in € million	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Financial assets at fair value through other comprehensive income (OCI)	**13**	**863**	**13**	**863**
Senior fixed-income securities	13	863	13	863
Total	**13**	**863**	**13**	**863**
Associated liabilities	13	863	13	863
Net position	-	-	-	-

As was the case in the previous year, as at 31 December 2024 no securities had been taken in and then passed on in connection with reverse repurchase agreements.

Likewise, there were no other business transactions under which the W&W Group retained ongoing commitments from the transfer.

Assets granted as collateral

Financial assets granted as collateral in 2024

in € million	Transferred financial assets 31.12.2024	Collateral provided but not utilised 31.12.2024	Total 31.12.2024
Financial assets at fair value through other comprehensive income (OCI)	**13**	**319**	**332**
Senior fixed-income securities	13	319	332
Total	**13**	**319**	**332**

Financial assets granted as collateral in 2023

in € million	Transferred financial assets 31.12.2023	Collateral provided but not utilised 31.12.2023	Total 31.12.2023
Financial assets at fair value through other comprehensive income (OCI)	**863**	**350**	**1,213**
Senior fixed-income securities	863	350	1,213
Total	**863**	**350**	**1,213**

Granted but as yet unused collateral mainly has to do with securities that are on deposit with Clearstream International S.A. and with the Deutsche Bundesbank under collateral agreements customary on the market. In the reporting period just ended, as was the case in the previous year, no securities were pledged from the custodial account with Clearstream International S. A. for settlement and custodial services in connection with issued covered bonds.
Loans and advances to customers in the amount of €908 million (previous year: €641 million) were assigned to KfW as collateral. The W&W Group retains a default risk in relation to the loans and advances to the ultimate borrowers.

The amount of collateral provided for derivatives throughout the Group is €250 million (previous year: €91 million). This also includes the collateral (initial and variation margin) provided via the central counterparty Eurex Clearing AG as part of clearing.

Aside from the securities pledged as collateral for the foregoing repurchase agreements, no cash collateral was provided for them, as was the case in the previous year.

As at the reporting date, no loans (previous year: none) were drawn by the Deutsche Bundesbank as part of open market transactions . To secure these loans, the Deutsche Bundesbank requires as collateral a correspondingly high deposit of securities in the Deutsche Bundesbank custodial account. Securities that are on deposit in the custodial account of Deutsche Bundesbank in order to collateralise loans may be substituted at will with other securities accepted by the European Central Bank, provided that they do not fall below the required collateral value.

In addition, in accordance with regulatory requirements, the technical liabilities of German primary insurers in the W&W Group are covered by assets allocated to guarantee assets (financial instruments and properties). Assets allocated to guarantee assets are primarily available to settle policyholder claims. The proportionate allocation of the individual assets to the protection assets of the individual insurance companies is not shown in the IFRS consolidated financial statements.

Assets received as collateral

Assets received as collateral may be liquidated only in the event of breach of contract. There is no collateral that can be resold or pledged without the issuer being in default in payment.

Netting of financial instruments

The W&W Group nets financial assets and financial liabilities and presents the net amount if the relevant netting agreements under which they were concluded satisfy the offsetting criteria in IAS 32.42. The W&W Group offsets financial instruments in the balance sheet, which are cleared through the central counterparty Eurex Clearing AG.

If the netting agreements do not fully satisfy the offsetting criteria in IAS 32, the financial instruments are not netted in the balance sheet. This is normally the case if, in the event of payment default or insolvency of a counterparty and in the normal course of business, the right to set off the recognised amounts is not always legally enforceable or there is no intention to settle on a net basis. In the W&W Group, this applies, inter alia, to bilateral transactions that were concluded under master agreements without the use of a central counterparty. The offsetting effects underlying these netting agreements are to be shown in the notes and are presented in the following.

The following tables show the derivatives and repurchase agreements that are subject to a master netting agreement. They also include the collateral granted by or received from the respective counterparty. In the case of clearing through the central counterparty Eurex Clearing AG, the W&W Group makes use of the option to pledge securities for the initial margin.

Netting of financial assets in 2024

	Gross amount of financial assets before netting	Amount of financial liabilities to be netted	Recognised net amount of financial assets	Associated amounts not netted in the balance sheet		Net amount
				Financial instruments	Cash collateral received	
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Derivatives (netting legally enforceable)	1,246	-1,240	6	-	-	6
Derivatives (netting not legally enforceable)	17	-	17	-3	-13	1

Netting of financial liabilities in 2024

	Gross amount of financial liabilities before netting	Amount of financial assets to be netted	Recognised net amount of financial liabilities	Associated amounts not netted in the balance sheet		Net amount
				Financial instruments	(Cash) collateral provided	
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Derivatives (netting legally enforceable)	1,240	-1,240	-	-	-64	-64
Derivatives (netting not legally enforceable)	229	-	229	-5	-186	38
Repurchase agreements, securities lending transactions and similar agreements (netting not legally enforceable)	13	-	13	13	-	-

Netting of financial assets in 2023

	Gross amount of financial assets before netting	Amount of financial liabilities to be netted	Recognised net amount of financial assets	Associated amounts not netted in the balance sheet		Net amount
				Financial instruments	Cash collateral received	
in € million	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
Derivatives (netting legally enforceable)	1,361	-1,349	12	-	-	12
Derivatives (netting not legally enforceable)	170	-	170	-7	–187	-24

Netting of financial liabilities in 2023

	Gross amount of financial liabilities before netting	Amount of financial assets to be netted	Recognised net amount of financial liabilities	Associated amounts not netted in the balance sheet		Net amount
				Financial instruments	(Cash) collateral provided	
in € million	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
Derivatives (netting legally enforceable)	1,349	-1,349	-	-	-79	-79
Derivatives (netting not legally enforceable)	16	-	16	-	-12	4
Repurchase agreements, securities lending transactions and similar agreements (netting not legally enforceable)	863	-	863	-863	-	-

(41) Trust business

Trust business not required to be recognised in the balance sheet had the following scope:

in € million	31.12.2024	31.12.2023
Trust assets pursuant to the German Building Code	15	13
Trust assets	**15**	**13**
Trust liabilities pursuant to the German Building Code	15	13
Trust liabilities	**15**	**13**

(42) Supplementary disclosures concerning the effect of financial instruments

Net gains and losses by category of financial instrument, which are depicted in the following table, consist of the following:

- Net gains consist of disposal gains, measurement gains, income from risk provision, subsequent receipts on written-down financial instruments and currency gains from measurement on the reporting date.
- Net losses consist of disposal losses, measurement losses, expenses for risk provision and currency losses from measurement on the reporting date.
- Interest income and expenses and commission income and expenses are not included in net gains and losses. Likewise, dividends are not recognised in net gains.

Net gains/losses

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Financial assets/liabilities at fair value through profit or loss	**313**	**552**
Net gains	1,525	1,835
Net losses	-1,212	-1,283
Financial assets at fair value through other comprehensive income (OCI)	**109**	**880**
thereof: recognised in other comprehensive income	-174	1,170
thereof: recognised in profit or loss	283	-144
Net gains	295	14
Net losses	-12	-158
reclassified from other comprehensive income to the income statement	-64	-146
Net gains	51	46
Net losses	-115	-192
Financial assets at amortised cost	**-9**	**-48**
Net gains	115	81
Net losses	-124	-129
Financial liabilities at amortised cost	**-1**	**-3**
Net gains	-	1
Net losses	-1	-4

For financial assets and liabilities at amortised cost, total interest income amounted to €733 million (previous year €596 million), and the total interest expense amounts to €347 million (previous year: €225 million).

Total interest income from financial assets at fair value through other comprehensive income amounted to € 608 million (previous year: €561 million).

In addition, currency translation – with the exception of currency translation involving financial instruments at fair value through profit or loss – generated currency income in the amount of €338 million (previous year: €34 million) and currency expenses of €42 million (previous year: €204 million).

Financial assets in the amount of €32,359 million (previous year: €29,507 million) are recognised at amortised cost, financial assets in the amount of €11,540 million (previous year: €10,632 million) are measured at fair value through profit or loss.

Financial liabilities in the amount of €32,234 million (previous year: €28,657 million) are measured at amortised cost, financial liabilities in the amount of €237 million (previous year: €24 million) are measured at fair value through profit or loss.

(43) Gains and losses recognised from the derecognition of financial assets at amortised cost

In the year under review, there were no material gains or losses from the derecognition of financial assets at amortised cost.

Notes concerning insurance contracts

(44) Disclosures concerning the amounts recognised

The following tables reconcile the opening balance to the closing balance for the net carrying amounts of insurance contracts issued / reinsurance contracts held. They are first broken down by the provision for future policy benefits and by the provision for outstanding insurance claims, and then by the measurement components available in accordance with IFRS 17: estimation of the present value of future cash flows, risk adjustment for non-financial risks and the contractual service margin (CSM). The reconciliation is carried out at the level of the reporting segments – Life and Health Insurance and Property/Casualty Insurance - after consolidation. The assumed reinsurance business of W&W AG is included in the information on the insurance contracts issued in the Property/Casualty Insurance segment. The non-reportable segment "All other segments" is not shown separately because the assumed reinsurance business of W&W AG is small overall and in the process of being run off, with no new business planned. Further information on the definition and structure of the segments can be found in the chapter "Segment reporting".

Insurance contracts issued by remaining coverage and incurred claims Life and Health Insurance 2024

in € million	Provision for future policy benefits (liability for remaining coverage)	Provision for outstanding insurance claims (liability for incurred claims)		
		Measurement using the variable fee approach (VFA)	Measurement using the premium allocation approach (PAA)	
	Excluding loss component [1]		Estimation of the present value of future cash flows	Total
Insurance contracts issued that are liabilities 1.1.2024	**29,448**	**156**	**1**	**29,605**
Insurance contracts issued that are assets 1.1.2024	**-44**	**7**	**-**	**-37**
Net carrying amounts 1.1.2024	**29,404**	**163**	**1**	**29,568**
Technical result	-2,793	2,675	2	-116
Technical income	-1,298	-	-	-1,298
Insurance contracts measured using the modified retrospective approach (MRA) that existed at the transition date	-1,164	-	-	-1,164
All other insurance contracts	-134	-	-	-134
Technical expenses	267	913	2	1,182
Claims expenses and other technical expenses	105	912	3	1,020
Amortisation of acquisition costs	162	-	-	162
Changes relating to past services	-	1	-1	-
Investment components	-1,762	1,762	-	-
Insurance finance income or expenses	1,123	-	-	1,123
Total change in the income statement and in other comprehensive income (OCI)	**-1,670**	**2,675**	**2**	**1,007**
Result from cash flows	1,799	-2,648	-2	-851
Premiums received	2,059	-	-	2,059
Claims payments and other technical expenses	-104	-2,648	-2	-2,754
Acquisition costs	-156	-	-	-156
Other changes	-64	-	-	-64
Net carrying amounts 31.12.2024	**29,469**	**190**	**1**	**29,660**
Insurance contracts issued that are liabilities 31.12.2024	**29,518**	**182**	**1**	**29,701**
Insurance contracts issued that are assets 31.12.2024	**-49**	**8**	**-**	**-41**

1 There was no loss component during the reporting period.

Insurance contracts issued by remaining coverage and incurred claims Life and Health Insurance 2023

	Provision for future policy benefits (liability for remaining coverage)	Provision for outstanding insurance claims (liability for incurred claims)		
		Measurement using the variable fee approach (VFA)	Measurement using the premium allocation approach (PAA)	
	Excluding loss component [1]		Estimation of the present value of future cash flows	Total
in € million				
Insurance contracts issued that are liabilities 1.1.2023	**28,186**	**149**	**-**	**28,335**
Insurance contracts issued that are assets 1.1.2023	**-77**	**6**	**-**	**-71**
Net carrying amounts 1.1.2023	**28,109**	**155**	**-**	**28,264**
Technical result	-2,699	2,578	3	-118
Technical income	-1,222	-	-	-1,222
Insurance contracts measured using the modified retrospective approach (MRA) that existed at the transition date	-1,126	-	-	-1,126
All other insurance contracts	-96	-	-	-96
Technical expenses	276	825	3	1,104
Claims expenses and other technical expenses	116	827	3	946
Amortisation of acquisition costs	160	-	-	160
Changes relating to past services	-	-2	-	-2
Investment components	-1,753	1,753	-	-
Insurance finance income or expenses	2,192	-	-	2,192
Total change in the income statement and in other comprehensive income (OCI)	**-507**	**2,578**	**3**	**2,074**
Result from cash flows	1,872	-2,570	-2	-700
Premiums received	2,171	-	-	2,171
Claims payments and other technical expenses	-115	-2,570	-2	-2,687
Acquisition costs	-184	-	-	-184
Other changes	-70	-	-	-70
Net carrying amounts 31.12.2023	**29,404**	**163**	**1**	**29,568**
Insurance contracts issued that are liabilities 31.12.2023	**29,448**	**156**	**1**	**29,605**
Insurance contracts issued that are assets 31.12.2023	**-44**	**7**	**-**	**-37**

1 There was no loss component during the reporting period.

Reinsurance contracts held by remaining coverage and incurred claims Life and Health Insurance 2024

in € million	Asset for remaining coverage Excluding loss reimbursement component [1]	Asset for incurred claims Measurement using the building block approach (BBA)	Total
Reinsurance contracts held that are liabilities 1.1.2024	**-**	**-**	**-**
Reinsurance contracts held that are assets 1.1.2024	**-27**	**-10**	**-37**
Net carrying amounts 1.1.2024	**-27**	**-10**	**-37**
Result from reinsurance contracts held	24	-10	14
Premiums ceded to reinsurers	24	-	24
Amounts recoverable from reinsurers for incurred claims	-	-10	-10
Recoverable reinsurance benefits	-	-10	-10
Insurance finance income or expenses	13	-	13
Total change in the income statement and in other comprehensive income (OCI)	37	-10	27
Result from cash flows	-21	10	-11
Premiums ceded to reinsurers	-21	-	-21
Payments reimbursed	-	10	10
Net carrying amounts 31.12.2024	**-11**	**-10**	**-21**
Reinsurance contracts held that are liabilities 31.12.2024	**-**	**-**	**-**
Reinsurance contracts held that are assets 31.12.2024	**-11**	**-10**	**-21**

1 There was no loss reimbursement component during the reporting period.

Reinsurance contracts held remaining coverage and incurred claims Life and Health Insurance 2023

	Asset for remaining coverage	Asset for incurred claims	
	Excluding loss reimbursement component [1]	Measurement using the building block approach (BBA)	Total
in € million			
Reinsurance contracts held that are liabilities 1.1.2023	**-**	**-**	**-**
Reinsurance contracts held that are assets 1.1.2023	**-38**	**-12**	**–50**
Net carrying amounts 1.1.2023	**-38**	**-12**	**–50**
Result from reinsurance contracts held	26	-9	17
Premiums ceded to reinsurers	26	-	26
Amounts recoverable from reinsurers for incurred claims	-	-9	-9
Recoverable reinsurance benefits	-	-9	-9
Insurance finance income or expenses	3	-	3
Total change in the income statement and in other comprehensive income (OCI)	29	-9	20
Result from cash flows	-18	11	-7
Premiums ceded to reinsurers	-18	-	-18
Payments reimbursed	-	11	11
Net carrying amounts 31.12.2023	**-27**	**-10**	**-37**
Reinsurance contracts held that are liabilities 31.12.2023	**-**	**-**	**-**
Reinsurance contracts held that are assets 31.12.2023	**-27**	**-10**	**-37**

1 There was no loss reimbursement component during the reporting period.

Insurance contracts issued by remaining coverage and incurred claims Property/Casualty Insurance 2024

	Provision for future policy benefits (liability for remaining coverage)		Provision for outstanding insurance claims (liability for incurred claims)			
			Measurement using the building block approach (BBA)	Measurement using the premium allocation approach (PAA)		
	Excluding loss component	Loss component		Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Total
in € thousand						
Insurance contracts issued that are liabilities 1.1.2024	**245**	**30**	**989**	**968**	**62**	**2,294**
Insurance contracts issued that are assets 1.1.2024	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount 1.1.2024	**245**	**30**	**989**	**968**	**62**	**2,294**
Technical result	-1,980	10	971	1,070	4	75
Technical income	-2,768	-	-	-	-	-2,768
All other insurance contracts	-2,768	-	-	-	-	-2,768
Technical expenses	788	10	971	1,070	4	2,843
Claims expenses and other technical expenses	623	-40	917	1,012	9	2,521
Amortisation of acquisition costs	165	-	-	-	-	165
Changes relating to past services	-	-	54	58	-5	107
Changes relating to future services	-	50	-	-	-	50
Insurance finance income or expenses	21	-	33	28	2	84
thereof: from exchange rate fluctuations	-	-	-	2	-	2
Total change in the income statement and in other comprehensive income (OCI)	**-1,959**	**10**	**1,004**	**1,098**	**6**	**159**
Result from cash flows	1,999	-	-895	-1,002	-	102
Premiums received	2,794	-	-	-	-	2,794
Claims payments and other technical expenses	-558	-	-895	-1,002	-	-2,455
Acquisition costs	-237	-	-	-	-	-237
Other changes	-	-	-1	-3	-	-4
Net carrying amounts 31.12.2024	**285**	**40**	**1,097**	**1,061**	**68**	**2,551**
Insurance contracts issued that are liabilities 31.12.2024	**285**	**40**	**1,097**	**1,061**	**68**	**2,551**
Insurance contracts issued that are assets 31.12.2024	**-**	**-**	**-**	**-**	**-**	**-**

Insurance contracts issued by remaining coverage and incurred claims Property/Casualty Insurance 2023

	Provision for future policy benefits (liability for remaining coverage)		Provision for outstanding insurance claims (liability for incurred claims)			
			Measurement using the building block approach (BBA)	Measurement using the premium allocation approach (PAA)		
	Excluding loss component	Loss component		Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Total
in € thousand						
Insurance contracts issued that are liabilities 1.1.2023	**213**	**26**	**828**	**828**	**67**	**1,962**
Insurance contracts issued that are assets 1.1.2023	**-**	**-**	**-**	**-**	**-**	**-**
Net carrying amount 1.1.2023	**213**	**26**	**828**	**828**	**67**	**1,962**
Technical result	-1,867	4	897	958	-11	-19
Technical income	-2,579	-	-	-	-	-2,579
All other insurance contracts	-2,579	-	-	-	-	-2,579
Technical expenses	712	4	897	958	-11	2,560
Claims expenses and other technical expenses	562	-16	869	926	7	2,348
Amortisation of acquisition costs	150	-	-	-	-	150
Changes relating to past services	-	-	28	32	-18	42
Changes relating to future services	-	20	-	-	-	20
Insurance finance income or expenses	31	-	27	50	6	114
thereof: from exchange rate fluctuations	-	-	-	-1	-	-1
Total change in the income statement and in other comprehensive income (OCI)	**-1,836**	**4**	**924**	**1,008**	**-5**	**95**
Result from cash flows	1,871	-	-763	-868	-	240
Premiums received	2,605	-	-	-	-	2,605
Claims payments and other technical expenses	-500	-	-763	-868	-	-2 131
Acquisition costs	–234	-	-	-	-	–234
Other changes	-3	-	-	-	-	-3
Net carrying amounts 31.12.2023	**245**	**30**	**989**	**968**	**62**	**2,294**
Insurance contracts issued that are liabilities 31.12.2023	**245**	**30**	**989**	**968**	**62**	**2,294**
Insurance contracts issued that are assets 31.12.2023	**-**	**-**	**-**	**-**	**-**	**-**

Reinsurance contracts held by remaining coverage and incurred claims Property/Casualty Insurance 2024

	Asset for remaining coverage		Asset for incurred claims		
			Measurement using the premium allocation approach (PAA)		
	Excluding loss reimbursement component	Loss reimbursement component	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Total
in € million					
Reinsurance contracts held that are liabilities 1.1.2024	**1**	**-**	**-**	**-**	**1**
Reinsurance contracts held that are assets 1.1.2024	**28**	**-1**	**-301**	**-9**	**-283**
Net carrying amount 1.1.2024	**29**	**-1**	**-301**	**-9**	**-282**
Result from reinsurance contracts held	182	-	-138	-1	43
Premiums ceded to reinsurers	182	-	-	-	182
Amounts recoverable from reinsurers for incurred claims	-	-	-138	-1	-139
Recoverable reinsurance benefits	-	-	-101	-1	-102
Changes in amounts recoverable for incurred claims	-	-	-37	-	-37
Insurance finance income or expenses	-	-	-6	-	-6
Total change in the income statement and in other comprehensive income (OCI)	**182**	**-**	**-144**	**-1**	**37**
Result from cash flows	-190	-	168	-	-22
Premiums ceded to reinsurers	-190	-	-	-	-190
Payments reimbursed	-	-	168	-	168
Net carrying amounts 31.12.2024	**21**	**-1**	**-277**	**-10**	**-267**
Reinsurance contracts held that are liabilities 31.12.2024	**1**	**-**	**-**	**-**	**1**
Reinsurance contracts held that are assets 31.12.2024	**20**	**-1**	**-277**	**-10**	**-268**

Reinsurance contracts held by remaining coverage and incurred claims Property/Casualty Insurance 2023

	Asset for remaining coverage		Asset for incurred claims		
			Measurement using the premium allocation approach (PAA)		
	Excluding loss reimbursement component	Loss reimbursement component	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Total
in € million					
Reinsurance contracts held that are liabilities 1.1.2023	**2**	**-**	**-**	**-**	**2**
Reinsurance contracts held that are assets 1.1.2023	**40**	**-1**	**-253**	**-10**	**-224**
Net carrying amount 1.1.2023	**42**	**-1**	**-253**	**-10**	**-222**
Result from reinsurance contracts held	185	-	-188	1	-2
Premiums ceded to reinsurers	185	-	-	-	185
Amounts recoverable from reinsurers for incurred claims	-	-	-188	1	-187
Recoverable reinsurance benefits	-	-	-156	-2	-158
Changes in amounts recoverable for incurred claims	-	-	-32	3	-29
Insurance finance income or expenses	-	-	-11	-	-11
Total change in the income statement and in other comprehensive income (OCI)	**185**	**-**	**-199**	**1**	**-13**
Result from cash flows	-198	-	151	-	-47
Premiums ceded to reinsurers	-198	-	-	-	-198
Payments reimbursed	-	-	151	-	151
Net carrying amounts 31.12.2023	**29**	**-1**	**-301**	**-9**	**-282**
Reinsurance contracts held that are liabilities 31/].12.2023	**1**	**-**	**-**	**-**	**1**
Reinsurance contracts held that are assets 31.12.2023	**28**	**-1**	**-301**	**-9**	**-283**

Insurance contracts issued, by measurement components Life and Health insurance 2024

			Contractual service margin (CSM)[1]		
in € million	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Insurance contracts that existed at the transition date and for which the modified retrospective approach (MRA) was applied	All other insurance contracts	Total
Insurance contracts issued that are liabilities 1.1.2024	**27,592**	**247**	**1,642**	**122**	**29,603**
Insurance contracts issued that are assets 1.1.2024	**-123**	**4**	**75**	**7**	**-37**
Net carrying amount 1.1.2024	**27,469**	**251**	**1,717**	**129**	**29,566**
Technical result	-128	41	-77	49	-115
Changes relating to current services	7	-6	-108	-9	-116
Release of the CSM for services rendered recognised in profit or loss	-	-	-108	-9	-117
Changes to the risk adjustment for non-financial risks	-	-6	-	-	-6
Experience-related adjustments	7	-	-	-	7
Changes relating to future services	-134	45	31	58	-
Changes in estimates that adjust the CSM	-66	31	31	4	-
Changes due to new business	-68	14	-	54	-
Changes relating to past services	-1	2	-	-	1
Change in obligation for incurred claims	-1	2	-	-	1
Insurance finance income or expenses	1,123	-	-	-	1,123
Total change in the income statement and in other comprehensive income (OCI)	**995**	**41**	**-77**	**49**	**1,008**
Result from cash flows	-852	-	-	-	-852
Premiums received	2,056	-	-	-	2,056
Claims payments and other technical expenses	-2,751	-	-	-	-2,751
Acquisition costs	-157	-	-	-	-157
Other changes	-64	-	-	-	-64
Net carrying amount 31.12.2024	**27,548**	**292**	**1,640**	**178**	**29,658**
Insurance contracts issued that are liabilities 31.12.2024	**27,695**	**287**	**1,553**	**164**	**29,699**
Insurance contracts issued that are assets 31.12.2024	**-147**	**5**	**87**	**14**	**-41**

1 As at the transition date, there were no insurance contracts measured using the fair value approach (FVA).

Insurance contracts issued, by measurement components Life and Health Insurance 2023

			Contractual service margin (CSM)[1]		
	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Insurance contracts that existed at the transition date and for which the modified retrospective approach (MRA) was applied	All other insurance contracts	Total
in € million					
Insurance contracts issued that are liabilities 1.1.2023	**26,925**	**206**	**1,162**	**42**	**28,335**
Insurance contracts issued that are assets 1.1.2023	**-156**	**4**	**76**	**4**	**-72**
Net carrying amount 1.1.2023	**26,769**	**210**	**1,238**	**46**	**28,263**
Technical result	-721	41	479	83	-118
Changes relating to current services	12	-5	-116	-7	-116
Release of the CSM for services rendered recognised in profit or loss	-	-	-116	-7	-123
Changes to the risk adjustment for non-financial risks	-	-5	-	-	-5
Experience-related adjustments	12	-	-	-	12
Changes relating to future services	-731	46	595	90	-
Changes in estimates that adjust the CSM	-678	40	595	43	-
Changes due to new business	-53	6	-	47	-
Changes relating to past services	-2	-	-	-	-2
Change in obligation for incurred claims	-2	-	-	-	-2
Insurance finance income or expenses	2,192	-	-	-	2,192
Total change in the income statement and in other comprehensive income (OCI)	**1,471**	**41**	**479**	**83**	**2,074**
Result from cash flows	-701	-	-	-	-701
Premiums received	2,169	-	-	-	2,169
Claims payments and other technical expenses	-2,686	-	-	-	-2,686
Acquisition costs	-184	-	-	-	-184
Other changes	-70	-	-	-	-70
Net carrying amount 31.12.2023	**27,469**	**251**	**1,717**	**129**	**29,566**
Insurance contracts issued that are liabilities 31.12.2023	**27,592**	**247**	**1,642**	**122**	**29,603**
Insurance contracts issued that are assets 31.12.2023	**-123**	**4**	**75**	**7**	**-37**

1 As at the transition date, there were no insurance contracts measured using the fair value approach (FVA).

For insurance contracts with direct profit participation, the excess return expected for the reporting period or the change in the amount of the company's share of the fair value of the underlying reference values in the financial year 2024 and in the previous year in the mid-seven-figure range was recognised in the technical result for Life and Health Insurance via the release of the contractual service margin (CSM) in profit or loss. Please refer to the section "Principles for the recognition, measurement and presentation of insurance contracts" for information on the expected excess return as part of measurement using the variable fee approach (VFA).

Reinsurance contracts held, by measurement components Life and Health Insurance 2024

in € million	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin (CSM)[1]	Total
Reinsurance contracts held that are liabilities 1.1.2024	**-**	**-**	**-**	**-**
Reinsurance contracts held that are assets 1.1.2024	**217**	**-**	**-254**	**-37**
Net carrying amount 1.1. 2024	**217**	**-**	**-254**	**-37**
Technical result	-16	-	29	13
Changes relating to current services	-2	-	15	13
Release of the CSM recognised in profit or loss	-	-	15	15
Experience-related adjustments	-2	-	-	-2
Changes relating to future services	-14	-	14	-
Changes in estimates that adjust the CSM	-19	-	19	-
Changes due to new business	5	-	-5	-
Insurance finance income or expenses	14	-	-1	13
Total change in the income statement and in other comprehensive income (OCI)	**-2**	**-**	**28**	**26**
Result from cash flows	-10	-	-	-10
Premiums ceded to reinsurers	-20	-	-	-20
Payments reimbursed	10	-	-	10
Net carrying amount 31.12.2024	**205**	**-**	**-226**	**-21**
Reinsurance contracts held that are liabilities 31.12.2024	**-**	**-**	**-**	**-**
Reinsurance contracts held that are assets 31.12.2024	**205**	**-**	**-226**	**-21**

1 As at the transition date, there were no insurance contracts that were measured using the modified retrospective approach (MRA) or the fair value approach (FVA).

Reinsurance contracts held, by measurement components Life and Health Insurance 2023

in € million	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin (CSM)[1]	Total
Reinsurance contracts held that are liabilities 1.1.2023	**-**	**-**	**-**	**-**
Reinsurance contracts held that are assets 1.1.2023	**185**	**-3**	**–232**	**–50**
Net carrying amount 1.1.2023	**185**	**-3**	**–232**	**–50**
Result from reinsurance contracts held	35	3	-22	16
Changes relating to current services	1	-	15	16
Release of the CSM recognised in profit or loss	-	-	15	15
Experience-related adjustments	1	-	-	1
Changes relating to future services	34	3	-37	-
Changes in estimates that adjust the CSM	34	3	-37	-
Insurance finance income or expenses	3	-	-	3
Total change in the income statement and in other comprehensive income (OCI)	**38**	**3**	**-22**	**19**
Result from cash flows	-6	-	-	-6
Premiums ceded to reinsurers	-18	-	-	-18
Payments reimbursed	12	-	-	12
Net carrying amount 31.12.2023	**217**	**-**	**-254**	**-37**
Reinsurance contracts held that are liabilities 31/].12.2023	**-**	**-**	**-**	**-**
Reinsurance contracts held that are assets 31.12.2023	**217**	**-**	**-254**	**-37**

1 As at the transition date, there were no insurance contracts that were measured using the modified retrospective approach (MRA) or the fair value approach (FVA).

Insurance contracts issued, by measurement components Property/Casualty Insurance 2024

in € million	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin (CSM)[1]	Total
Insurance contracts issued that are liabilities 1.1.2024	**840**	**70**	**297**	**1,207**
Insurance contracts issued that are assets 1.1.2024	**-**	**-**	**-**	**-**
Net carrying amount 1.1.2024	**840**	**70**	**297**	**1,207**
Technical result	-131	10	27	-94
Changes relating to current services	83	-20	-231	-168
Release of the CSM for services rendered recognised in profit or loss	-	-	-231	-231
Changes to the risk adjustment for non-financial risks	-	-20	-	-20
Experience-related adjustments	83	-	-	83
Changes relating to future services	-274	36	258	20
Changes in estimates that adjust the CSM	-22	3	19	-
Changes in estimates that do not adjust the CSM	-4	1	-	-3
Changes due to new business	-248	32	239	23
Changes relating to past services	60	-6	-	54
Change in obligation for incurred claims	60	-6	-	54
Insurance finance income or expenses	38	3	14	55
Total change in the income statement and in other comprehensive income (OCI)	**-93**	**13**	**41**	**-39**
Result from cash flows	177	-	-	177
Premiums received	1,608	-	-	1,608
Claims payments and other technical expenses	-1,260	-	-	-1,260
Acquisition costs	-171	-	-	-171
Other changes	-1	-	-	
Net carrying amount 31.12.2024	**924**	**83**	**338**	**1,345**
Insurance contracts issued that are liabilities 31.12.2024	**924**	**83**	**338**	**1,345**
Insurance contracts issued that are assets 31.12.2024	**-**	**-**	**-**	**-**

1 As at the transition date, there were no insurance contracts that were measured using the modified retrospective approach (MRA) or the fair value approach (FVA).

Insurance contracts issued, by measurement components
Property/Casualty Insurance 2023

in € million	Estimation of the present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin (CSM)[1]	Total
Insurance contracts issued that are liabilities 1.1.2023	**670**	**63**	**264**	**997**
Insurance contracts issued that are assets 1.1.2023	**-**	**-**	**-**	**-**
Net carrying amount 1.1.2023	**670**	**63**	**264**	**997**
Technical result	–146	3	26	-117
Changes relating to current services	58	-20	-193	-155
Release of the CSM for services rendered recognised in profit or loss	-	-	-193	-193
Changes to the risk adjustment for non-financial risks	-	-20	-	-20
Experience-related adjustments	58	-	-	58
Changes relating to future services	-243	34	219	10
Changes in estimates that adjust the CSM	-30	3	27	-
Changes in estimates that do not adjust the CSM	-5	1	-	-4
Changes due to new business	-208	30	192	14
Changes relating to past services	39	-11	-	28
Change in obligation for incurred claims	39	-11	-	28
Insurance finance income or expenses	47	4	7	58
Total change in the income statement and in other comprehensive income (OCI)	**-99**	**7**	**33**	**–59**
Result from cash flows	269	-	-	269
Premiums received	1,526	-	-	1,526
Claims payments and other technical expenses	-1,084	-	-	-1,084
Acquisition costs	-173	-	-	-173
Net carrying amount 31.12.2023	**840**	**70**	**297**	**1,207**
Insurance contracts issued that are liabilities 31.12.2023	**840**	**70**	**297**	**1,207**
Insurance contracts issued that are assets 31.12.2023	**-**	**-**	**-**	**-**

1 As at the transition date, there were no insurance contracts that were measured using the modified retrospective approach (MRA) or the fair value approach (FVA).

The following tables show an analysis of the technical income recognised in the period for issued insurance contracts to which the building block approach (BBA) and the variable fee approach (VFA) were applied:

Life and Health Insurance

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Amounts in connection with the changes to the provision for future policy benefits	**1,133**	**1,059**
Expected technical expenses	933	905
Changes to the risk adjustment for non-financial risks	6	5
Release of the CSM for services rendered recognised in profit or loss	117	123
Experience-related adjustments and other changes	77	26
Share of the premium for amortisation of acquisition costs	**162**	**160**
Technical income	**1,295**	**1,219**

Property/Casualty Insurance

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Amounts in connection with the changes to the provision for future policy benefits	**1,427**	**1,328**
Expected technical expenses	1,165	1,117
Changes to the risk adjustment for non-financial risks	32	30
Release of the CSM for services rendered recognised in profit or loss	231	193
Experience-related adjustments and other changes	-1	-12
Share of the premium for amortisation of acquisition costs	**165**	**150**
Technical income	**1,592**	**1,478**

The following tables show the accounting effects on the measurement components resulting in the reporting period, from the initial recognition of insurance contracts issued or reinsurance contracts held, to which the premium allocation approach (PAA) was not applied:

New business – insurance contracts issued Life and Health Insurance 1.1.2024 to 31.12.2024

	Total	thereof: onerous contracts
in € million		
Estimation of the present value of future cash outflows	1,356	-
Estimation of the present value of acquisition costs	143	-
Estimation of the present value of other future cash outflows	1,213	-
Estimation of the present value of future cash inflows	-1,424	-
Risk adjustment for non-financial risks	14	-
Contractual service margin	54	-
Increase/decrease in the provision for future policy benefits/asset for remaining coverage due to contracts recognised in the period	**-**	**-**

New business – insurance contracts issued Life and Health Insurance 1.1.2023 to 31.12.2023

in € million	Total	thereof: onerous contracts
Estimation of the present value of future cash outflows	1,369	-
Estimation of the present value of acquisition costs	139	-
Estimation of the present value of other future cash outflows	1,230	-
Estimation of the present value of future cash inflows	–1,422	-
Risk adjustment for non-financial risks	6	-
Contractual service margin	47	-
Increase/decrease in the provision for future policy benefits/asset for remaining coverage due to contracts recognised in the period	**-**	**-**

New business – issued insurance contracts Property/Casualty Insurance 1.1.2024 to 31.12.2024

in € million	Total	thereof: onerous contracts
Estimation of the present value of future cash outflows	1,277	337
Estimation of the present value of acquisition costs	140	25
Estimation of the present value of other future cash outflows	1,137	312
Estimation of the present value of future cash inflows	-1,525	-325
Risk adjustment for non-financial risks	32	11
Contractual service margin	239	-
Increase/decrease in the provision for future policy benefits/asset for remaining coverage due to contracts recognised in the period	**23**	**23**

New business – issued insurance contracts Property/Casualty Insurance 1.1.2023 to 31.12.2023

in € million	Total	thereof: onerous contracts
Estimation of the present value of future cash outflows	1,249	326
Estimation of the present value of acquisition costs	135	25
Estimation of the present value of other future cash outflows	1,114	301
Estimation of the present value of future cash inflows	-1,457	–322
Risk adjustment for non-financial risks	30	11
Contractual service margin	192	-
Increase/decrease in the provision for future policy benefits/asset for remaining coverage due to contracts recognised in the period	**14**	**15**

The following table shows when the W&W Group expects to recognise the contractual service margin (CSM) that remains from insurance business as at the reporting date in the consolidated income statement through profit or loss. The CSM is the present value of unrealised expected future profit from the insurance contracts as at the reporting date. Accordingly, the following released amounts do not include the income from unwinding the discount, which is calculated implicitly under the variable fee approach (VFA) by a risk-neutral valuation using a current yield curve and explicitly under the building block approach (BBA) using the locked-in yield curve after the end of a period. In addition, these do not include the entity's share of the excess return expected for future periods from insurance contracts with direct participation features in life and health insurance. This is not accounted for until the subsequent measurement for the previous reporting period for the CSM and released through profit or loss (for more information on this see the section Initial application of IFRS 17 Insurance Contracts). Accordingly, the released amounts shown below should not be interpreted in future periods as actual profit from the release of the remaining CSM at the reporting date. Instead, they are to be adjusted by the components described.

Expected recognition of the contractual service margin (CSM) through profit or loss Life and Health Insurance

	Insurance contracts issued	Reinsurance contracts held	Insurance contracts issued	Reinsurance contracts held
in € million		31.12.2024		31.12.2023
1 to 5 years	510	-72	529	-77
5 to 10 years	383	-50	393	-54
10 to 15 years	281	-37	286	-41
15 to 20 years	206	-27	209	-31
more than 20 years	438	-40	429	-51
Total	**1,818**	**-226**	**1,846**	**-254**

Expected recognition of the contractual service margin (CSM) through profit or loss Property/Casualty Insurance

	Insurance contracts issued	Reinsurance contracts held	Insurance contracts issued	Reinsurance contracts held
in € million		31.12.2024		31.12.2023
1 year or less	139	-	122	-
1 to 2 years	84	-	75	-
2 to 3 years	60	-	53	-
3 to 4 years	37	-	32	-
4 to 5 years	16	-	14	-
5 to 10 years	2	-	1	-
Total	**338**	**-**	**297**	**-**

(45) Disclosures concerning insurance finance income or expenses

The following table shows the underlying items for contracts with direct participation features in Life and Health Insurance. Measurement using the variable fee approach (VFA) is based on the fair values of the underlying items shown prior to consolidation in the W&W Group.

Not all earnings effects of the reference values shown are included in the financial result.

Underlying items for insurance contracts prior to consolidation

in € million	31.12.2024	31.12.2023
Cash reserve	103	39
Shares in affiliated companies	12,579	12,214
Financial assets at fair value through profit or loss	5,379	4,814
Financial assets at fair value through other comprehensive income (OCI)	9,202	9,689
Financial assets at amortised cost	1,466	2,063
Financial assets accounted for using the equity method	43	66
Investment property	1,985	2,040
Other assets	21	16
Underlying items included in assets	**30,778**	**30,941**
Financial liabilities at fair value through profit or loss	10	10
Liabilities	167	183
Other provisions	103	101
Other liabilities	1	2
Subordinated capital	253	505
Equity	692	608
Underlying items included in liabilities	**1,226**	**1,409**

The following table analyses the components of the total financial result recognised in the consolidated income statement and in other comprehensive income (OCI) separately for Life and Health and Property/Casualty Insurance.

Life and Health Insurance

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Investment performance	**1,162**	**2,274**
thereof: recognised in the income statement	1,311	1,096
Current financial result	963	911
Result from risk provision	7	-1
Measurement result	417	269
thereof: currency result	-7	-130
Result from disposals	-76	-83
thereof: recognised in other comprehensive income (OCI)	-149	1,178
Insurance finance result (net)	**-1,136**	**-2,195**
Insurance finance income or expenses from insurance contracts issued (gross)	-1,123	-2,192
Changes in the fair value of underlying reference values	-1,123	-2,192
thereof: recognised in the income statement	-1,271	-1,067
thereof: recognised in other comprehensive income (OCI)	148	-1,125
thereof: insurance finance income or expenses from reinsurance contracts held	-13	-3
Changes in the current yield curve and other financial assumptions	-1	-8
Effect of using different discount rates (current versus locked-in yield curve)	-12	5
thereof: recognised in other comprehensive income (OCI)	-13	-3
Financial result, total	**26**	**79**
thereof: recognised in the income statement	40	29[1]
thereof: recognised in other comprehensive income (OCI)	-14	50

1 Previous year's figure restated.

Property/Casualty Insurance

in € million	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Investment performance	**120**	**121**
thereof: recognised in the income statement	103	73
Current financial result	87	79
Result from risk provision	-3	-
Measurement result	18	1
thereof: currency result	-2	-14
Result from disposals	1	-7
thereof: recognised in other comprehensive income (OCI)	17	48
Insurance finance result (net)	**-78**	**–103**
Insurance finance income or expenses from insurance contracts issued (gross)	-84	-114
Compounding with locked-in yield curve	-58	-32
Changes in the yield curve and other financial assumptions	-9	-44
Effect of using different discount rates (current versus locked-in yield curve)	-17	-38
thereof: recognised in the income statement	-60	-31
thereof: recognised in other comprehensive income (OCI)	-24	-83
thereof: insurance finance income or expenses from reinsurance contracts held	6	11
Compounding with locked-in yield curve	4	2
Changes in the current yield curve and other financial assumptions	1	4
Effect of using different discount rates (current versus locked-in yield curve)	1	4
Changes in the risk of non-performance by reinsurers	-	1
thereof: recognised in the income statement	4	4
thereof: recognised in other comprehensive income (OCI)	2	7
Financial result, total	**42**	**18**
thereof: recognised in the income statement	47	46
thereof: recognised in other comprehensive income (OCI)	-5	-28

(46) Disclosures concerning retrospective application

The following table shows the change in the reserve for financial assets at fair value through other comprehensive income (OCI) in connection with insurance contracts that were not measured using the full retrospective approach (FRA) at the transition date of 1 January 2022.

Changes in the reserve for financial assets at fair value through other comprehensive income (OCI)

in € million	2024	2023
Opening balance 1.1.	**-4,851**	**-6,280**
Changes in fair value recognised directly in equity	13	1,412
Reclassification to the income statement	22	17
Closing balance 31.12.	**-4,816**	**-4,851**

Disclosures concerning risks under financial instruments and insurance contracts

(47) Risk management

The W&W Group makes use of a comprehensive risk management and controlling system that consistently combines the systems and methods of the individual companies, which are geared to the particular business requirements.

The risk management and controlling system comprises the totality of all organisational regulations and measures that have been established to identify risks at an early stage and to handle the risks associated with business activity. Risk controlling is a part of risk management and includes the assessment, evaluation, monitoring and reporting of the risks encountered by the entities assuming them. It also monitors risk governance measures. The W&W Group's risk management system pursues the following overarching objectives:

- Creation of transparency with respect to risks,
- Use of appropriate tools for risk governance,
- Assurance and monitoring of capital adequacy,
- Creation of a basis for risk- and value-oriented corporate governance,
- Promotion and establishment of a Group-wide risk culture.

Another task of risk management is to protect the reputation of the W&W Group with its two venerable brands, "Wüstenrot" and "Württembergische", and the new digital brand "Adam Riese". The reputation of the W&W Group as a stable, reliable and trustworthy partner of our customers constitutes a key factor for our sustainable success.

At least once a year, we review the structure of our risk management system with regard to the need for adjustments and document this in the risk strategy, risk management guidelines, specialised concepts and work instructions. The principles and organisation are unchanged compared to the previous year.

The integrated risk strategy represents the strategic framework of the risk management system of the W&W Group (W&W financial conglomerate), the Solvency II Group(insurance group) and Wüstenrot & Württembergische AG . As part of this framework, definitions are established for risk appetite, which derived from the business strategy and the risk profile, for the overall risk objectives and for the application of consistent standards, methods, procedures and tools.

The Group Risk Policy contains the organisational framework for risk management and is a prerequisite for an effective risk management system in the W&W Group. This framework is intended to ensure that the standard of quality is comparable across all business areas and that risk management is highly consistent on all levels of the Group. As a key component of the common risk culture, the Group Risk Policy and the processes and systems defined in it promote the requisite risk awareness.

The individual areas of responsibility of all subsequent committees as well as their interfaces and reporting channels are defined within the organisational structure and process organisation. This ensures a regular and timely flow of information across all levels of the W&W Group.

In its role as the control body overseeing the Executive Board, the Supervisory Board of W&W AG also monitors the appropriateness and effectiveness of the risk management system, as well as implementation of the risk strategy, including risk appetite. For this purpose, it is regularly updated on the risk situation. Certain types of transactions require approval by the Supervisory Board or its Risk and Audit Committee.

The Risk and Audit Committee of W&W AG and the corresponding committees of Wüstenrot Bausparkasse AG, Württembergische Versicherung AG and Württembergische Lebensversicherung AG are regularly presented with information required pursuant to the bylaws, including risk reports with a description of the current risk situation and the measures that have been initiated to manage it.

The Executive Board of W&W AG bears joint responsibility for the proper business organisation of the W&W Group and is the highest decision-making body in risk matters. This includes ensuring that the risk management system established Group-wide is effectively and appropriately implemented, maintained and enhanced. This also includes developing, promoting and integrating an appropriate risk culture. The Chief Risk Officer (CRO) is responsible for risk management on the Executive Board of W&W AG.

As the central body for the coordination of risk management, the Group Board Risk supports the Executive Board of W&W AG and the Management Board in risk issues. The body meets once a month and, where necessary, on an ad hoc basis. The Group Board Risk monitors the risk profile of the W&W Group, its appropriate capitalisation and its liquidity. Moreover, it advises on Group-wide risk organisation standards and on the deployment of uniform risk management methods and tools, and it proposes these to the Group's executive boards for approval or adopts them within the scope of its powers.

The Insurance Risk Board monitors the risk profile in the Insurance business division. The BSW Risk Board coordinates risk management at the level of Wüstenrot Bausparkasse AG.

The risk management process in the W&W Group is based on the closed control loop described in the integrated risk strategy as well as in the following.

Risks are systematically identified in the course of the annual risk inventory and during reviews of the risk situation throughout the year, as warranted by events. The risks are differentiated into immaterial and material risks using defined threshold values. Also evaluated is the extent to which individual risks can take on a material character through interaction or accumulation (risk concentrations). This makes a decisive contribution to promoting an appropriate risk culture. The systematic recording of loss events provides indications of new or changing risks in the area of operational risk and therefore also contributes to risk identification.

Risk assessment includes all methods, processes and systems that serve to adequately assess identified risks Risks are largely assessed by means of a stochastic procedure using the value-at-risk standard. If this procedure cannot be used for certain risk areas, analytical computational procedures or regulatory standard procedures are applied, as well as expert estimates.
In order to measure risks from an economic perspective, the respective statutory or regulatory confidence levels are applied both at Group level and at the level of the individual W&W individual companies, drawing on a one-year risk horizon as a basis:

- For the individual W&W companies subject to insurance supervisory law in accordance with the Solvency II Directive, including W&W AG, this corresponds to a confidence level of 99.5%.
- For Wüstenrot Bausparkasse AG, this corresponds to a confidence level of 99.9%.
- In all other individual companies with an economic risk-bearing capacity model, at a minimum the requirements of the designated supervisory authority regarding the confidence level of internal risk modelling must be taken as a basis.
- For the W&W Group, risks are depicted with a confidence level of 99.5%. The target and minimum ratios for economic risk-bearing capacity at the Group level are derived from the capital requirements that result from compliance with the aforementioned confidence levels at the associated individual companies. Accordingly, an overall confidence level in excess of 99.5% is achieved.

We regularly conduct sensitivity analyses in connection with stress scenarios for specific risk areas and across risk areas. Indicator analyses, such as (early-warning) risk indicators, augment the range of tools used to evaluate risk.

We define risk governance as the operational implementation of risk strategies in the risk-bearing business units. The decision to assume risk is made within the scope of business strategy and risk strategy requirements by the decision-making body in each individual company. Based on the risk strategy, the respective specialist sections at our individual operating companies manage their own risk positions. Thresholds, signal systems, and limit and line systems are used to support risk governance. If the specified thresholds are exceeded, predefined actions or escalation processes are initiated. As a rule, the entity that assumed the risks is responsible for governing and controlling them. It decides on products, transactions and risk management measures for the first line of defence. It must be ensured that the risks entered into fit into the risk profile envisaged by the risk strategy of the W&W Group or one of its individual companies and that the carrying capacity and specified risk limits and risk lines are complied with. The key performance indicators at Group level are consolidated net profit and business segment-specific key indicators. In order to link earnings and risk management, we carry out scenario analyses for the key performance indicators as part of the planning and extrapolation process. In addition to the IFRS consolidated result, the HGB results of the individual companies are also relevant for management purposes.

The sufficiency of risk capitalisation is evaluated on several dimensions, which as a rule are equally weighted but highlight different objectives and aspects:

- The economic perspective assesses risk coverage capacity, i.e. permanent assurance of the company's substance in order to protect customers and first-rank creditors against losses from an economic standpoint.
- The normative perspective looks at compliance with the regulatory minimum requirements for risk capitalisation in order to be able to continue business operations as planned.

In addition, in accordance with the requirements for managing the balance sheet and the income statement, specific risk models oriented toward them are applied at the level of the individual companies. While the economic risk-bearing capacity concept and the balance sheet risk models are developed and parameterised internally, the regulatory procedure follows externally prescribed systems.

In order to identify risks early on, risk indicators are employed to monitor changes in the risk situation. Such indicators include financial and risk indicators (e.g., risk-bearing capacity ratios, limit utilisations), supervisory indicators (e.g., capital ratios, liquidity coverage ratio) and market indicators (e.g., stock prices, credit spreads). Material, quantifiable risks are controlled by means of limits and lines. Limits are set at most in the amount that permits compliance with the respective minimum ratios for economic risk-bearing capacity even where the limits are maxed out. By creating a corresponding limit and line system, risk concentrations, in particular, are limited both at the level of the individual company and at the level of the financial conglomerate. The monitoring of risks, which is independent of the assumption of risks, primarily takes place at the level of the individual undertaking. If the risks are also material at Group level or if material risks arise across the Group, these are also monitored at Group level. Monitoring activities are used to develop recommendations for action, which lead to corrective intervention being taken early on with respect to the objectives set forth in the business and risk strategy and are subject to corresponding measures controlling.

Using established reporting processes, regular and timely reports are generated about the risk position of various groups or individual companies. In this regard, the flow of information concerning the risk situation of the individual companies in the W&W Group is accomplished through internal risk reporting, risk inventory and calculation of risk-bearing capacity. The resulting findings of the Group companies are transmitted to the risk management function responsible for the W&W Group, where they are aggregated and analysed with regard to their impact on the W&W Group.

The core elements of the risk reporting system are the quarterly risk reports of W&W AG and the W&W Group to the Group Board Risk, the Executive Board and the Supervisory Board. In particular, these reports present the amount of available equity, the regulatory and economic risk-bearing capacity, compliance with limits and lines, existing risk concentrations, the results of the stress tests and the risk management measures already taken and those still to be taken. The risk reports are presented to the Group Board Risk and discussed with regard to risk assessment. On this basis, action recommendations and measures are established where necessary for the W&W Group, which are then implemented and tracked by the responsible risk management units.
Depending on its criticality, significant information from a risk perspective is immediately forwarded to the Group Board Risk, the Executive Board and the Supervisory Board as part of an internal ad hoc risk report . Processes and reporting procedures have been set up for this purpose at Group and individual company level. Quantitative criteria are used as thresholds, which as a rule are in line with internal and supervisory parameters. In addition, ad hoc risk reporting can be carried out if qualitatively significant events occur.

The appropriateness and effectiveness of the risk management system is reviewed internally at W&W. In particular, Internal Audit also examines the appropriateness and effectiveness of the internal control system and processes in all areas. As part of the audits of the annual financial statements, the risk early warning system at individual company level and the appropriateness and effectiveness of risk management at Bausparkasse and W&W financial conglomerate level are audited.

The accumulation of similar or different risks can lead to risk concentrations. Because of the business model of the W&W Group and its individual companies, potential risk concentrations may result, in particular, from capital investments and from the economic and regional structure of customer business (customer lending business, insurance business). However, owing to regulatory requirements and internal rating requirements, the W&W Group is heavily invested, in sectoral terms, in government bonds and financial services companies and, in regional terms, in Europe, which is typical for the industry. Accordingly, in addition to the credit risk associated with the relevant counterparty, the W&W Group in particular bears the systemic risk of the financial sector and the specific counterparties belonging to it. Other concentrations exist through positions that we intentionally take in certain asset classes (equities, participating interests, bonds) through strategic asset allocation.

As a financial conglomerate, the W&W Group is influenced to an extensive degree by a variety of external factors (e.g. interest rate changes, economic cycle, changed customer behaviour, digitisation, regulatory pressure, industry reputation). The risk concentrations here intentionally form a part of the business strategy.

For each risk area, we measure intra-risk concentrations implicitly through risk quantification and accompanying stress tests. In this regard, concentrations of market price risk are limited in connection with strategic asset allocation through the observance of specific mix ratios across various asset classes. Concentrations of counterparty credit risk are limited through a risk line system that restricts the volume of investment in specific debtor groups.

For further information about risk management in the W&W Group, please see the risk reporting in the management report.

(48) Market price risks

Interest rate change risks

The interest rate change risk, which is a part of interest rate risk and a form of market price risk, describes the possibility that assets and/or liabilities held in interest-bearing securities may change in value due to a change in market yield curves. The interest rate change risk results from the market value risk of capital investments in conjunction with the obligation to generate the guaranteed interest and the guaranteed surrender values for policyholders. In the event of a rise in interest rates or a comparable widening of the credit spread, there would be increased expenses on the assets side or a negative impact on other comprehensive income (OCI). In the medium to long term, however, the scenario would have a positive impact on the asset-liability mismatch, as new investments and reinvestments would again be possible at a higher interest rate. By contrast, a fall in interest rates would have a positive short-term effect on earnings due to the fair value measurement of financial instruments recognised at fair value in accordance with IFRS 9. At the same time, medium to long-term risks would arise from the obligations entered into, as new investments and reinvestments are only possible at a lower interest rate, which would lead to additional risks from the widening of the asset-liability mismatch, meaning that reserves may have to be realised in future to meet customer claims.

The interest rate change risk of financial instruments is determined by the exposure of interest-bearing investments,totalling €24,920 million (previous year: €25,917 million). The interest rate change risk of insurance and reinsurance contracts depends, in particular, on the exposure of technical liabilities. For Life and Health Insurance, the exposure amounts to €29,701 million (previous year: €29,605 million), and for Property/Casualty Insurance, €2,552 million (previous year: €2,295 million).

Financial derivatives are used in the W&W Group to manage interest rate risk.- The derivative management instruments relate, in particular, to interest rate swaps, advance purchases and futures. They are predominantly used to hedge interest rate risks, but also to reduce risk concentrations. The overarching management of risks from financial instruments and insurance contracts is carried out as part of asset liability management. Assets from financial instruments and liabilities from insurance contracts are managed and monitored in such a way that they correspond to the company's risk profile. We counter the interest rate change risk from financial instruments and insurance contracts with duration management and a dynamic product and tariff policy, among other things. If these economic hedges meet the requirements for hedge accounting, the hedges for the Housing division are also depicted as such in the IFRS consolidated financial statements. From an economic perspective,asset lossesare hedged at our home loan and savings bankboth at the individual transaction level and at the portfolio level (fair value hedge).

The effects that a potential interest rate change risk +/- 100 basis points (parallel shifting of the yield curve) would have on the consolidated income statement and on other comprehensive income are depicted in the following table.

Interest rate change risk +/- 100 basis points: Net effect after deferred taxes in 2024

	Change in the consolidated income statement		Change in other comprehensive income (OCI)	
in € million	Increase	Decrease	Increase	Decrease
Insurance and reinsurance contracts	81	-89	1,467	-1,895
Financial instruments	-97	102	-1,733	2,207
Total	**-16**	**13**	**–266**	**312**

Interest rate change risk +/- 100 basis points: Net effect after deferred taxes in 2023

	Change in the consolidated income statement		Change in other comprehensive income (OCI)	
in € million	Increase	Decrease	Increase	Decrease
Insurance and reinsurance contracts	82	-88	1,528[1]	-2,010[1]
Financial instruments	-90[1]	94[1]	-1,763[1]	2,264[1]
Total	**-8[1]**	**6[1]**	**-235[1]**	**254[1]**

[1] Previous year's figures adjusted.

Risk of changes in the prices of equity instruments

The price change risk of equity instruments includes, on the one hand, general market movements that can adversely affect assets and thus earnings and/or equity and, on the other hand, the specific risk that is characterised by issuer-related aspects. In the W&W Group, the risk of changes in the prices of equity instruments is mainly characterised by equity and participation risk.- Equity risk is the risk that losses may result from the change in the prices of open equity positions. Participation risk is the risk that losses may result from negative value changes regarding participating interests, from the cancellation of dividends or from the need to pay income subsidies.

The risk of changes in the prices of equity instruments is managed through equity options and futures. We counter price change risks from shares and participating interests with controlling. For significant participating interests, this includes the annual planning of dividends, medium-term business planning, projections during the year and monthly target/actual comparisons. Additionally, separate processes for risk governance and risk controlling are in place for private equities and alternative investments. In this way, impending participation risks can be responded to at an early stage.

The price change risk of financial instruments is primarily determined by equity holdings and the exposure to alternative investments totalling €4,845 million (previous year: €4,167 million). The price change risk of insurance and reinsurance contracts depends, in particular, on the exposure of technical liabilities in life and health insurance totalling €29,701 million (previous year: €29,605 million). In life and health insurance, changes in the underlying reference values (in particular in the capital investments) have an impact on the technical result. The changes affect, in particular, equity positions, participating interests and alternative investments of Württembergische Versicherung AG and Württembergische Lebensversicherung AG. Also having an effect are equity positions and participating interests of W&W AG, as well as corresponding positions in fund portfolios. Detailed information on the underlying reference values with their respective fair values is presented in Note 45.

The following overview shows the effects that an increase or decrease in the market value of equity instruments by 10% would have on the consolidated income statement and on other comprehensive income.

Price change risk +/- 10 %:
Net effect after deferred taxes in 2024

	Change in the consolidated income statement	
in € million	Increase	Decrease
Insurance and reinsurance contracts	-226	224
Financial instruments	344	-342
Total	**118**	**-118**

Price change risk +/- 10 %:
Net effect after deferred taxes in 2023

	Change in the consolidated income statement	
in € million	Increase	Decrease
Insurance and reinsurance contracts	–209	207
Financial instruments	312[1]	-309[1]
Total	**103[1]**	**-102[1]**

[1] Previous year's figures adjusted.

Exchange rate risks

Exchange rate risk describes possible losses from changes in exchange rates. The extent of this risk depends on the number of open positions and on the potential that the relevant currency will experience a rate change.

Derivative financial instruments are used to manage currency risks from financial instruments as part of strategic asset allocation. The risks are reduced, in particular, with forward exchange transactions. Because we cover technical liabilities in foreign currency with suitable capital investments in the same currency, the currency risks resulting from these positions are limited due to maximum congruence, as well as due to the comparatively low volume.

The exchange rate risk presented results from both asset and liability items and only includes monetary assets, i.e. means of payment and claims denominated in monetary amounts, as well as obligations that must be settled with a fixed or determinable amount of money. The exchange rate risk associated with equity instruments (non-monetary assets) is not included. The exchange rate risk for financial instruments is determined by the foreign currency exposure in the amount of €513 million (previous year: €662 million). The exchange rate risk of the insurance and reinsurance contracts depends, in particular, on the exposure of the technical liabilities in property/casualty insurance of the business written up to and including 2007 by the branch in the United Kingdom totalling €36 million (previous year: €38 million).

The effects that an increase or decrease in the material exchange rate would have on the consolidated income statement and on other comprehensive income are depicted in the following table.

Exchange rate risk US dollar +/- 10%, pound sterling +/- 5%: Net effect after deferred taxes in 2024

	Change in the consolidated income statement		Change in other comprehensive income (OCI)	
in € million	Increase	Decrease	Increase	Decrease
Insurance and reinsurance contracts US dollar	-2	2	-	-
Financial instruments US dollar	10	-7	-	-
Total US dollars	**8**	**-5**	**-**	**-**
Insurance and reinsurance contracts British pound	**-**	**-**	**-**	**-**

Exchange rate risk US dollar +/- 10%, British pound +/- 5%: Net effect after deferred taxes in 2023

	Change in the consolidated income statement		Change in other comprehensive income (OCI)	
in € million	Increase	Decrease	Increase	Decrease
Insurance and reinsurance contracts US dollar	-3	3	-	-
Financial instruments US dollar	29	-26	-	-
Total US dollars	**26**	**-23**	**-**	**-**
Insurance and reinsurance contracts British pound	**-**	**-**	**-**	**-**

In all, it can be seen from the table that, in accordance with the strategic positioning of our overall investment portfolio, exchange rate risk is of only minor significance.

(49) Counterparty credit risks

We define counterparty credit risk as potential losses that may result if borrowers or debtors default or experience a deterioration in creditworthiness, as well as losses that may result from a deterioration in collateral.

Counterparty credit risks can arise from the default or changed rating of securities (counterparty credit risk associated with capital investments), from the default of business partners in customer lending business (counterparty credit risk associated with customer lending business) and from the default on receivables due from our counterparties in reinsurance (other counterparty credit risk).

We limit counterparty credit risks through the careful selection of issuers and reinsurance partners, as well as broadly diversified investments. In this context, we take into consideration the capital investment rules applicable to the respective business area. The contracting partners and securities, including debt securities, are mainly limited to good credit ratings in the investment grade range.

Our strategic focus on residential construction loans excludes individual loans that endanger the portfolio due to the high granularity and the predominant collateralisation with land charges. In order to avoid potential risk concentrations from large-volume individual risks, upper limits have been set for the customer lending business and the municipal lending business of Wüstenrot Bausparkasse AG.

The W&W Group monitors risks from the default on receivables due from policyholders, agents and reinsurers with the aid of EDP-supported controls of outstanding accounts. For technical assets from reinsurance contracts held and insurance contracts issued, their carrying amount reflects the maximum default risk. As at the reporting date, there were reinsurance contracts were held with a total asset value of €289 million (previous year: €320 million). Of the contract – measured in terms of the reinsurers' shares of the loss reserves 97.2% (previous year: 97.4%) have almost exclusively been made with investment-grade counterparties with impeccable credit ratings in the reinsurance market . For further information on risk management in the W&W-Group, please refer to Note 48.

Breakdown of risk provision for financial assets at amortised cost in 2024

in € million	Opening balance as at 1 January 2024	Reclassifications from Level 1	Reclassifications from Level 2	Reclassifications from Level 3	Allocation for newly issued/acquired financial assets	Allocation for financial assets held in the portfolio
Building loans	**-90**	**-**	**-**	**-**	**-9**	**-56**
Level 1	-8	1	-	-	-2	-2
Level 2	-36	-1	7	-2	-4	-25
Level 3	-46	-	-7	2	-3	-29
Other receivables	**-46**	**-**	**-**	**-**	**-1**	**-17**
Level 1	-38	21	-	-	-1	-16
Level 2	-1	-	-	-	-	-
Level 3	-7	-21	-	-	-	-1
Risk provision for financial assets at amortised cost	**-136**	**-**	**-**	**-**	**-10**	**-73**

Breakdown of risk provision for financial assets at amortised cost in 2023

in € million	Opening balance as at 1 January 2023	Reclassifications from Level 1	Reclassifications from Level 2	Reclassifications from Level 3	Allocation for newly issued/acquired financial assets	Allocation for financial assets held in the portfolio
Building loans	**-82**	**-**	**-**	**-**	**-8**	**-45**
Level 1	-10	1	-	-	-2	-2
Level 2	-35	-1	5	-1	-4	-21
Level 3	-37	-	-5	1	-2	-22
Other receivables	**-51**	**-**	**-**	**-**	**-**	**-19**
Level 1	-44	20	-	-	-	-16
Level 2	-1	-	-	-	-	-
Level 3	-6	-20	-	-	-	-3
Risk provision for financial assets at amortised cost	**-133**	**-**	**-**	**-**	**-8**	**-64**

Additions/releases due to changes in models/risk parameters	Release of financial assets held in the portfolio	Release of derecognised financial assets due to repayment, modification or sale	Consumption/reclassifi cation (write off)	Interest effects	Ending balance as at 31 December 2024
-1	**36**	**5**	**3**	**4**	**-108**
-1	4	-	-	-	-8
-	18	2	-	-	–41
-	14	3	3	4	–59
-	**-**	**1**	**22**	**-**	**–41**
-	-	1	-	-	-33
-	-	-	-	-	-1
-	-	-	22	-	-7
-1	**36**	**6**	**25**	**4**	**-149**

Additions/releases due to changes in models/risk parameters	Release of financial assets held in the portfolio	Release of derecognised financial assets due to repayment, modification or sale	Consumption/reclassifi cation (write off)	Interest effects	Ending balance as at 31 December 2023
-2	**35**	**6**	**4**	**2**	**-90**
-1	6	-	-	-	-8
-	19	2	-	-	-36
-1	10	4	4	2	-46
-	**-**	**2**	**22**	**-**	**-46**
-	-	2	-	-	-38
-	-	-	-	-	-1
-	-	-	22	-	-7
-2	**35**	**8**	**26**	**2**	**-136**

Breakdown of risk provision for financial assets at fair value through other comprehensive income (OCI) in 2024

in € million	Opening balance as at 1 January 2024	Reclassifications from Level 1	Allocation for newly issued/acquired financial assets	Allocation for financial assets held in the portfolio
Subordinated securities and receivables	**-1**	**-**	**-**	**-**
Level 1	-1	-	-	-
Senior debenture bonds and registered bonds	**-3**	**-**	**-**	**-**
Level 1	-3	-	-	-
Senior fixed-income securities	**-33**	**-**	**-5**	**-4**
Level 1	-22	-	-5	-4
Level 2	-11	-	-	-
Risk provision for financial assets at fair value through other comprehensive income (OCI)	**-37**	**-**	**-5**	**-4**

Breakdown of risk provision for financial assets at fair value through other comprehensive income (OCI) in 2023

in € million	Opening balance as at 1 January 2023	Reclassifications from Level 1	Allocation for newly issued/acquired financial assets	Allocation for financial assets held in the portfolio
Subordinated securities and receivables	**-1**	**-**	**-**	**-**
Level 1	-1	-	-	-
Senior debenture bonds and registered bonds	**-3**	**-**	**-**	**-1**
Level 1	-3	-	-	-1
Senior fixed-income securities	**-30**	**-**	**-3**	**-10**
Level 1	-19	-1	-2	-6
Level 2	-11	1	-1	-4
Risk provision for financial assets at fair value through other comprehensive income (OCI)	**-34**	**-**	**-3**	**-11**

	Release of financial assets held in the portfolio	Release of derecognised financial assets due to repayment, modification or sale	Additions to the scope of consolidation	Ending balance as at 31 December 2024
	-	**-**	**-**	**-1**
	-	-	-	-1
	-	**-**	**-**	**-3**
	-	-	-	-3
	7	**10**	**-1**	**-26**
	2	8	-1	-22
	5	2	-	-4
	7	**10**	**-1**	**-30**

	Release of financial assets held in the portfolio	Release of derecognised financial assets due to repayment, modification or sale	Additions to the scope of consolidation	Ending balance as at 31 December 2023
	-	**-**	**-**	**-1**
	-	-	-	-1
	1	**-**	**-**	**-3**
	1	-	-	-3
	6	**4**	**-**	**-33**
	3	3	-	-22
	3	1	-	-11
	7	**4**	**-**	**-37**

Breakdown of provision for off-balance-sheet business in 2024

in € million	Opening balance as at 1 January 2024	Allocation for newly issued/acquired financial assets	Allocation for financial assets held in the portfolio
Irrevocable loan commitments	**-2**	**-1**	**-**
Level 1	-1	-1	-
Level 2	-1	-	-
Provision for off-balance sheet business	**-2**	**-1**	**-**

Breakdown of provision for off-balance-sheet business in 2023

in € million	Opening balance as at 1 January 2023	Allocation for newly issued/acquired financial assets	Allocation for financial assets held in the portfolio
Irrevocable loan commitments	**-3**	**-1**	**-1**
Level 1	-1	-1	-
Level 2	-2	-	-1
Provision for off-balance sheet business	**-3**	**-1**	**-1**

	Release of financial assets held in the portfolio	Release of derecognised financial assets due to repayment, modification or sale	Ending balance as at 31 December 2024
	1	**1**	**-1**
	-	1	-1
	1	-	-
	1	**1**	**-1**

	Release of financial assets held in the portfolio	Release of derecognised financial assets due to repayment, modification or sale	Ending balance as at 31 December 2023
	1	**2**	**-2**
	-	1	-1
	1	1	-1
	1	**2**	**-2**

Interest income accrued on impaired assets was recognised as an interest effect.

Newly granted building loans totalling €4,338 million (previous year: €3,934 million) led to an increase in the risk provision in the amount of €9 million (previous year: €8 million). Repayments in the amount of €2,869 million (previous year: €2,639 million) resulted in a release from the risk provision of €6 million (previous year: €6 million). The acquisition of start:bausparkasse AG led to an increase in the gross carrying amounts of building loans totalling €246 million. This led to an increase in the risk provision of €0.5 million.

Newly acquired senior fixed-interest securities at fair value through other comprehensive income, which totalled €3,397 million (previous year: €3,415 million), led to an increase in the risk provision of €5 million (previous year: €3 million). Disposals and scheduled repayments totalling €3,444 million (previous year: €3,102 million) resulted in a release from the risk provision of €9 million (previous year: €4 million).

Changes in the contractual cash flows of financial assets that did not result in derecognition were made to only an immaterial extent.

The gross carrying amount of financial assets that were changed since initial recognition at a time when the risk provision was measured in the amount of the lifetime expected credit losses and for which the risk provision was changed to the amount of the 12-month expected credit loss in the reporting period is €2 million (previous year: €5 million).

For assets directly written off in the year under review, we are continuing to attempt to collect the contractually agreed amounts of €3 million (previous year: €3 million) despite an estimation that they are uncollectable.

Effects of collateral on the amount of expected credit losses in 2024

	Unimpaired assets			Impaired assets		
	Gross carrying amount before held collateral	Reduction of the maximum default risk through held collateral	Net carrying amount	Gross carrying amount before held collateral	Reduction of the maximum default risk through held collateral	Net carrying amount
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Financial assets at fair value through other comprehensive income	**29,657**	**-**	**29,657**	**-**	**-**	**-**
Subordinated securities and receivables	890	-	890	-	-	-
Senior debenture bonds and registered bonds	4,565	-	4,565	-	-	-
Senior fixed-income securities	24,202	-	24,202	-	-	-
Financial assets at amortised cost	**30,645**	**24,849**	**5,796**	**403**	**341**	**62**
Subordinated securities and receivables	218	-	218	-	-	-
Senior debenture bonds and registered bonds	72	-	72	-	-	-
Senior fixed-income securities	-	-	-	-	-	-
Building loans	28,106	24,849	3,257	403	341	62
Construction loans secured with a land charge (Grundpfandrecht)	24,797	24,797	-	340	340	-
Construction loans secured otherwise	52	52	-	1	1	-
Unsecured construction loans	3,257	-	3,257	62	-	62
Other receivables	2,249	-	2,249	-	-	-
Irrevocable loan commitments	**960**	**-**	**960**	**4**	**-**	**4**

Effects of collateral on the amount of expected credit losses in 2023

	Unimpaired assets			Impaired assets		
	Gross carrying amount before held collateral	Reduction of the maximum default risk through held collateral	Net carrying amount	Gross carrying amount before held collateral	Reduction of the maximum default risk through held collateral	Net carrying amount
in € million	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
Financial assets at fair value through other comprehensive income	**29,394**	**-**	**29,394**	**-**	**-**	**-**
Subordinated securities and receivables	854	-	854	-	-	-
Senior debenture bonds and registered bonds	4,943	-	4,943	-	-	-
Senior fixed-income securities	23,597	-	23,597	-	-	-
Financial assets at amortised cost	**28,045**	**23,588**	**4,457**	**318**	**271**	**47**
Subordinated securities and receivables	212	-	212	-	-	-
Senior debenture bonds and registered bonds	58	-	58	-	-	-
Building loans	26,486	23,588	2,898	311	271	40
Construction loans secured with a land charge (Grundpfandrecht)	23,534	23,534	-	270	270	-
Construction loans secured otherwise	54	54	-	1	1	-
Unsecured construction loans	2,898	-	2,898	40	-	40
Other receivables	1,289	-	1,289	7	-	7
Irrevocable loan commitments	**1,104**	**-**	**1,104**	**7**	**-**	**7**

Construction loans are mainly secured with senior land charges (Grundpfandrechte).

In addition, loans and advance payments on insurance policies are fully secured with life insurance policies.

There were no significant changes in the quality of collateral in the financial year.

Because of sufficient collateralisation, no risk provision was created in the financial year for gross carrying amounts totalling €9 million (previous year: €9 million).

The irrevocable loan commitments mainly relate to construction loans, which are primarily secured with land charges (Grundpfandrechte) or otherwise.

For financial instruments to which the impairment provisions of IFRS 9 are not applied, their carrying amount reflects the maximum default risk. They include all assets at fair value through profit or loss.

The following table provides a breakdown of gross carrying amounts by external and internal rating classes.

Gross carrying amounts by external rating class per level in 2024

	AAA	AA	A	BBB	BB	B or worse	Total
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Financial assets at fair value through other comprehensive income (OCI)	**4,993**	**11,813**	**7,739**	**2,682**	**1,017**	**1,413**	**29,657**
Subordinated securities and receivables	-	98	606	185	-	1	890
Level 1	-	98	606	185	-	1	890
Senior debenture bonds and registered bonds	1,267	2,163	795	282	-	58	4,565
Level 1	1,267	2,163	795	282	-	58	4,565
Senior fixed-income securities	3,726	9,552	6,338	2,215	1,017	1,354	24,202
Level 1	3,726	9,552	6,338	2,215	919	1,342	24,092
Level 2	-	-	-	-	98	12	110
Financial assets at amortised cost	**-**	**13**	**135**	**80**	**-**	**62**	**290**
Subordinated securities and receivables	-	13	125	80	-	-	218
Level 1	-	13	125	80	-	-	218
Senior debenture bonds and registered bonds	-	-	10	-	-	62	72
Level 1	-	-	10	-	-	62	72
Total	**4,993**	**11,826**	**7,874**	**2,762**	**1,017**	**1,475**	**29,947**

Gross carrying amounts by external rating class per level in 2023

	AAA	AA	A	BBB	BB	B or worse	Total
in € million	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
Financial assets at fair value through other comprehensive income (OCI)	**4,639**	**11,666**	**7,848**	**2,749**	**956**	**1,536**	**29,394**
Subordinated securities and receivables	-	90	585	178	-	1	854
Level 1	-	90	585	178	-	1	854
Senior debenture bonds and registered bonds	1,307	2,361	908	314	-	53	4,943
Level 1	1,307	2,361	908	314	-	53	4,943
Senior fixed-income securities	3,332	9,215	6,355	2,257	956	1,482	23,597
Level 1	3,332	9,215	6,355	2,257	884	1,393	23,436
Level 2	-	-	-	-	72	89	161
Financial assets at amortised cost	**-**	**13**	**128**	**81**	**-**	**48**	**270**
Subordinated securities and receivables	-	13	118	81	-	-	212
Level 1	-	13	118	81	-	-	212
Senior debenture bonds and registered bonds	-	-	10	-	-	48	58
Level 1	-	-	10	-	-	48	58
Total	**4,639**	**11,679**	**7,976**	**2,830**	**956**	**1,584**	**29,664**

Gross carrying amounts by internal rating class per level in 2024

in € million	Internal rating: A1-A2 31.12.2024	Internal rating: B1-B2 31.12.2024	Internal rating: C1-C2 31.12.2024	Internal rating: D-H 31.12.2024	Internal rating: I-M 31.12.2024	Internal rating: worse than M 31.12.2024	Total 31.12.2024
Financial assets at amortised cost	**5,044**	**13,029**	**4,382**	**5,082**	**489**	**483**	**28,509**
Construction loans secured by a land charge (Grundpfandrecht)	4,377	11,351	3,815	4,744	440	410	25,137
Level 1	4,377	11,347	3,777	4,033	3	-	23,537
Level 2	-	4	38	711	437	70	1,260
Level 3	-	-	-	-	-	340	340
Construction loans secured otherwise	6	24	9	12	1	1	53
Level 1	6	24	8	10	-	-	48
Level 2	-	-	1	2	1	-	4
Level 3	-	-	-	-	-	1	1
Unsecured construction loans	661	1,654	558	326	48	72	3,319
Level 1	661	1,649	538	216	1	-	3,065
Level 2	-	5	20	110	47	10	192
Level 3	-	-	-	-	-	62	62
Irrevocable loan commitments[1]	**41**	**135**	**155**	**615**	**11**	**7**	**964**
Level 1	41	135	155	608	1	-	940
Level 2	-	-	-	7	10	3	20
Level 3	-	-	-	-	-	4	4
Total	**5,085**	**13,164**	**4,537**	**5,697**	**500**	**490**	**29,473**

1 Nominal value.

Gross carrying amounts by internal rating class per level in 2023

in € million	Internal rating: A1-A2 31.12.2023	Internal rating: B1-B2 31.12.2023	Internal rating: C1-C2 31.12.2023	Internal rating: D-H 31.12.2023	Internal rating: I-M 31.12.2023	Internal rating: worse than M 31.12.2023	Total 31.12.2023
Financial assets at amortised cost	**4,757[2]**	**12,479[2]**	**4,170[2]**	**4,585[2]**	**425[2]**	**381[2]**	**26,797**
Construction loans secured by a land charge (Grundpfandrecht)	4,220	10,899	3,673	4,292	388	332	23,804
Level 1	4,220	10,896	3,640	3,591	7	-	22,354
Level 2	-	3	33	701	381	62	1,180
Level 3	-	-	-	-	-	270	270
Construction loans secured otherwise	7	26	7	13	1	1	55
Level 1	7	26	6	11	-	-	50
Level 2	-	-	1	2	1	-	4
Level 3	-	-	-	-	-	1	1
Unsecured construction loans	530	1,554	490	280	36	48	2,938
Level 1	530	1,551	473	185	-	-	2,739
Level 2	-	3	17	95	36	8	159
Level 3	-	-	-	-	-	40	40
Irrevocable loan commitments[1]	**46**	**195**	**192**	**654**	**14**	**10**	**1,111**
Level 1	46	195	192	641	1	-	1,075
Level 2	-	-	-	13	13	3	29
Level 3	-	-	-	-	-	7	7
Total	**4,803[2]**	**12,674[2]**	**4,362[2]**	**5,239[2]**	**439[2]**	**391[2]**	**27,908**

1 Nominal value.
2 Previous year's figure adjusted.

(50) Underwriting risks

Life and Health Insurance

Description of the insurance portfolio

In the W&W Group, the Life and Health Insurance business is conducted with the insurance types life and health insurance. Life insurance includes capital and risk insurance as well as pension insurance and occupational disability insurance. In addition to comprehensive health insurance, the health insurance portfolios include a broad product portfolio in supplementary health and long-term care insurance. In life and health insurance, these are essentially long-term contracts with discretionary profit participation. Unit-linked endowment life insurance policies and annuity insurance policies are covered congruently by fund units attributable to the policies.

Risks of the insurance portfolio and the risk management system

Life and health insurance is characterised by the long-term nature of the obligations entered into, which is why prices are calculated using conservative assumptions. Risks mainly consist of biometric risk and cancellation risk. In health insurance, there is also the risk of rising healthcare costs.

Biometric risks such as mortality, longevity or disability are subject to both short-term fluctuation and error risks as well as longer-term change trends. These risks are controlled on an ongoing basis through actuarial analyses and tests. For product development, the findings are taken into account through corresponding actuarial modelling.

Cancellation risk describes the adverse change in the value of insurance liabilities resulting from changes in the amount or volatility of the cancellation or renewal rates of insurance contracts. Cancellation behaviour is monitored on an ongoing basis. In the event of significant changes, factors in the risk assessment are scrutinised and adjusted accordingly if necessary.

The risk of rising healthcare costs also leads to an unfavourable change in the value of insurance liabilities in health insurance. The change in healthcare costs is measured using medical inflation. This is constantly monitored and taken into account accordingly when setting prices for new business and when adjusting premiums for existing business.

In the event of a change in risk and/or interest rate expectations, the effect on earnings is significantly reduced by adjusting the future profit participation of policyholders or, in the case of health insurance, by the possibility of adjusting premiums. The risks are limited by suitable passive reinsurance contracts concluded with reinsurance companies with investment grade credit ratings.

Sensitivity analysis

In life and health insurance, sensitivity analyses for relevant underwriting risks are also carried out in addition to the reporting date calculations. For this purpose, the sensitivities listed in the following table are assumed in the company model and their impact on the consolidated income statement is analysed. There is no further impact on equity.

Exposure in life and health insurance is mainly reflected in the provision for future policy benefits and amounted to € 29,469 million as at 31 December 2024 (previous year: €29,404 million) before taking into account the reinsurance held (gross) and €29,458 million (previous year: €29,377 million) after taking into account the reinsurers' share (net). The breakdown of the provision for future policy benefits by type of insured risk is shown in the section “Risk concentrations”.

The following tables summarise the analyses after deferred taxes.

Life and Health Insurance 2024

in € million	Changes in the consolidated income statement Gross, before reinsurance held	Net, after reinsurance held
Area of life insurance		
Mortality rate increases 15%	2	2
Mortality rate decreases 20%	-4	-4
Cancellation rate increases 50%	5	5
Cancellation rate decreases 50%	-6	-6
Disability rate (increases 35% in 2025; by 25% from 2026)	-4	-1
Area of health insurance		
Medical inflation rises by 1 percentage point	-1	-1
Medical inflation falls by 1 percentage point	1	1

Life and Health Insurance 2023

in € million	Changes in the consolidated income statement Gross, before reinsurance held	Net, after reinsurance held
Area of life insurance		
Mortality rate increases 15%	1	1
Mortality rate decreases 20%	-2	-2
Cancellation rate increases 50%	-	-
Cancellation rate decreases 50%	-	-
Disability rate (increases 35% in 2024; by 25% from 2025)	-2	-
Area of health insurance		
Medical inflation rises by 1 percentage point	-	-
Medical inflation falls by 1 percentage point	1	1

Risk concentrations

Underwriting risk concentrations in life and health insurance result from regional risk concentrations and from contracts with high sums for individual insured persons.

The life and health insurers prevent regional risk concentrations from arising by selling their insurance products throughout Germany. The concentration of risk from individual insured persons (cluster risk) is reduced by obtaining reinsurance from reinsurers that have an investment-grade rating.

Remaining risk concentrations result from the respective insured risks, which are illustrated below by a corresponding breakdown of the provision for future policy benefits.

Provision for future policy benefits by type of insured risk Life and Health Insurance

in € million	31.12.2024	31.12.2023
Area of life insurance (net, after reinsurance held)	**27,972**	**28,017**
Provision for future policy benefits (gross, before reinsurance held)	27,983	28,044
Predominantly longevity risk (conventional)	15,927	16008
Predominantly mortality risk (conventional)	6,874	7,366
Predominantly disability (conventional and unit-linked)	286	281
Predominantly longevity risk and mortality risk (unit-linked)	4,896	4,389
Reinsurers' share	-11	-27
Area of health insurance (net, after reinsurance held)	**1,486**	**1,360**
Provision for future policy benefits (gross, before reinsurance held)	1,486	1 360
Reinsurers' share	-	-
Provision for future policy benefits (gross, before reinsurance held)	**29,469**	**29,404**
Reinsurers' share	-11	-27
Provision for future policy benefits (net, after reinsurance held)	**29,458**	**29,377**

Property/Casualty Insurance

Description of the insurance portfolio

In the Property/Casualty Insurance segment, Württembergische Versicherung AG operates the primary insurance business for retail and corporate customers (industrial and commercial) with a focus on Germany. In this regard, Württembergische Versicherung AG insures risks in the traditional lines of motor insurance, accident insurance, legal expenses insurance, liability insurance, residential building and household contents insurance, property insurance, transport and technical insurance as well as credit and surety insurance.

W&W AG coordinates reinsurance matters in the area of property/casualty insurance. W&W AG is the reinsurer of Württembergische Versicherung AG and passes on the risks to the reinsurance market in full, with the exception of two intra-group reinsurance cessions.

W&W AG has a multi-level reinsurance programme in place. First, there are business line-specific reinsurance solutions that are designed to lessen the impact that large individual losses have on the balance sheet. These solutions contain facultative individual reinsurance policies for the purpose of hedging risks of a special nature or that are particularly weighty. In addition, there are reinsurance solutions applicable to all business lines that protect the company against excessive losses from natural events as well as other events.

The risk-mitigating effect of the reinsurance structure outlined above is regularly reviewed and optimised in the internal risk model, taking into consideration the risk-policy requirements from the Group strategy.

Risks of the insurance portfolio and the risk management system

Underwriting risk arises from the uncertainty about future trends in claims and costs under concluded insurance contracts, as a consequence of which unexpected claim and benefit obligations can lead to a negative net income situation. The reasons for the underwriting risk can be risks of chance, error and change.

In the area of property insurance, underwriting risks are mainly of a short-term nature, since claim adjustment can usually happen quickly. In the case of serious personal injuries in the areas of general liability insurance, motor liability insurance and casualty insurance, the risks are also subject to exogenous developments, such as medical advances and the life expectancy associated with them. Moreover, they are influenced by developments involving statutory damage compensation and liability rules.

Risks are underwritten solely on the basis of actuarial and statistical analyses. This means that Württembergische Versicherung AG has built sufficient safety margins into its rates in order to cover risk fluctuations.

Sensitivity analysis

If claims or costs do not develop as expected, this may have an impact on the income statement and equity.

Underwriting risks are measured by carrying out loss scenario analyses in order to quantify fluctuations in the amount and number of future claims as well as in the settlement of claims that have already occurred.

The relevant risk parameter is determined by the technical liabilities of property/casualty insurance. As at 31 December 2024, these amounted to €2,226 million (previous year: €2,019 million) before reinsurance and €1,939 million (previous year: €1,709 million) after reinsurance.

The following tables summarise the analyses after deferred taxes.

Property/Casualty Insurance 2024

	Changes in the consolidated income statement		Change in other comprehensive income (OCI)	
in € million	Gross, before reinsurance held	Net, after reinsurance held	Gross, before reinsurance held	Net, after reinsurance held
Loss ratio increases 5%	-117	-108	4	4
Loss ratio decreases 5%	114	105	-4	-4

Property/Casualty Insurance 2023

	Changes in the consolidated income statement		Change in other comprehensive income (OCI)	
in € million	Gross, before reinsurance held	Net, after reinsurance held	Gross, before reinsurance held	Net, after reinsurance held
Loss ratio increases 5%	-109	-99	5	5
Loss ratio decreases 5%	103	93	-5	-5

Risk concentrations

Risk concentrations result primarily from locally high market shares and the risks insured under the various business lines. To illustrate the existing risk concentrations, the provision for outstanding insurance claims is broken down by type of insured risk below. In this regard, it is evident that the portfolio, which is characterised by a broadly diversified mix of business lines, contributes to a reduction of risk exposures.

Provision for outstanding insurance claims by type of insured risk Property/Casualty Insurance

in € million	31.12.2024	31.12.2023
Motor	999	900
General liability	258	235
General personal accident	178	164
Legal expenses	156	150
Residential building and household contents	218	189
Property insurance	278	247
Other	139	134
Provision for outstanding insurance claims (gross, before reinsurance held)	**2,226**	**2,019**
Reinsurers' share	-287	-310
Provision for outstanding insurance claims (net, after reinsurance held)	**1,939**	**1,709**

For further information on risk management in the W&W Group, please refer to Note 47 and Note 48.

Claims development

The following run-off triangles show the run-off of the provision for outstanding insurance claims in the Property/Casualty Insurance segment.

Expected total claims (gross, undiscounted) shows the claims development before reinsurance held. The reinsurers' share is deducted in the reconciliation to expected total claims (net, undiscounted). In accordance with the option available under IFRS 17.C28, previously unpublished information on the development of claims that occurred more than five years before the end of the 2024 financial year is not presented.

Expected total claims (gross, undiscounted)

in € million	until 2018	2019	2020	2021	2022	2023	2024	Not allocable to years of occurrence	Total
At the end of the year the claim arose	-	1,003	1,034	1,502	1,226	1,604	1,756	-	-
1 year after the claim	-	1,040	1,012	1,535	1,295	1,680	-	-	-
2 years after the claim	-	1,040	1,015	1,563	1,309	-	-	-	-
3 years after the claim	-	1,049	1,014	1,604	-	-	-	-	-
4 years after the claim	-	1,050	1,014	-	-	-	-	-	-
5 years after the claim	-	1,051	-	-	-	-	-	-	-
Payments, cumulative (gross)	**-**	**1,012**	**967**	**1,489**	**1,204**	**1,414**	**875**	**-**	**-**
Reserves (undiscounted)	**676**	**39**	**47**	**115**	**106**	**265**	**881**	**–15**	**2,114**
Claims adjustment reserves (undiscounted)	**103**	**6**	**8**	**13**	**15**	**35**	**109**	**-**	**289**
Effects of discounting	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**- 282**
Effects of risk adjustment for non-financial risks (discounted)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**105**
Provision for outstanding insurance claims (gross)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,226**

Expected total claims (net, undiscounted)

in € million	until 2018	2019	2020	2021	2022	2023	2024	Not allocable to years of occurrence	Total
At the end of the year the claim arose	-	961	981	1,112	1,161	1,441	1,651	-	-
1 year after the claim	-	987	956	1,126	1,216	1,499	-	-	-
2 years after the claim	-	985	962	1,143	1,228	-	-	-	-
3 years after the claim	-	991	959	1,177	-	-	-	-	-
4 years after the claim	-	992	958	-	-	-	-	-	-
5 years after the claim	-	993	-	-	-	-	-	-	-
Payments, cumulative (net)	**-**	**954**	**912**	**1,074**	**1,132**	**1,278**	**847**	**-**	**-**
Reserves (undiscounted)	**584**	**39**	**47**	**103**	**96**	**221**	**804**	**- 84**	**1,810**
Claims adjustment reserves (undiscounted)	**103**	**6**	**8**	**13**	**15**	**35**	**109**	**-**	**289**
Effects of discounting	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**- 255**
Effects of risk adjustment for non-financial risks (discounted)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**95**
Provision for outstanding insurance claims (net)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1,939**

(51) Liquidity risks

Liquidity risk describes the risk that a company will be unable to procure the financial resources necessary to settle the commitments it has made. Liquidity risks may also result where a financial asset cannot be sold promptly and at short notice at its fair value or where liquid resources can be obtained only under terms less favourable than anticipated. Liquidity risk thus consists of insolvency risk, market liquidity risk and refinancing risk. The consolidated liquidity plan constitutes the basis for managing liquidity risk at the Group level. It is based on liquidity planning by the individual companies. Liquidity fluctuations are monitored with a signal system in order to ensure minimum liquidity.

The following presents a breakdown of the residual term to maturity of select financial instruments:

Breakdown of residual term to maturity of financial assets 2024

in € million	Within 3 months	3 months to 1 year	1 to 5 years	Later than 5 years	Undefined maturity	Total
Financial assets at fair value through profit or loss	**35**	**244**	**649**	**1,075**	**-**	**2,003**
Fixed-income financial instruments that do not pass the SPPI test	32	240	628	1,075	-	1,975
Derivative financial instruments	3	4	21	-	-	28
Financial assets at fair value through other comprehensive income (OCI)	**575**	**434**	**3,662**	**19,138**	**-**	**23,809**
Subordinated securities and receivables	19	13	90	759	-	881
Senior debenture bonds and registered bonds	121	64	635	2,907	-	3,727
Senior fixed-income securities	435	357	2,937	15,472	-	19,201
Financial assets at amortised cost	**2,284**	**894**	**7,731**	**19,647**	**384**	**30,940**
Subordinated securities and receivables	7	58	32	121	-	218
Senior debenture bonds and registered bonds	1	7	64	-	-	72
Building loans	369	823	7,621	19,347	241	28,401
Other receivables	1,907	6	14	179	143	2,249
Positive market values from hedges	**-**	**-**	**1**	**1**	**-**	**2**
Total	**2,894**	**1,572**	**12,043**	**39,861**	**384**	**56,754**

Breakdown of residual term to maturity of financial assets 2023

in € million	Within 3 months	3 months to 1 year	1 to 5 years	Later than 5 years	Undefined maturity	Total
Financial assets at fair value through profit or loss	**287**	**49**	**804**	**1,194**	**-**	**2,334**
Fixed-income financial instruments that do not pass the SPPI test	47	13	799	1,159	-	2,018
Derivative financial instruments	105	29	5	35	-	174
Senior fixed-income securities	135	7	-	-	-	142
Financial assets at fair value through other comprehensive income (OCI)	**370**	**258**	**4,258**	**18,801**	**-**	**23,687**
Subordinated securities and receivables	12	-	97	708	-	817
Senior debenture bonds and registered bonds	101	133	563	3,292	-	4,089
Senior fixed-income securities	257	125	3,598	14,801	-	18,781
Financial assets at amortised cost	**1,565**	**889**	**6,988**	**18,470**	**245**	**28,157**
Subordinated securities and receivables	4	-	64	145	-	213
Senior debenture bonds and registered bonds	-	47	10	-	-	57
Building loans	387	842	6,914	18,322	242	26,707
Other receivables	1,174	-	-	3	3	1,180
Positive market values from hedges	**-1**	**-1**	**1**[1]	**1**[1]	**-**	**2**
Total	**2,222**[1]	**1,196**[1]	**12,051**[1]	**38,466**[1]	**245**	**54,180**

1 Previous year's figure adjusted.

The following overview depicts the contractually agreed future gross distributions at the earliest possible date for the financial instruments in the portfolio as at the reporting date.

Contractually agreed cash flows from financial instruments 2024

	Within 3 months	3 months to 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	Later than 20 years	Total
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Financial liabilities at fair value through profit or loss	**476**	**4**	**169**	**207**	**225**	**-**	**-**	**1,081**
Derivatives financial liabilities at fair value through profit or loss	476	4	169	207	225	-	-	1,081
Liabilities	**6,820**	**20,873**	**2,871**	**2,182**	**68**	**6**	**36**	**32,856**
Liabilities evidenced by certificates	358	-	2,194	1,047	32	-	-	3,631
Liabilities to credit institutions	249	30	220	768	6	3	7	1,283
Liabilities to customers	6,033	20,716	437	360	26	-	-	27,572
Deposits from the home loan savings business and other savings deposits	-	19,751	-	-	-	-	-	19,751
Savings deposits with agreed termination period	64	-	-	-	-	-	-	64
Other deposits	5,969	965	437	360	26	-	-	7,757
Lease liabilities	4	13	14	6	3	3	18	61
Other liabilities	176	114	6	1	1	-	11	309
Subordinated capital	**13**	**-**	**137**	**45**	**50**	**318**	**13**	**576**
Participation rights capital	2	-	-	-	-	-	-	2
Subordinated liabilities	11	-	137	45	50	318	13	574
Irrevocable loan commitments	**941**	**13**	**10**	**-**	**-**	**-**	**-**	**964**
Total	**8,349**	**20,890**	**3,824**	**2,301**	**264**	**324**	**49**	**36,001**

Contractually agreed cash flows from financial instruments 2023

in € million	Within 3 months 31.12.2023	3 months to 1 year 31.12.2023	1 to 5 years 31.12.2023	5 to 10 years 31.12.2023	10 to 15 years 31.12.2023	15 to 20 years 31.12.2023	Later than 20 years 31.12.2023	Total 31.12.2023
Financial liabilities at fair value through profit or loss	**91**	**-**	**79**	**55**	**6**	**-**	**-**	**231**
Derivatives financial liabilities at fair value through profit or loss	91	-	79	55	6	-	-	231
Liabilities	**5,098**	**20,419**	**2,200**	**1,304**	**109**	**8**	**34**	**29,172**
Liabilities evidenced by certificates	111	-	1,838	1,056	33	-	-	3,038
Liabilities to credit institutions	2,030	4	91	47	6	5	8	2,191
Liabilities to customers	2,732	20,268	243	192	67	-	-	23,502
Deposits from the home loan savings business and other savings deposits	-	19,528	-	-	-	-	-	19,528
Savings deposits with agreed termination period	79	-	-	-	-	-	-	79
Other deposits	2,653	740	243	192	67	-	-	3,895
Lease liabilities	4	13	19	7	2	3	15	63
Other liabilities	221	134	9	2	1	-	11	378
Subordinated capital	**11**	**-**	**209**	**177**	**161**	**439**	**233**	**1,230**
Participation rights capital	-	-	2	-	-	-	-	2
Subordinated liabilities	11	-	207	177	161	439	233	1,228
Irrevocable loan commitments	**1,067**	**18**	**26**	**-**	**-**	**-**	**-**	**1,111**
Total	**6,267**	**20,437**	**2,514**	**1,536**	**276**	**447**	**267**	**31,744**

The following overview shows the expected maturity structure of the undiscounted cash flows (balance of incoming and outgoing cash flows) from the insurance contracts in the portfolio remaining within the contract limits as at the reporting date. The positive amounts in the table reflect net cash outflows and the negative balances reflect cash inflows from the corresponding portfolios. The cash flows for the provision for future policy benefits for insurance contract groups that are measured using the premium allocation approach (PAA) are not included in the following analysis.

The presentation of the expected maturity structure reflects the long-term nature of the insurance contracts in life and health insurance. In property and casualty insurance, on the other hand, most insured risks are expected to mature within the next five years due to the generally rapid claims settlement period. Exceptions to this are liability, personal accident and legal expenses insurance policies that take longer to settle.

Expected maturity of undiscounted cash flows from insurance contracts 2024 Life and Health Insurance

	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Longer than 5 years	Total
in € million	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024	31.12.2024
Area of life insurance							
Cash flows (gross, before reinsurance held)	**1,140**	**1,053**	**1,024**	**1,032**	**1,086**	**62,285**	**67,620**
Insurance contracts issued that are liabilities	1,140	1,053	1,024	1,032	1,086	62,285	67,620
Predominantly longevity risk (conventional)	602	609	596	619	682	30,721	33,829
Predominantly mortality risk (conventional)	653	609	568	542	511	6,444	9,327
Predominantly disability risk (conventional and unit-linked)	-85	–98	-94	-88	-85	1,165	715
Predominantly longevity risk and mortality risk (unit-linked)	-30	–67	-46	–41	-22	23,955	23,749
Cash flows from reinsurance contracts held	**21**	**12**	**11**	**11**	**10**	**232**	**297**
Reinsurance contracts held that are assets	21	12	11	11	10	232	297
Cash flows (net, after reinsurance held)	**1,161**	**1,065**	**1,035**	**1,043**	**1,096**	**62,517**	**67,917**
Area of health insurance							
Cash flows (gross, before reinsurance held)	**-63**	**-99**	**-99**	**-88**	**–92**	**5,766**	**5,325**
Insurance contracts issued that are liabilities	-69	–92	–92	-83	-85	6,018	5,597
Insurance contracts issued that are assets	6	-7	-7	-5	-7	–252	-272
Cash flows (net, after reinsurance held)	**-63**	**-99**	**-99**	**-88**	**–92**	**5,766**	**5,325**
Cash flows (gross, before reinsurance held)	**1,077**	**954**	**925**	**944**	**994**	**68,051**	**72,945**
Cash flows (net, after reinsurance held)	**1,098**	**966**	**936**	**955**	**1,004**	**68,283**	**73,242**

Expected maturity of undiscounted cash flows from insurance contracts 2023 Life and Health Insurance

in € million	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Longer than 5 years	Total
	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
Area of life insurance							
Cash flows (gross, before reinsurance held)	**1,080**	**1,041**	**1,034**	**1,035**	**1,061**	**53,116**	**58,367**
Insurance contracts issued that are liabilities	1,080	1,041	1,034	1,035	1,061	53,116	58,367
Predominantly longevity risk (conventional)	617	643	650	686	720	27,921	31,237
Predominantly mortality risk (conventional)	602	554	518	465	437	5,686	8,262
Predominantly disability risk (conventional and unit-linked)	–87	-105	-95	–87	-80	1,278	824
Predominantly longevity risk and mortality risk (unit-linked)	-52	-51	-39	-29	-16	18,231	18,044
Cash flows from reinsurance contracts held	**23**	**12**	**11**	**11**	**11**	**257**	**325**
Reinsurance contracts held that are assets	23	12	11	11	11	257	325
Cash flows (net, after reinsurance held)	**1,103**	**1,053**	**1,045**	**1,046**	**1,072**	**53,373**	**58,692**
Area of health insurance							
Cash flows (gross, before reinsurance held)	**-62**	**–100**	**-96**	**–87**	**-77**	**5,480**	**5,058**
Insurance contracts issued that are liabilities	-69	-94	-90	-81	-71	5,686	5,281
Insurance contracts issued that are assets	7	-6	-6	-6	-6	-206	-223
Cash flows (net, after reinsurance held)	**-62**	**–100**	**-96**	**–87**	**-77**	**5,480**	**5,058**
Cash flows (gross, before reinsurance held)	**1,018**	**941**	**938**	**948**	**984**	**58,596**	**63,425**
Cash flows (net, after reinsurance held)	**1,041**	**953**	**949**	**959**	**995**	**58,853**	**63,750**

Expected maturity of undiscounted cash flows from insurance contracts 2024 Property/Casualty Insurance

in € million	Up to 1 year 31.12.2024	1 to 2 years 31.12.2024	2 to 3 years 31.12.2024	3 to 4 years 31.12.2024	4 to 5 years 31.12.2024	Longer than 5 years 31.12.2024	Total 31.12.2024
Cash flows (gross, before reinsurance held)	**677**	**296**	**185**	**166**	**148**	**823**	**2,295**
Insurance contracts issued that are liabilities	677	296	185	166	148	823	2,295
Motor	337	100	72	56	48	499	1,112
General liability	42	23	21	34	22	78	220
General personal accident	-11	6	9	12	13	117	146
Legal expenses	9	15	17	19	20	60	140
Residential building and household contents	53	19	12	18	20	18	140
Property insurance	171	94	41	22	17	17	362
Other	76	39	13	5	8	34	175
Cash flows from reinsurance contracts held	**-165**	**-30**	**-17**	**-12**	**-8**	**-71**	**-303**
Reinsurance contracts held that are assets	-165	-30	-17	-12	-8	-71	-303
Cash flows (net, after reinsurance held)	**512**	**266**	**168**	**154**	**140**	**752**	**1,992**

Expected maturity of undiscounted cash flows from insurance contracts 2023 Property/Casualty Insurance

in € million	Up to 1 year 31.12.2023	1 to 2 years 31.12.2023	2 to 3 years 31.12.2023	3 to 4 years 31.12.2023	4 to 5 years 31.12.2023	Longer than 5 years 31.12.2023	Total 31.12.2023
Cash flows (gross, before reinsurance held)	**671**	**254**	**154**	**137**	**149**	**739**	**2,104**
Insurance contracts issued that are liabilities	671	254	154	137	149	739	2,104
Motor	329	82	61	50	43	438	1,003
General liability	49	22	21	21	21	73	207
General personal accident	-23	5	7	9	11	109	118
Legal expenses	12	14	15	17	18	55	131
Residential building and household contents	64	10	6	11	17	16	124
Property insurance	170	80	32	22	17	14	335
Other	70	41	12	7	22	34	186
Cash flows from reinsurance contracts held	**-193**	**-35**	**-15**	**-10**	**-9**	**-66**	**–328**
Reinsurance contracts held that are assets	-193	-35	-15	-10	-9	-66	–328
Cash flows (net, after reinsurance held)	**478**	**219**	**139**	**127**	**140**	**673**	**1,776**

The following table explains the relationship between the amounts payable on demand and the carrying amounts of the associated portfolios of insurance contracts issued by the W&W Group as at the reporting date.

The amounts payable on demand result from life and health insurance and mainly include surrender rights and capital settlement options including guaranteed minimum benefits.

Amounts payable on demand

in € million	Amount payable on demand 31.12.2024	Carrying amount of the portfolio 31.12.2024	Amount payable on demand 31.12.2023	Carrying amount of the portfolio 31.12.2023
Area of life insurance	**21,720**	**28,135**	**21,706**	**28,173**
Insurance contracts issued that are liabilities	**21,720**	**28,135**	**21,706**	**28,173**
Predominantly longevity risk (conventional)	9,668	16,013	9,812	16,092
Predominantly mortality risk (conventional)	6,507	6,916	6,995	7,393
Predominantly disability risk (conventional and unit-linked)	911	287	848	282
Predominantly longevity risk and mortality risk (unit-linked)	4,634	4,919	4,051	4,406
Area of health insurance	**279**	**1,523**	**253**	**1,430**
Insurance contracts issued that are liabilities	**279**	**1,523**	**253**	**1,430**

For further information on risk management in the W&W Group, please refer to Note 47 and Note 48.

Capital management

As the holding company, W&W AG manages the capital resources of the W&W Group. On the one hand, it collects dividends and transfers of profit or loss; on the other hand, it carries out capital measures, such as capital increases and decreases, and makes loans to Group companies.

The objectives of capital management are an efficient allocation of and an adequate return on IFRS equity. In order to ensure this, claims to income or loss are derived for the individual subsidiaries based on a minimum return on the respective IFRS equity.

As at 31 December 2024, the equity of the W&W Group calculated in accordance with IFRS amounted to €4,930 million (previous year: €4 961 million). The changes in the individual equity components are depicted in Note 25 "Equity".

Other objectives of capital management are, on the one hand, ensuring risk-bearing capacity on the basis of the internal risk-bearing capacity model of the W&W Group and, on the other hand, meeting the minimum regulatory capital requirements set forth in, among other things, the provisions of the EU Capital Requirements Regulation (CRR), the German Banking Act (KWG), the German Act on the Supervision of Insurance Undertakings (VAG) and the German Act on the Supervision of Financial Conglomerates (FKAG).

Another capital requirement is that the W&W Group as a whole, as well as the individual subsidiaries and W&W AG, maintain sufficient regulatory capital. In connection with efficient capital management, the W&W Group moreover deploys subordinated capital in order to satisfy supervisory requirements concerning solvency.

Internally, the W&W Group has set target solvency ratios for the insurance companies and credit institutions in risk classes 1 and 2, as well for the Solvency II Group and the financial conglomerate, that are in excess of current statutory requirements in order to ensure the continued high stability of the groups and of the individual companies.

We provide further remarks about our capital management and its objectives in the risk report in the combined management report.

(52) Regulatory solvency

W&W AG and the W&W Group's insurance companies and credit and financial services institutions are subject at the company level to supervision by the German Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank pursuant to the German Act on the Supervision of Insurance Undertakings (VAG), the German Banking Act (KWG), the EU Capital Requirements Regulation (CRR) and the German Act on the Supervision of Financial Conglomerates (FKAG), as well as to the respective rules applicable in the country of registration of the W&W Group's supervised foreign companies.-- This supervision results in requirements concerning the capital resources of these companies.

W&W AG ensures that all supervised subsidiaries maintain, at a minimum, the capital resources that they require in order to satisfy regulatory requirements. In this respect, in accordance with supervisory laws, equity and subordinated capital form the basis for such capital management.

In the case of Wüstenrot Bausparkasse AG, subordinated liabilities are allocated to regulatory capital pursuant to Regulation (EU) No 575/2013.

The subordinated liabilities of W&W AG are recognised as regulatory capital in accordance with section 89 (3) no. 2 VAG.

As at the reporting date, Wüstenrot Bausparkasse AG fulfilled the regulatory capital requirements. The total capital ratio of Wüstenrot Bausparkasse AG as at 31 December 2024 was 18.3% (previous year: 20.0%) above the regulatory minimum requirement of 14.20% (previous year: 14.16%). As at the reporting date, the regulatory coverage ratios of the insurance companies that belong to the Group were likely well above 100%. The final results will be published in the second quarter of 2025 in the Solvency and Financial Conditions Reports (SFCR). The ratios calculated as at 31 December 2023 were reported to BaFin in the second quarter of 2024. They amounted to 411.4% for Wüstenrot & Württembergische AG, to 544.4% for Württembergische Lebensversicherung AG and to 188.1% for Württembergische Versicherung AG. A recalculation of the provision transitional amount at Württembergische Lebensversicherung AG on the basis of the reporting date of 1 January 2024 resulted in a deduction amount of €0. Accordingly, the transitional provision has no longer been used since the reporting date of 30 June 2024 and the Solvency II ratio is calculated without taking the transitional provision into account. However, the previous year's ratios of Württembergische Lebensversicherung AG, the Solvency II Group and the financial conglomerate as at 31 December 2023 still include the transitional provision.

In addition to supervision at the level of the individual company, W&W Group companies are also subject to sectoral supervision by BaFin at the consolidated level.- For instance, W&W AG and its insurance companies constitute a Solvency II group. In addition, BaFin has classified the W&W Group as a financial conglomerate.-

W&W AG and the W&W Group's insurance companies constitute a Solvency II group. As at the reporting date, the regulatory coverage ratio was likely well above 100%. The final results will be published in the second quarter 2025 the Solvency and Financial Condition Report (SFCR). The ratio for the previous year, which stood at 248.5%, was reported to BaFin in the second quarter of 2024.

As the superordinate undertaking of the financial conglomerate, W&W AG must ensure that the regulatory requirements for financial conglomerates are satisfied. These requirements include, among other things, that the W&W Group financial conglomerate maintains sufficient capital resources to satisfy minimum regulatory requirements at all times.- As at the reporting date, the coverage ratio was likely well above 100%. In the previous year, the coverage ratio as at 31 December 2023 was 236.2%.

Internal calculations based on the data for 2024 and on the planning for 2025 and 2026 show that the regulatory requirements for capital adequacy in the financial conglomerate and in the Solvency II Group can also be met in the future.

(53) Risk-bearing-capacity model

Please see our presentation in the risk report in the combined management report.

(54) External rating

Please see the combined management report with respect to the current ratings of the W&W Group.-

Other disclosures

(55) Revenue from contracts with customers

Breakdown of revenue

The following table shows a breakdown of revenue by type and its reconciliation to the respective reporting segment.

2024

in € million	Housing 1.1.2024 to 31.12.2024	Life and Health Insurance 1.1.2024 to 31.12.2024	Property/Casualty Insurance 1.1.2024 to 31.12.2024	All other segments 1.1.2024 to 31.12.2024	Consolidation/ reconciliation 1.1.2024 to 31.12.2024	Total 1.1.2024 to 31.12.2024
Commission income	**59**	**-**	**15**	**51**	**–73**	**52**
from home loan savings business	7	-	-	-	-	7
from brokering activities	48	-	15	15	-40	38
from investment business	-	-	-	34	-30	4
from other business	4	-	-	2	-3	3
Other operating result	**12**	**5**	**2**	**34**	**-6**	**47**
Proceeds from the disposal of inventories (property development business)	-	-	-	20	-	20
Proceeds from the disposal of property, plant and equipment	-	-	-	-	-	-
Other revenues	17	5	2	14	-6	32
Impairment of receivables from home loan savings customers	-5	-	-	-	-	-5
Result from disposals	**-**	**61**	**23**	**-**	**-10**	**74**
Proceeds from the disposal of investment property	-	61	23	-	-10	74
Total	**71**	**66**	**40**	**85**	**-89**	**173**
Type of revenue recognition						
satisfied at a point in time	67	61	38	56	-83	139
over time	4	5	2	29	-6	34
Total	**71**	**66**	**40**	**85**	**-89**	**173**

2023

in € million	Housing 1.1.2023 to 31.12.2023	Life and Health Insurance 1.1.2023 to 31.12.2023	Property/Casualty Insurance 1.1.2023 to 31.12.2023	All other segments 1.1.2023 to 31.12.2023	Consolidation/ reconciliation 1.1.2023 to 31.12.2023	Total 1.1.2023 to 31.12.2023
Commission income	**50**	**-**	**16**	**52**	**-79**	**39**
from home loan savings business	6	-	-	-	-	6
from brokering activities	40	-	16	20	-48	28
from investment business	-	-	-	31	-28	3
from other business	4	-	-	1	-3	2
Other operating result	**27**	**4**	**18**	**116**	**-7**	**158**
Proceeds from the disposal of inventories (property development business)	-	-	-	103	-	103
Proceeds from the disposal of property, plant and equipment	-	-	14	-	-	14
Other revenues	27	4	4	13	-7	41
Result from disposals	**-**	**-**	**-**	**2**	**-**	**2**
Proceeds from the disposal of investment property	-	-	-	2	-	2
Total	**77**	**4**	**34**	**170**	**-86**	**199**
Type of revenue recognition						
satisfied at a point in time	73	-	30	59	-80	82
over time	4	4	4	111	-6	117
Total	**77**	**4**	**34**	**170**	**-86**	**199**

Performance obligations

Commission revenue from home loan savings business

In home loan savings business, commission revenue mainly consists of fees that are collected for the administration of home loan savings contracts, such as account maintenance fees, as well as for payment transactions. The fees received for account maintenance are recognised in the income statement over time in the course of continually providing the service. The other fees are recognised as commission revenue at the point in time at which the one-time service is completed.

Commission revenue from brokering activities

Commission revenue from brokering activities for our own banking/home loan savings products and those of other entities, as well as for the insurance products of other entities, is recognised in the income statement at the point in time at which the respective brokering service is completed. Portfolio commissions for brokering services relating to investment units are recognised in the income statement at the time of contract fulfilment.

Commission revenue from investment business

Commission revenue from investment business consists of, in particular, income from portfolio management, received portfolio commissions and income from advisory services. Income is realised at the time when the services are rendered.

Proceeds from the disposal of inventories (property development business)
In property development business, disposal proceeds are mainly generated from the construction and sale of residential housing units. These proceeds are recognised in the income statement at a point in time based on the progress of the construction of the sold residential housing unit, as well as on the contractually specified down payments received. Furthermore, pursuant to IAS 2, the associated residential units that are currently under construction or have not yet been turned over to customers are carried under inventories at the cost of purchase or manufacture and then recognised upon sale as an expense under "Other operating expenses". In the case of new construction, the property developer is required to provide a five-year warranty for each purchased residential unit.

Proceeds from the disposal of investment property
Proceeds from the disposal of investment property are recognised at the time of transfer of ownership and relate exclusively to properties of life and health insurers.

Contract balances

Receivables from contracts with customers primarily consisted of fees owed by home loan savings customers in the amount of €13 million (previous year: €8 million) and receivables from the property development business in the amount of €5 million (previous year: €10 million) and are included in the balance sheet item "Financial assets at amortised cost" (sub-item "Other receivables"). Impairment losses on loans and advances to home loan savings customers amounted to €5 million (previous year: €5 million).

In addition, business activities in the other divisions did not result in any contract assets or contract liabilities.

Transaction price allocated to the remaining performance obligations

At the end of the reporting period, there were unsatisfied or partially unsatisfied customer contracts in property development business, since the anticipated time required to construct residential housing units is normally somewhat longer than one year. This did not result in a material aggregate amount of the transaction price being allocated to unsatisfied or partially unsatisfied performance obligations.

Significant discretionary decisions

No significant discretionary decisions were made.

Contract costs

Contract costs are incurred solely in the area of property development business in the form of commissions paid for the sale of building plots and self-constructed residential housing units. Such contract costs are capitalised and then amortised over the period of the service provision. As at the reporting date, contract costs amounted to €0 million (previous year: €1 million). Amortisation amounts totalled €1 million (previous year: €1 million).

(56) Currency translation gains and losses

Currency translation – with the exception of the currency translation of financial instruments at fair value through profit or loss – generated total currency income of €337 million (previous year: € 34[1] million) and currency expenses in the amount of €43 million (previous year: €204[1] million).

1 Previous year's figure adjusted.

(57) Leases

W&W Group as lessee

The W&W Group leases properties, vehicles and EDP equipment for own use, as well as investment properties.

Most of the properties for own use have indefinite terms. Renewal options exist in some cases. Price adjustment clauses are likewise agreed to, which are based on the consumer price index. There are normally no purchase options. EDP equipment and vehicles have fixed terms of up to three years. Investment properties have terms of up to 99 years.

Properties for own use include, in particular, the Friedrich-Scholl-Platz 1 property in Karlsruhe and the building of the former Aachener Bausparkasse AG, which were sold in the 2011 and 2022 financial years upon transfer of ownership and subsequently leased back for further own use (sale and leaseback transactions).

The lease for the property at Friedrich-Scholl-Platz 1 in Karlsruhe has a term of 15 years and cannot be terminated. Also agreed upon was a one-time lease renewal option for a fixed term of five years. If the lessee intends to exercise the option, it must give the lessor notice thereof 16 months prior to expiry of the lease term. Moreover, the lease contains a general prospective price adjustment clause, which is based on how the consumer price index changes. In addition, neither a repurchase option nor contingent lease payments or restrictions were agreed to. Most of the property is used within the Group. A portion has been subleased outside the Group.

The basic lease term for the building of the former Aachener Bausparkasse AG is five years. If the lease is not terminated at least six months before expiry, it renews for consecutive terms of one year each. In addition, the lessee was granted a unilateral one-time option to terminate on 31 December 2024. If the lessee wishes to exercise this option, it must notify the lessor thereof at least six months before expiry of the option. In addition, neither a repurchase option nor contingent lease payments or restrictions were agreed to. The property is used within the Group

Rights of use that meet the definition of an investment property are included in the item "Investment property" (see Note 9). The following overview shows the change in right-of-use assets within property, plant and equipment in the consolidated balance sheet.

Right-of-use assets in 2024

	Property for own use[1]	Vehicles	EDP equipment	Total
in € million	2024	2024	2024	2024
Carrying amounts as at 1.1.	**29**	**4**	**1**	**34**
Additions	8	-	1	9
Scheduled depreciation	-11	-2	-1	-14
Net gains or losses from measurement at fair value[1]	-2	-	-	-2
As at 31.12.	**24**	**2**	**1**	**27**

1 Property for own use (including rights of use) in life and health insurance is recognised at fair value in accordance with IAS 16.29A.

Right-of-use assets in 2023

in € million	Property for own use 2023	Vehicles 2023	EDP equipment 2023	Total 2023
Carrying amounts as at 1.1.	**29**	**2**	**3**	**34**
Additions	14	4	-	18
Disposals	-2	-	-	-2
Scheduled depreciation	-12	-2	-2	-16
As at 31.12.	**29**	**4**	**1**	**34**

Recognised in the consolidated income statement were interest expenses for lease liabilities in the amount of €1 million (previous year: €1 million). The expense for leases of low-value assets in the amount of €1 million (previous year: €1 million) related to bike leasing for employees.

Payment outflows under leases in the amount of €19 million were recognised in the cash flow statement (previous year: €18 million).

For an analysis of the remaining term to maturity of lease liabilities, please see Note 51 "Liquidity risk".

W&W Group as lessor

We are the lessor under operating leases for investment property. Many of the leases entered into have open-ended terms. Some, however, have fixed terms. With regard to commercial properties, price adjustment clauses are regularly agreed to, which are based on the consumer price index. With regard to residential properties, such agreements have been entered into for properties that have been acquired since 2012 and for those that have undergone high-quality renovations.

Rental income amounted to €137 million (previous year: €131 million).

Undiscounted minimum lease payments

	Lessor - operating leases	
in € million	31.12.2024	31.12.2023
Within 1 year	97	94
1 to 2 years	82	74
2 to 3 years	78	67
3 to 4 years	70	58
4 to 5 years	58	51
Over 5 years	413	323
Total	**798**	**667**

A finance lease under which we are the lessor is in place for the portion of the property at Friedrich-Scholl-Platz 1 in Karlsruhe, which has been subleased outside the Group. The lease receivables from this sublease are due as follows:

Undiscounted minimum lease payments

	Lessor - finance lease	
in € million	31.12.2024	31.12.2023
Within 1 year	1	1
1 to 2 years	-	1
2 to 3 years	-	-
3 to 4 years	-	-
4 to 5 years	-	-
Over 5 years	-	-
Gross investment value (also net investment value)	**1**	**2**

(58) Contingent assets, contingent liabilities and other obligations

in € million	31.12.2024	31.12.2023
Contingent liabilities	**1,685**	**2,315**
from the personal insurers' guarantee fund	278	401
from letters of credit and warranties	10	10
from uncalled capital	1,314	1,734
from contractual obligations to buy and to build investment property	81	165
from contractual obligations to buy and to build property, plant and equipment	-	2
Other contingent liabilities	2	3
Other commitments	**964**	**1,111**
Irrevocable loan commitments	964	1,111
Total	**2,649**	**3,426**

German life insurers are obliged to be members of a protection fund in accordance with Section 221 German Act on the Supervision of Insurance Undertakings (VAG). ARA Pensionskasse AG has joined the protection fund for life insurers (Protektor Lebensversicherungs-AG) as a voluntary member in accordance with Section 221 (2) VAG. The protection fund for life insurers levies annual contributions of a maximum of 0.2 ‰ of the total net technical provisions on the basis of the German Ordinance on the Financing of the Protection Fund for Life Insurers (SichLVFinV) until protection assets of 1‰ of the total net technical provisions have been built up. The Group is not subject to any future obligations from this. In addition, the protection fund can levy special contributions equal to an additional 1‰ of total net technical provisions. This corresponded to an obligation of €28 million (previous year: €40 million).

Following the underwriting of insurance contracts, the protection fund for health insurers can levy special contributions of not more than 2‰ of total net technical provisions in order to fulfil its duties. This resulted in a payment obligation of €3 million (previous year: €3 million).

In addition, the W&W Group's life insurers and pension funds have undertaken to provide the protection fund or, alternatively, Protektor Lebensversicherungs-AG, with financial resources in the event that the resources of the protection fund are insufficient in the case of a reorganisation. The obligation amounts to 1% of total net technical provisions, with offsetting of the contributions that have previously been made to the protection fund to date. Including the above-mentioned payment obligation of 1%, the payment obligations as at the reporting date amounted to €247 million (previous year: €358 million).

Irrevocable loan commitments consisted of remaining obligations under loans and credit lines that have been granted but not yet drawn down or fully drawn down. The risk of a change in interest rates is low for irrevocable loan commitments due to their short terms.

Wüstenrot Bausparkasse AG is a member of Entschädigungseinrichtung deutscher Banken GmbH, which is a company that operates the compensation scheme established by the Association of German Banks. As a member of this compensation scheme and due to the obligation to endow the European restructuring fund for credit institutions, Wüstenrot Bausparkasse AG is obliged to pay annual contributions to the guarantee schemes. The calculation schemes for determining the annual contributions are based, among other things, on the amount of covered deposits and the risk parameters of all credit institutions concerned. We are not aware of the assessment of the key figures to be reported by the protection organisations or the risk factors defined for Wüstenrot Bausparkasse AG. These have a significant influence on the amount of contributions to be paid. There are therefore significant estimation uncertainties that may have an impact on the financial position of Wüstenrot Bausparkasse AG. Participation in the compensation scheme results in additional funding obligations for the member banks if necessary.As a result of its membership of the Verkehrsopferhilfe e. V. association, the W&W Group is obliged to provide this association with the funds required to fulfil its purpose in accordance with its share of the premium income that the member companies generated from their own motor third party liability insurance business in the calendar year before last.

Employees who joined one of the sponsoring undertakings of the pension fund Pensionskasse der Württembergischen (WürttPK) before 1 January 2002 could be accepted as members of WürttPK. Being a legally independent, regulated pension fund, WürttPK is subject to supervision by the German Federal Financial Supervisory Authority (BaFin). WürttPK benefits are financed through contributions by members and subsidies by the sponsoring undertakings. The current sponsoring undertakings, Württembergische Versicherung AG and Württembergische Lebensversicherung AG, are obliged to pay subsidies under the articles of association. In accordance with the business plan, the sponsoring undertakings handle administration at no cost. In addition, there is a secondary liability in some cases under the German Occupational Pensions Act (BetrAVG).

With regard to the calculation of tax refund claims and tax debts made as at the reporting date, it cannot be ruled out that the fiscal authorities will take a different position. In addition, the outcome of pending tax proceedings, both in and out of court, cannot be determined or predicted. Additional liabilities and receivables may need to be recognised in this area whose occurrence is not overwhelmingly likely, meaning that no corresponding liabilities and receivables were created.

Württembergische Lebensversicherung AG indemnified the pension institutions Versorgungseinrichtung Karlsruhe e.V. (VeK) and AVM – Arbeitnehmer Vorsorge Management – überbetriebliche Unterstützungskasse e.V. against claims for compensation of damages resulting from a mistake in the processing of the insurance contracts of the sponsoring undertakings.

Waiver of recourse and indemnity declaration

Pursuant to an existing waiver of recourse and indemnification agreement, in the event that the company is sued as a result of an agent having provided faulty advice in connection with the brokering of an insurance product that the company sells, the company has agreed to waive potential recourse claims against the agent, unless the agent acted wilfully and the damage is covered by liability insurance. With respect to the agent's own liability in connection with the brokering of insurance or financial services products offered by an insurance company of the W&W Group, by a collaboration partner of one of these insurance companies or in the course of further advice for one of these companies or collaboration partners, the company has also agreed to provide an indemnity in the event faulty advice was provided. The minimum sum insured is limited to €200 thousand per claim and a total of €300 thousand per year, and to €1,300 thousand per claim or €1,925 thousand per year for claims in connection with advisory errors in insurance brokerage.

(59) Related party disclosures

Parent company

The ultimate controlling company is Wüstenrot & Württembergische AG, Kornwestheim.

Transactions with related parties

Natural persons considered to be related parties in accordance with IAS 24 are members of management in key positions (the Management Board and the Supervisory Board of W&W AG) and their close relatives.

Transactions were performed with related persons of W&W AG in the course of the normal operating activities of Group companies. These essentially related to business relationships in the areas of home loan savings business and life, health and property insurance.

All transactions were at arm's length.

As at 31 December 2024, loans and advance to related persons amounted to €474 thousand (previous year: €80 thousand). Liabilities to related persons as at the reporting date amounted to €1,088 thousand (previous year: € 1,022 thousand). In the financial year 2024, the interest income received from related persons , as a result ofgrantedloansamounted to €12 thousand (previous year: €3 thousand), and interest expenses for savings balances in favour of related persons totalled €18 thousand (previous year: €23 thousand). In 2024, premiums in the amount of €82 thousand (previous year: €74 thousand) were paid by related persons for insurance policies in the areas of life, health and property insurance. Contributions made by related persons to the company pension scheme totalled €613 thousand (previous year: €611 thousand). The benefits received by related persons from the company pension scheme totalled €255 thousand (previous year:. €252 thousand).

Transactions with related entities

Subsidiaries of W&W AG and other related entities

There are various service agreements, including in the area of capital investments management, between the W&W Group and subsidiaries of W&W AG as well as other related entities of W&W AG. There is a brand transfer and use agreement between Wüstenrot Holding AG and W&W AG. As at 31 December 2024, there is a remaining financial liability to Wüstenrot Holding AG under this agreement of €3,524 thousand (previous year: €6,124 thousand). W&W AG pays Wüstenrot Holding AG a fixed annual annuity amount (principal and interest) of €2,500 thousand plus statutory VAT.

The charitable foundation Wüstenrot Stiftung Gemeinschaft der Freunde Deutscher Eigenheimverein e. V., as well as Wüstenrot Holding AG, WS Holding AG, Wüstenrot Förder GmbH and Pensionskasse der Württembergischen VVaG, are reported under "Other related parties" as the post-employment benefit plan for employees.

The transactions were at arm's length.

The outstanding balances of transactions with related entities were as follows as at the reporting date:

in € thousand	31.12.2024	31.12.2023
Financial assets from related companies	**282,110**	**289,342**
Subsidiaries	255,402	260010
Other related parties	26,708	29,332
Financial liabilities to related companies	**3,915**	**81,652**
Subsidiaries	14,388	43,611
Associated companies	403	10,670
Other related parties	16,124	27,371

As at the reporting date, the outstanding transactions with related entities of W&W AG in its capacity as the parent company of the Group amounted to €605 thousand (previous year: €1,209 thousand) on the assets side and to €6,740 thousand (previous year: €9,222 thousand) on the liabilities side.

The income and expenses from transactions with related entities were as follows:

in € thousand	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Income from transactions with related entities	**62,826**	**61,359**
Subsidiaries	59,854	58,497
Associated companies	71	9
Other related parties	2,901	2,853
Expenses for transactions with related companies	**-76,283**	**-85,750**
Subsidiaries	-53,704	-55,409
Associated companies	-541	-1,492
Other related parties	-22,038	-28,849

In the reporting period, income from transactions with related entities of W&W AG in its capacity as the parent company of the Group totalled €1,128 thousand (previous year: €1,080 thousand), and expenses, €852 thousand (previous year: €992 thousand).

(60) Information concerning remuneration of the Executive Board and the Supervisory Board

Remuneration of the Executive Board

The following remarks contain the disclosures required under Section 314 (1no. 6 (a) to (c) of the German Commercial Code (HGB).

in € thousand	31.12.2024	31.12.2023
Remuneration paid to members of the Executive Board	3 604	3 825
Remuneration paid to former members of the Executive Board	1,713	1,572
Remuneration paid to survivors	661	446
Pension commitments for former members of the Executive Board	20,142	20,009

Total remuneration was examined by the Supervisory Board, and it bears a reasonable relationship to the duties and performance of the members of the Executive Board, as well as to the company's condition.

The Group did not grant any loans to members of the Executive Board. No liabilities were entered into in favour of members of the Executive Board. No subscription rights or other share-based remuneration were granted to members of the Executive Board.

Remuneration of the Supervisory Board

In the 2024 financial year, the company paid the members of the Supervisory Board of Wüstenrot & Württembergische AG total remuneration of €826 thousand (previous year: €892 thousand). Of this amount, further Supervisory Board mandates in the Group accounted for €153 thousand (previous year: €116 thousand). In the 2024 financial year, the company paid members of the Supervisory Board of Wüstenrot & Württembergische AG who had retired during the financial year pro rata temporis remuneration of €92 thousand (previous year: €0 thousand).

Members of the Supervisory Board are reimbursed for expenses and the value-added tax due on Supervisory Board remuneration, provided same is owed. However, this is not included in the designated expenses.

Advances and loans to active members of the Supervisory Board of the W&W Group amounted to €25 thousand (previous year: €80 thousand). The loans were granted by Group companies. The agreed interest rates range from 1.6% to 7.9%.

Loans amounting to €68 thousand (previous year:. €9 thousand) were repaid by active members of the Supervisory Board. No liabilities were entered into in favour of these persons.

Subscription rights or other share-based remuneration for members of the Supervisory Board do not exist in the W&W Group. No provisions for current pensions or entitlements had to be created for members of the Supervisory Board or their survivors.

Total remuneration for persons in key positions

The total remuneration for persons of Group management in key positions (Management Board and Supervisory Board of Wüstenrot & Württembergische AG) amounted to €7,957 thousand (previous year: €8,172 thousand). Of this amount, short-term employee benefits accounted for €6,591 thousand (previous year: €6,778 thousand), post-employment benefits accounted for €740 thousand (previous year: €712 thousand), other long-term benefits accounted for €626 thousand (previous year: €682 thousand) and termination benefits accounted for €0 thousand (previous year: €0 thousand).

(61) Number of employees

The W&W Group had 7,565 (previous year: 7,485) permanent employees on average over the last 12 months. This average is calculated as the arithmetic mean of the end-of-quarter headcounts as at the reporting dates between 31 March 2024 and 31 December 2024 and the same period of the previous year. The Group's headcount breaks down by segment as follows:

Average number of employees over the year by segment

	31.12.2024	31.12.2023
Housing	2,095	2,134
Life and Health Insurance	584	507
Property/Casualty Insurance	3,877	3,831
All other segments	1,009	1,013
Total	**7,565**	**7,485**

(62) Auditor's fees

The Supervisory Board of Wüstenrot & Württembergische AG engaged EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, to audit the consolidated financial statements. The cost of the audit firm's services for the W&W Group totalled €5,511 thousand (previous year: €6,248 thousand) for the financial year. Of this amount, auditing services accounted for €5,188 thousand (previous year: €6,029 thousand), other assurance services accounted for €232 thousand (previous year: €56 thousand), tax consultancy services accounted for €0 thousand (previous year: €0 thousand) and other services accounted for €91 thousand (previous year: €163 thousand).

The fee for the **auditing services provided** by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, relates to the audit of the consolidated financial statements and annual financial statements of W&W AG as well as to other permissible services occasioned directly by the audit.. The audit firm also carried out statutory and voluntary audits of the annual financial statements of various subsidiaries as well as statutory audits in accordance with the German Securities Trading Act (WpHG), the German Act on the Supervision of Insurance Undertakings (VAG), the German Stock Corporation Act (AktG) and other legal provisions.

Other assurance services included audits in accordance with the General Terms and Conditions of Deutsche Bundesbank, the audit of the sustainability report and other audits in accordance with the German Securities Trading Act (WpHG)and the German Investment Firm Act (WpIG) and other industry-specific laws.

The **other services** consisted of various professional assistance – primarily concerning current and future regulatory issues as well as in the area of IT. Also, a tool solution was provided for the structured processing of regulatory and legislative developments.

(63) Events after the reporting date

No material events that require reporting occurred after the reporting date.

(64) Corporate Governance Code

The Executive Board and Supervisory Board of the listed company Wüstenrot & Württembergische AG, Kornwestheim, haveissued the declaration of conformity with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders on the W&W Group's website - at www.ww-ag.com/en → Investor Relations → Publications → Further publications.

(65) Group affiliation

Wüstenrot & Württembergische AG, Kornwestheim, is the parent company of the W&W Group. The consolidated financial statements of the W&W Group are published in the annual report and then sent to the company register office for inclusion in the company register.

(66) List of shareholdings pursuant to Section 315e (1) of the German Commercial Code (HGB) in conjunction with Section 313 (2) HGB

The list of shareholdings of the W&W Group as at 31 December 2024 is presented below. We made use of the exemption provided for in Section 313 (3) sentence 4 HGB in conjunction with Section 313 (2) No. 4 HGB.

Name and registered office of the company	Interest in capital, in %	Consolidation type[1]
Wüstenrot & Württembergische AG, Kornwestheim		F
Affiliated companies		
Germany		
3B Boden-Bauten-Beteiligungs-GmbH, Ludwigsburg	100.00	F
Adam Riese GmbH, Stuttgart[2]	100.00	F
Allgemeine Rentenanstalt Pensionskasse AG, Stuttgart	100.00	F
Altmark Versicherungsmakler GmbH, Stuttgart	100.00	M
Altmark Versicherungsvermittlung GmbH, Stuttgart	100.00	M
Asendorfer Kippe ASK GmbH & Co. KG, Kornwestheim	100.00	M
Bausparkasse Wüstenrot Immo GmbH, Ludwigsburg	100.00	M
Beteiligungs-GmbH der Württembergischen, Stuttgart	100.00	M
Feuersee Entwicklungsgesellschaft mbH & Co. KG, Kornwestheim	100.00	F
Ganzer GmbH & Co KG, Kornwestheim	100.00	M
Gerber GmbH & Co KG, Kornwestheim	100.00	F
GMA Gesellschaft für Markt- und Absatzforschung mbH, Ludwigsburg	100.00	M
IVB – Institut für Vorsorgeberatung Risiko- und Finanzierungsanalyse GmbH, Karlsruhe	100.00	M
KLV BAKO Dienstleistungs-GmbH, Karlsruhe	95.80	M
KLV BAKO Vermittlungs-GmbH, Karlsruhe	79.80	M
W&W Asset Management GmbH, Ludwigsburg	100.00	F
W&W brandpool GmbH, Stuttgart	100.00	F
W&W Informatik GmbH, Ludwigsburg[2]	100.00	F
W&W Interaction Solutions GmbH, Munich	100.00	M
W&W Service GmbH, Stuttgart[2]	100.00	F
WHS Entwicklungs-GmbH, Kornwestheim	100.00	M
Windpark Golzow GmbH & Co. KG, Rheine	100.00	M
WL Erneuerbare Energien Verwaltungs GmbH, Stuttgart	100.00	M
WL Renewable Energy GmbH & Co KG, Kornwestheim	100.00	F
WL Sustainable Energy GmbH & Co. KG, Kornwestheim	100.00	F

List of shareholdings (continuation)

Name and registered office of the company	Interest in capital, in %	Consolidation type[1]
Württembergische Akademie GmbH, Stuttgart	100.00	M
Württembergische Immobilien GmbH, Kornwestheim	100.00	F
Württembergische Kö 43 GmbH, Stuttgart	89.90	M
Württembergische Krankenversicherung AG, Kornwestheim	100.00	F
Württembergische Lebensversicherung AG, Kornwestheim	94.89	F
Württembergische Logistik I GmbH & Co KG, Kornwestheim	100.00	M
Württembergische Rechtsschutz Schaden-Service-GmbH, Stuttgart	100.00	M
Württembergische Versicherung AG, Kornwestheim	100.00	F
Württembergische Vertriebspartner GmbH, Stuttgart	100.00	M
Württembergische Verwaltungsgesellschaft mbH, Stuttgart	100.00	M
Württfeuer Beteiligungs-GmbH, Stuttgart	100.00	F
WürttLeben Alternative Investments GmbH, Stuttgart	100.00	F
WürttVers Alternative Investments GmbH, Stuttgart	100.00	F
Wüstenrot Bausparkasse AG, Kornwestheim	100.00	F
Wüstenrot Energieberatung GmbH, Kornwestheim	100.00	M
Wüstenrot Grundstücksverwertungs-GmbH, Ludwigsburg	100.00	M
Wüstenrot Haus- und Städtebau GmbH, Ludwigsburg	100.00	F
Wüstenrot Immobilien GmbH, Ludwigsburg	100.00	M
Zweite Wohnimmobilien GmbH & Co. KG der Württembergischen, Kornwestheim	100.00	M
Finland		
Kiinteistö Oy Porkkalankatu 5, Helsinki	100.00	F
France		
REI Holding Management France I SAS, Paris	100.00	F
REI PropCo France I SCI, Paris	100.00	F
Württembergische France Immobiliere SARL, Strasbourg	100.00	M
Württembergische France Strasbourg SARL, Strasbourg	100.00	M
Ireland		
W&W Asset Management Ireland DAC, Dublin	100.00	F
W&W Investment Managers DAC, Dublin	100.00	F
Austria		
G6 Zeta Errichtungs- und VerwertungsGmbH & Co OG, Vienna	99.90	M
Kellerwirt Holding GmbH, Brixlegg	100.00	M
Kellerwirt Mountain Health Resort GmbH, Brixlegg	100.00	M
Mount Med Resort Betriebs GmbH, Oberau Wildschönau	80.03	M
SAMARIUM drei GmbH & Co OG, Vienna[3]	100.00	M

List of shareholdings (continuation)

Name and registered office of the company	Interest in capital, in %	Consolidation type[1]
Structured entities (required to be consolidated)		
Germany		
LBBW AM-69, Stuttgart	100.00	F
LBBW AM-76, Stuttgart	100.00	F
LBBW AM-AROS, Stuttgart	100.00	F
LBBW AM Emerging Markets Bonds-Fonds 1, Stuttgart	100.00	F
LBBW AM Emerging Markets Bonds-Fonds 2, Stuttgart	100.00	F
LBBW AM Emerging Markets Bonds-Fonds 3, Stuttgart	100.00	F
LBBW AM-EQS, Stuttgart	100.00	F
LBBW AM High Yield Corporates Bonds Fonds, Stuttgart	98.23	F
LBBW AM REA-Fonds, Stuttgart	100.00	F
LBBW AM-Südinvest 160, Stuttgart	100.00	F
LBBW AM-SüdInvest HW EMB, Stuttgart	84.31	F
LBBW AM US Municipals 1, Stuttgart	100.00	F
LBBW AM US Municipals 2, Stuttgart	86.15	F
LBBW AM US Municipals 3, Stuttgart	100.00	F
LBBW AM-USD Corp. Bonds Fund 1, Stuttgart	100.00	F
LBBW AM-USD Corp. Bonds Fund 2, Stuttgart	100.00	F
LBBW AM-USD Corp. Bonds Fund 3, Stuttgart	100.00	F
LBBW AM-WSV, Stuttgart	100.00	F
LBBW AM-WV Corp Bonds Fonds, Stuttgart	100.00	F
LBBW AM-WWAG Corp. Bonds Fund, Stuttgart	100.00	F
W&W Real Estate International 1, Frankfurt am Main	100.00	F
Ireland		
ARP Alternative Investment Fund I, Dublin	100.00	F
ARP Alternative Investment Fund II, Dublin	100.00	F
The W&W Global Income Fund ICAV – The W&W AG Alternative Investment Fund, Dublin	100.00	F
The W&W Global Income Fund ICAV – The W&W Infrastructure Fund, Dublin	100.00	F
The W&W Global Income Fund ICAV - The W&W Private Debt Fund, Dublin	100.00	F
W&W Flexible Premium, Dublin	100.00	F
W&W Flexible Premium II, Dublin	100.00	F
W&W Global Strategies South East Asian Equity Fund, Dublin	99.92	F
WK Alternative Investment Fund I, Dublin	100.00	F
WK Alternative Investment Fund II, Dublin	100.00	F
WL Alternative Investment Fund I, Dublin	100.00	F
WV Alternative Investment Fund I, Dublin	100.00	F
WV Alternative Investment Fund II, Dublin	100.00	F

List of shareholdings (continuation)

Name and registered office of the company	Interest in capital, in %	Consolidation type[1]
Joint ventures		
Germany		
ver.di Service GmbH, Berlin	40.10	M
Associated companies		
Germany		
BF.capital GmbH, Stuttgart	35.00	M
BWK GmbH Unternehmensbeteiligungsgesellschaft, Stuttgart	35.00	E
BWK Holding GmbH Unternehmensbeteiligungsgesellschaft, Stuttgart	35.00	M
Domus Beteiligungsgesellschaft der Privaten Bausparkassen mbH, Berlin	28.73	M
riparo gmbh, Holzgerlingen	25.00	M

1 Explanation of types of entities and consolidation:
F = Companies included in the consolidated financial statements by way of full consolidation
E = Companies included in the consolidated financial statements using the equity method
M = Not included in the consolidated financial statements due to minor significance.
2 Pursuant to Section 264 (3) of the German Commercial Code (HGB), W&W Service GmbH, Stuttgart, Germany, W&W Informatik GmbH, Ludwigsburg, Germany, and Adam Riese GmbH, Stuttgart, Germany, are exempt from the obligation to prepare, have audited and publish a management report in accordance with the rules applicable to corporations and limited liability companies.
3 SAMARIUM drei GmbH & Co OG, Vienna, is a structured entity.

List of shareholdings (continuation)

Name and registered office of the company	Interest in capital, in %	Currency	Reporting date	Equity[1]	Earnings after taxes[1]
Other participating interests of 5% or more					
Germany					
Adveq Europe II GmbH, Frankfurt am Main[2]	16.77	€	31.12.2023	853,065	-41,857
Adveq Opportunity II Zweite GmbH, Frankfurt am Main[2]	29.31	€	31.12.2023	195,626	-664,257
Adveq Technology V GmbH, Frankfurt am Main[2]	16.50	€	31.12.2023	1,244,938	-141,717
Deutscher Solarfonds "Stabilität 2010" GmbH & Co. KG, Frankfurt am Main[2]	17.77	€	31.10.2023	70,454,139	15,524,442
European Sustainable Power Fund Nr. 2 GmbH & Co. KG, Grünwald	12.10	€	30.9.2023	391,999,138	24,336,301
Immomio GmbH, Hamburg	13.33	€	31.12.2023	5,069,490	-3,861,431
Keleya Digital-Health Solutions GmbH, Berlin	9.97	€	31.12.2022	-166,343	-1,377,810
Onshore Wind Portfolio 2012 GmbH & Co. KG, Frankfurt am Main[2]	20.72	€	31.8.2023	76,940,763	5,367,500
V-Bank AG, Munich[4]	15.00	€	31.12.2023	123,257,312	24,495,139
United Kingdom and Northern Ireland					
Partners Group Emerging Markets 2007, L.P., Edinburgh[2]	9.38	US$[3]	31.12.2023	3,156,000	-14,092,000

1 The figures relate to the most recent annual financial statements available on the reporting date.
2 These companies are structured entities.
3 Exchange rate as at 31 December 2023: US$/€: 1.105000/1.0000.
4 Recognised as an associated company in the previous year.

W&W Group Responsibility statement

To the best of our knowledge, and in accordance with applicable accounting principles, the consolidated financial statements present a true and accurate view of the Group's net assets, financial position and financial performance, and the Group management report provides a true and accurate presentation of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Kornwestheim, 17 March 2025

Jürgen A. Junker

Alexander Mayer

Jens Wieland

W&W Group
Independent auditor's report

To Wüstenrot & Württembergische AG, Kornwestheim

Report on the audit of the consolidated financial statements and of the combined management report

Audit opinions

We audited the consolidated financial statements of Wüstenrot & Württembergische AG, Kornwestheim, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we audited the combined management report of Wüstenrot & Württembergische AG, Kornwestheim, for the financial year from 1 January to 31 December 2024. In conformity with German statutory requirements, we did not audit the content of the Group corporate governance statement pursuant to Section 341j HGB in conjunction with Section 315d HGB that is contained in the section "Corporate governance statement" of the combined management report or the six image pages entitled "A commitment to values". We did not audit the content of the company's information outside of the annual report to which reference is made through cross-references in the section "Corporate governance statement" of the combined management report.

In our opinion, based on the findings of our audit,

- the accompanying consolidated financial statements comply in all material respects with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards"), as adopted by the EU, and with the additional German statutory requirements that are applicable pursuant to Section 315e (1) HGB and present a true and accurate view of the net assets and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January to 31 December 2024 in accordance with these requirements, and

- the attached combined management report as a whole presents a true and accurate view of the Group's position. The combined management report is consistent with the consolidated financial statements in all material respects, complies with German statutory requirements and accurately depicts the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the above-mentioned Group statement on corporate governance, the six image pages entitled "A commitment to values" or the content of the above-mentioned information outside the annual report that is cross-referenced.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations concerning the regularity of the consolidated financial statements or the combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and the combined management report in conformity with Section 317 HGB and with Regulation (EU) No 537/2014 on specific requirements regarding statutory audit of public-interest entities (hereinafter, the "EU Audit Regulation"), as well as in accordance with the German standards for the proper auditing of financial statements promulgated by the IDW (Institute of Public Auditors in Germany). Our responsibility in accordance with those provisions and standards is described extensively in the section of our audit report entitled "Responsibility of the statutory auditor for the audit of the consolidated financial statements and the combined management report". We are independent of the Group companies in accordance with the requirements of European and German commercial law, as well as professional rules, and we have fulfilled our other German professional duties in accordance with these requirements and rules. In addition, we declare in accordance with Article 10 (2) (f) of the EU Audit Regulation that we have not provided any prohibited non-audit services in accordance with Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions concerning the consolidated financial statements and the combined management report.

Key audit matters in connection with the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on them.

In the following, we describe the audit matters that we consider to be key:

1. Measurement of unlisted securities and derivative financial instruments held for the purpose of capital investment

Reasons why this was defined to be a key audit matter
The Wüstenrot & Württembergische AG Group holds unlisted securities for the purpose of capital investment, in particular registered bonds, debenture bonds and unlisted derivative financial instruments.

If prices for identical financial instruments (Level 1 of the measurement hierarchy) quoted on active markets are unavailable, recognised measurement methods are used to determine the fair value of the unlisted securities and derivative financial instruments. The input factors used in this regard are based to the greatest possible extent on measurement parameters that are observable on the market (Level 2 of the measurement hierarchy). If these are not sufficiently current, measurement parameters that are not observable on the market are also used (Level 3 of the measurement hierarchy).

Unlisted securities and derivative financial instruments make up a considerable amount of the consolidated balance sheet, and changes in their value have an impact on consolidated equity in some cases and on consolidated net income in other cases.

For registered bonds and debenture bonds as well as unlisted derivative financial instruments, fair values are calculated using recognised measurement procedures that are customary on the market, particularly discounted cash flow methods. Other recognised instrument-specific measurement procedures are used to only a limited extent. Primarily used as input data in this regard are measurement parameters that are observable on the market (in particular, yield curves, risk premiums and volatilities), but also to a lesser extent measurement parameters that are not observable on the market. Discretion is exercised by the management in connection with the selection of the procedures and the specification of the measurement parameters.

Because discretion is exercised in connection with the specification of the measurement procedures and measurement parameters for the purpose of model-based measurement and because this is associated with the risk of a materially misstatement in the consolidated financial statements, this is a key audit matter.

Audit approach
As part of our audit, we first analysed the process used to measure unlisted securities and derivative financial instruments for risks of error, evaluated the implemented controls with respect to their design and tested their effectiveness. The focus here was on controls that ensure the accuracy of the portfolio data and the appropriateness of the utilised prices.

For unlisted securities and derivative financial instruments, we performed spot checks to gain an understanding of the utilised measurement procedures with respect to their appropriateness. Furthermore, for a partial portfolio of these financial instruments, we examined the discretion-dependent measurement parameters that are observable on the market for whether they are located within a range that is observable on the market. In this connection, we gained an understanding of the utilised measurement parameters and prices by comparing them with publicly available measurement parameters and prices for a selection of financial instruments. If parameters were not observable on the market, we evaluated them by remeasuring a select partial portfolio of the financial instruments.

In addition, for a partial portfolio of unlisted securities and derivative financial instruments, we performed our own calculations of fair value, drawing on the assistance of measurement specialists.

Our audit procedures did not result in any reservations concerning the measurement of unlisted securities and derivative financial instruments held for the purpose of capital investment.

Reference to associated disclosures

The disclosures concerning the measurement of unlisted securities and derivative financial instruments are contained in Note 38 “Disclosures on fair value measurement”" in the notes to the consolidated financial statements.

2. Estimation of future cash flows as part of the measurement of technical liabilities for life insurance contracts issued

Reasons why this was defined to be a key audit matter

Technical liabilities for life insurance contracts issued are measured in accordance with the requirements of IFRS 17 using the variable fee approach, as these are contracts with direct profit participation. The estimation of future cash flows is a central aspect of the measurement of these contracts. In addition, the measurement of technical liabilities affects the recognition of technical income, as the latter is determined by the reversal of technical liabilities in the amount of the expected outgoing cash flows.

Future cash flows include all cash flows within the contract boundary for the fulfilment of contractual obligations such as premium payments, guaranteed benefit payments taking into account profit participation as well as administrative and acquisition costs. They account for the largest share of the measurement of technical liabilities from life insurance contracts. IFRS 17 requires an entity-specific best estimate of all future cash flows to determine the probability-weighted mean of the full range of possible outcomes. This must incorporate all information that is available without undue cost or effort. The estimates made at the end of the previous reporting period must be reviewed and updated as at the relevant measurement date.

The estimation of future cash flows involves a considerable degree of discretion. Future cash flows are projected using complex stochastic models that take into account a variety of possible scenarios and use assumptions about the future development of economic and non-economic variables. Future management decisions that depend on the development of the portfolio of capital investments and insurance contracts are also modelled in the scenarios as management rules. Separate projections are performed for the various life insurance products and often cover a long time horizon.

On account of the complexity involved in the estimation of cash flows, the associated uncertainty and the exercise of discretion, there is a risk that the measurement of technical liabilities from life insurance contracts will not be in conformity with accounting requirements. For this reason, we defined this matter to be a key audit matter.

Audit approach

As part of our audit, we analysed the processes used to calculate future cash flows for life insurance contracts for risks of error, evaluated the controls implemented in these processes with respect to their design and tested their effectiveness for ensuring the complete and accurate recognition of future cash flows. This also includes the process of further developing the actuarial models used, taking into account the defined management rules, and the derivation of entity-specific assumptions (biometrics, policyholder behaviour and costs) on the basis of portfolio data.

In addition, we performed statement-based audit procedures. In the case of fixed and variable overhead, for example, we verified whether these were allocated to the groups of insurance contracts using systematic and rational methods.

We verified the appropriateness of the model used to determine the cash flows. In particular, we analysed the simplifications contained in the model and, for a selection of further developments of the model, their appropriate implementation. Through a comparison with the portfolio management systems, we also examined whether selected data was correctly included in the model calculation and whether the parameters used were within an appropriate range. In addition, we evaluated the plausibility of the assumptions used in the model and, for a selection, verified the validations performed in this context. We verified the appropriateness of the scenario generator used for the assumed capital market scenarios and analysed the validation results. We also examined the appropriateness of the management rules and their derivation. We then analysed the calculated future cash flows for any anomalies.

For the reconciliations of technical liabilities to be disclosed in the notes, which reconcile the initial value at the beginning of the period to the value at the reporting date, we checked the plausibility of the change in expected cash flows for the technical liabilities.

We also examined whether the technical income recognised as at the reporting date was recognised that had been included in the technical liabilities as an estimate.

We used our own actuaries in our audit.

Our audit procedures did not result in any reservations concerning the estimation of future cash flows as part of the measurement of technical liabilities for life insurance contracts issued.

Reference to associated disclosures

The disclosures concerning the measurement of technical liabilities in life insurance are included in the notes to the consolidated financial statements in the section “Accounting policies: insurance contracts”.

3. Estimation of future cash flows as part of the measurement of technical liabilities in property and casualty insurance

Reasons why this was defined to be a key audit matter

Insurance contracts are measured in accordance with the requirements of IFRS 17, whereby the contract portfolio in property and casualty insurance is essentially accounted for using the building block approach and, for short-term contracts, using the premium allocation approach. The estimation of future cash flows is a central aspect of the measurement of technical liabilities. In addition, the measurement of technical liabilities affects the recognition of technical income, as the latter is determined by the reversal of technical liabilities in the amount of the expected outgoing cash flows.

The estimation of future cash flows covers all cash flows within the contract boundary for the fulfilment of contractual obligations such as premium and claims payments as well as administrative and acquisition costs. These account for the largest share of the measurement of technical liabilities in property and casualty insurance. IFRS 17 requires an entity-specific best estimate of all future cash flows to determine the probability-weighted mean of the full range of possible outcomes. This must incorporate all information that is available without undue cost or effort. The estimates made at the end of the previous reporting period must be reviewed and updated as at the relevant measurement date.

The estimation of cash flows involves a considerable degree of discretion. Future cash flows are projected using complex actuarial models. Expected future claims payments are estimated on the basis of historical observations for the entity’s own portfolio (run-off patterns) and, if necessary, with reference to external reference data and taking expert assessments into account. The modelling is carried out on a business line-specific basis and – where necessary – separately for basic or mass losses and major losses. The key assumptions here are the business line-specific ultimate loss ratios and assumptions about the distribution of major losses.

On account of the complexity involved in the estimation of future cash flows, the associated uncertainty and the exercise of discretion, there is a risk that the measurement of technical liabilities will not be in conformity with accounting standards. For this reason, we defined this matter to be a key audit matter.

Audit approach

As part of our audit, we analysed the processes used to calculate future cash flows for risks of error, evaluated the controls implemented in these processes with respect to their design and tested their effectiveness for ensuring the complete and accurate recognition of future cash flows. This also includes the process for deriving entity-specific assumptions on the basis of historical claims development and assumptions on administrative and claims adjustment costs as well as the further development of the actuarial models used.

In addition, we performed statement-based audit procedures. In the case of fixed and variable overhead, for example, we verified whether these were allocated to the groups of insurance contracts using systematic and rational methods.

We performed our own claims projections on the basis of mathematical-statistical methods in order to evaluate the measurement of the obligation for incurred claims. In this regard, we used the estimated value determined by us for a selection of business lines that was made on a risk-oriented basis as a benchmark for evaluating the measurement of the obligations. We also examined whether the parameters used were within an appropriate range.

We examined the appropriateness of the assumptions about ultimate loss ratios that were used to measure future claims payments for a selection of business lines, taking into account the individual characteristics of the contracts. We then analysed the calculated future cash flows for any anomalies, including over time.

We used our own actuaries in our audit.

Our audit procedures did not result in any reservations concerning the estimation of future cash flows as part of the measurement of technical liabilities in property and casualty insurance.

Reference to associated disclosures

The disclosures on the measurement of technical liabilities are contained in the notes to the consolidated financial statements in the section “Accounting policies: insurance contracts”.

4. Measurement of provisions for home loan savings business (interest bonus provisions)

Reasons why this was defined to be a key audit matter

The provisions for home loan savings business include, in particular, provisions for expected charges for interest bonuses (interest bonus provisions) where the requirements defined in the product-specific General Terms and Conditions for Home Loan Savings Contracts (ABB) are met. The amount of the provisions to be created is determined on the basis of historical data (empirical forward projection) and, in the absence of sufficient historical data, on the basis of expert estimates.

The provisions for home loan savings business are fraught with uncertainties to a great extent and require that assumptions and estimates be made with respect to the relevant parameters and future customer behaviour. Furthermore, the measurement model is highly complex. These circumstances may have a significant impact on the recognition and amount of the provision and thus on net assets and financial performance. Therefore, we determined the measurement of provisions for home loan savings business (interest bonus provisions) to be a key audit matter.

Audit approach

We examined the process for calculating the amount of the provision for expected charges for interest bonuses and evaluated the implemented controls.

We gained a methodological understanding of the measurement models used for the calculation and examined whether the material estimation parameters were taken into account in the model.

For the purpose of validating the estimation parameters, we analysed the annual comparison of the actual change during the financial year with the estimates made for the previous year (target/actual comparison).

Moreover, we gained an understanding of the mathematical accuracy of the calculations of the amount of the provisions.

On the basis of a selection of products, we examined whether the database underlying the calculation of the provision rates and the bonus potential was complete. We also verified whether all relevant products were taken into account in the measurement model.

In connection with our audit of the model, we used our own specialists, who have special expertise in the area of home loan savings mathematics.

Our audit procedures did not result in any reservations concerning the measurement of provisions for home loan savings business (interest bonus provisions).

Reference to associated disclosures

The company’s disclosures concerning the measurement of home loan savings provisions are contained in the notes to the consolidated financial statements in the section “Accounting policies: Other provisions”.

Other Information

The Supervisory Board is responsible for the report of the Supervisory Board. The Executive Board and the Supervisory Board are responsible for the statement pursuant to the Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG), which is an element of the Group corporate governance statement. The Executive Board is responsible for the other information in all other respects. The other information comprises the above-mentioned Group corporate governance statement, the eight image pages entitled “A commitment to values” and the report on gender equality and equal pay in accordance with the German Transparency in Wage Structures Act. In addition, the other information comprises the sustainability report of the W&W Group, a version of which we obtained prior to issuing this audit report. Furthermore, the other information comprises additional elements intended for the annual report, a version of which we obtained prior to issuing this audit report, namely:

- the letter to shareholders,
- presentation of the Management Board and the Supervisory Board,
- overview of key figures, financial calendar, glossary,
- the responsibility statement and
- the report of the Supervisory Board.

Our audit opinions concerning the consolidated financial statements and the combined management report do not cover the other information, and as a result, we do not provide an audit opinion or any other form of audit conclusion concerning it.

In connection with our audit, our responsibility is to read the other information and, in so doing, to evaluate whether it

- is materially inconsistent with the consolidated financial statements, the combined management report or our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

Responsibility of the Executive Board and the Supervisory Board for the consolidated financial statements and the combined management report

The Executive Board is responsible for preparing the consolidated financial statements in a manner that complies in all material respects with the the IFRS Accounting Standards, as adopted by the EU, and with the additional German statutory requirements that are applicable pursuant to Section 315e (1) HGB, as well as for ensuring that in compliance with those provisions, the consolidated financial statements present a true and accurate view of the Group's net assets, financial position and financial performance. Furthermore, the Executive Board is responsible for the internal controls that it has deemed necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud (i. e. manipulation of accounting records or financial losses) or error.

In preparing the consolidated financial statements, the Executive Board is responsible for assessing the Group's ability to continue as a going concern. It is also responsible for disclosing matters related to going concern, where relevant. Moreover, it is responsible for using the going concern basis of accounting unless it intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Furthermore, the Executive Board is responsible for preparing the combined management report that as a whole presents a true and accurate view of the Group's position and that in all material respects is consistent with the consolidated financial statements, complies with German statutory requirements and accurately depicts the opportunities and risks of future development. In addition, the Executive Board is responsible for the arrangements and measures (systems) that it considers necessary in order to facilitate the preparation of a combined management report in conformity with applicable German statutory requirements and to enable sufficient and appropriate evidence to be provided for the statements in the combined management report.

The Supervisory Board is responsible for monitoring the Group's accounting process with respect to the preparation of the consolidated financial statements and the combined management report.

Responsibility of the statutory auditor for the audit of the consolidated financial statements and the combined management report

Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and about whether the combined management report as a whole presents a true and accurate view of the Group's position and in all material respects is consistent with the consolidated financial statements and the knowledge gained in the audit, complies with German statutory requirements and accurately depicts the opportunities and risks of future development, as well as to issue an audit report containing our audit opinions concerning the consolidated financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in conformity with Section 317 HGB and with the EU Audit Regulation, as well as in accordance with the German standards for the proper auditing of financial statements promulgated by the IDW (Institute of Public Auditors in Germany), will always detect a material misstatement. Misstatements may be the result of fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit.
We also

- identify and assess the risks of material misstatements in the consolidated financial statements and the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement is higher in the case of fraud than in the case of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;

- obtain an understanding of the internal controls relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls or on the effectiveness of these arrangements and measures;

- evaluate the appropriateness of the accounting policies used by the Executive Board and the reasonableness of the estimates and related disclosures made by the Executive Board;

- draw conclusions as to the appropriateness of the going concern basis of accounting used by the Executive Board and, based on the audit evidence obtained, about whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements depict the underlying transactions and events in such a way that the consolidated financial statements present a true and accurate view of the Group's net assets financial position and financial performance in compliance with the IFRS Accounting Standards, as adopted by the EU, and with the additional German statutory requirements that are applicable pursuant to Section 315e (1) HGB;

- design and perform the audit of the consolidated financial statements in order to obtain audit evidence regarding the accounting information of the entities or divisions within the Group that is sufficient and appropriate for providing a basis for our audit opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and review of the audit activities performed for the purpose of the audit of the consolidated financial statements. We bear sole responsibility for our audit opinions;

- evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with the law and its depiction of the view of the Group's position;

- perform audit procedures concerning the forward-looking statements made by the Executive Board in the combined management report. In doing so, on the basis of sufficient and appropriate audit evidence, we gain an understanding, in particular, of the key assumptions underlying the Executive Board's forward-looking statements and evaluate whether the statements were properly derived from those assumptions. We do not provide a separate audit opinion concerning the forward-looking statements or the underlying assumptions. There is a substantial, unavoidable risk that future events may deviate significantly from the forward-looking statements.

We meet with the individuals responsible for monitoring in order to discuss, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We provide the individuals responsible for monitoring with a statement that we complied with the relevant independence requirements, and we discuss with them all relationships and other matters that may reasonably be presumed to influence our independence and the steps we have taken to guard against this.

From the matters that we discussed with the individuals responsible for monitoring, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these matters in our audit report unless laws or regulations preclude public disclosures about a given matter.

Other statutory and legal requirements

Report on the audit of the electronic reproductions of the consolidated financial statements and the combined management report that were prepared for the purposes of disclosure pursuant to Section 317 (3a) HGB

Audit opinion

In accordance with Section 317 (3a) HGB we performed an audit with reasonable assurance to determine whether the reproductions of the consolidated financial statements and the combined management report that were prepared for the purposes of disclosure and are contained in the electronic file WW_AG_KLB+KA_ESEF-2024-12-31.zip (hereinafter also referred to as the "ESEF documents") comply with the requirements of Section 328 (1) HGB concerning the electronic reporting format (the "ESEF format") in all material respects. In conformity with German statutory requirements, this audit covers only the conversion of the information in the consolidated financial statements and the combined management report into the ESEF format and therefore does not cover the information included in those reproductions or other information included in the aforementioned electronic file.

In our opinion, the reproductions of the consolidated financial statements and the combined management report that were prepared for the purposes of disclosure and are included in the aforementioned attached file comply with the requirements of Section 328 (1) HGB concerning the electronic reporting format in all material respects. We do not express any audit opinion whatsoever about the information included in those reproductions or about the information included in the aforementioned electronic file that goes beyond this audit opinion and our audit opinions concerning the attached consolidated financial statements and the attached combined management report for the financial year from 1 January to 31 December 2024 that are included in the foregoing "Report on the audit of the consolidated financial statements and of the combined management report".

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file in accordance with § 317 (3a) HGB in accordance with the IDW Accounting Standard "Audit of electronic reproductions of financial statements and management reports prepared for the purposes of disclosure in accordance with Section 317 (3a) HGB" (IDW PS 410 (06.2022)). Our responsibility in accordance therewith is described more extensively in the section "Responsibility of the Group statutory auditor for the audit of the ESEF documents". Our audit firm applied the IDW quality management standard "Requirements for quality management in audit firms" (IDW QMS 1 (09.2022)).

Responsibility of the Executive Board and the Supervisory Board for the ESEF documents

The Executive Board of the company is responsible for preparing the ESEF documents, including the electronic reproductions of the consolidated financial statements and the combined management report, in accordance with Section 328 (1) sentence 4, no. 1 HGB and for the marking up of the consolidated financial statements in accordance with Section 328 (1) sentence 4, no. 2 HGB.

In addition, the Executive Board of the company is responsible for the internal controls that it considers necessary in order to facilitate the preparation of ESEF documents that are free from material non-compliance with the requirements of Section 328 (1) HGB concerning the electronic reporting format, whether due to fraud or error.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the accounting process.

Responsibility of the Group statutory auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, with the requirements of Section 328 (1) HGB, whether due to fraud or error. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material non-compliance, with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- obtain an understanding of the internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls;
- evaluate the technical validity of the ESEF documents, i.e. whether the electronic file contained in the ESEF documents satisfies the requirements of Delegated Regulation (EU) 2019/815, in the version in force on the reporting date, concerning the technical specifications for this electronic file;
- evaluate whether the ESEF documents facilitate an identical XHTML reproduction of the audited consolidated financial statements and the audited combined management report; and
- assess whether the marking up of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, in the version in force on the reporting date, facilitates an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Further disclosures pursuant to Article 10 of the EU Audit Regulation

We were elected as the Group statutory auditor by the Annual General Meeting on 14 May 2024. We were engaged by the Chair of the Risk and Audit Committee of the Supervisory Board on 14 June 2024. We have served as the Group statutory auditor of Wüstenrot & Württembergische AG without interruption since the 2020 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Supervisory Board's Risk and Audit Committee in accordance with Article 11 of the EU Audit Regulation.

Other matter – Use of the audit report

Our audit report must always be read in conjunction with the audited consolidated financial statements and the audited combined management report, as well as with the audited ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the company register – are merely electronic reproductions of the audited consolidated financial statements and the audited combined management report and do not replace them. In particular, the ESEF audit report and our audit opinion contained therein may be used only in conjunction with the audited ESEF documents provided in electronic form.

Responsible public auditor

The public auditor responsible for the audit is Martin Gehringer.

Stuttgart, 24 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Wagner
Public auditor

Gehringer
Public auditor

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Wüstenrot & Württembergische AG Financial statements

Balance sheet as at 31 December 2024

Assets

in € thousand	see Note no.[1]	31.12.2024	31.12.2024	31.12.2024	31.12.2023
A. Capital investments					
I. Land, land-type rights and buildings, including buildings on third-party land	1		440,905		450,433
II. Investments in affiliated companies and participating interests	2				
1. Shares in affiliated companies		1,595,083			1,429,729
2. Loans to affiliated companies		564,000			556,000
3. Participating interests		14,264			20,342
			2,173,347		2,006,071
III. Other capital investments					
1. Shares, units or shares in investment funds and other variable-yield securities	3	963,876			938,618
2. Bearer bonds and other fixed-income securities		418,852			437,503
3. Other loans	4	184,863			221,477
4. Deposits with credit institutions	5	52,381			62,217
there of with affiliated companies €46,100 thousand (previous year: €52,600 thousand)					
5. Other capital investments		87			87
			1,620,059		1,659,902
IV. Deposits from reinsurance accepted			595		623
				4,234,906	4,117,029
B. Receivables					
I. Amounts receivable on reinsurance business			70,556		82,262
II. Other receivables	6		130,282		180,703
thereof due from affiliated companies €121,805 thousand (previous year: €174,668 thousand)					
				200,838	262,965
Carryover				**4,435,744**	**4,379,994**

1 See the respective number in the notes.

Assets

in € thousand	see Note no.	31.12.2024	31.12.2024	31.12.2024	31.12.2023
Carryover				**4,435,744**	**4,379,994**
C. Other assets					
I. Property, plant and equipment and inventories			4,587		3,899
II. Current accounts with banks, cheques and cash			24,566		40,181
				29,153	44,080
D. Accrued income and prepaid expenses					
I. Accrued interest and rent			11,143		9,745
II. Other accrued income and prepaid expenses	7		2,660		3,071
				13,803	12,816
E. Excess of plan assets over pension liabilities	8			972	593
Total assets				**4,479,672**	**4,437,483**

Equity and liabilities

in € thousand		see Note no.	31.12.2024	31.12.2024	31.12.2024	31.12.2023
A.	**Equity**					
I.	Share capital[1]	9	490,311			490,311
	thereof less accounting value of treasury shares		533			179
				489,778		490,132
II.	Capital reserve	10		992,255		993,202
III.	Retained earnings	11				
	Other revenue reserves		714,577			640,577
				714,577		640,577
IV.	Unappropriated surplus	12		79,758		79,870
					2,276,368	2,203,781
B.	**Subordinated liabilities**	13			**300,000**	**300,000**
C.	**Technical provisions**					
I.	Provision for unearned premiums					
	1. Gross amount		23,053			21,760
				23,053		21,760
II.	Provision for future policy benefits					
	1. Gross amount		14			13
				14		13
III.	Provision for outstanding insurance claims					
	1. Gross amount		644,259			678,964
	2. thereof less portion for ceded reinsurance business		225,157			260,354
				419,102		418,610
IV.	Claims equalisation reserve and similar provisions			74,901		76,790
V.	Other technical provisions					
	1. Gross amount		3,799			3,082
	2. thereof less portion for ceded reinsurance business		-2,259			-2,029
				6,058		5,111
					523,128	522,284
Carryover					**3,099,496**	**3,026,065**

1 Disclosures concerning authorised and contingent capital can be found in the notes.

Equity and liabilities

in € thousand	see Note no.	31.12.2024	31.12.2024	31.12.2024	31.12.2023
Carryover				**3,099,496**	**3,026,065**
D. Other provisions					
I. Provisions for pensions and similar obligations	14		1,173,196		1,178,555
II. Tax provisions			36,812		28,162
III. Miscellaneous provisions	15		17,270		17,823
				1,227,278	1,224,540
E. Deposits retained from ceded reinsurance business	16			**18,093**	**23,388**
F. Other liabilities					
I. Amounts payable on reinsurance business			24,146		12,291
thereof owed to affiliated companies €17,598 thousand (previous year: €3,977 thousand)					
II. Liabilities to credit institutions			35		35
III. Miscellaneous liabilities	17		110,624		151,164
thereof owed to affiliated companies €102,136 thousand (previous year: €144,932 thousand), thereof for taxes €2,256 (previous year: €745 thousand)					
				134,805	163,490
Total equity and liabilities				**4,479,672**	**4,437,483**

Income statement
for the period from 1 January to 31 December 2024

in € thousand				see Note no.	1.1.2024 to 31.12.2024	1.1.2024 to 31.12.2024	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
I.	**Technical account**							
1.	Earned premiums, net of reinsurance							
	(a)	Gross premiums written			601,082			581,599
	(b)	Premiums ceded to reinsurers			216,681			228,605
						384,401		352,994
	(c)	Change in provision for unearned premiums			-1,293			-3,581
						-1,293		-3,581
							383,108	349,413
2.	Income from technical interest, net of reinsurance			18			-538	-342
3.	Other technical income, net of reinsurance						445	411
4.	Claims expenses, net of reinsurance							
	(a)	Claims payments						
		(aa)	Gross amount		413,786			379,137
		(bb)	Reinsurers' portion		156,981			160,151
						256,805		218,986
	(b)	Change in the provision for outstanding insurance claims		19				
		(aa)	Gross amount		-35,034			63,500
		(bb)	Reinsurers' portion		-35,285			19,699
						251		43,801
							257,056	262,787
5.	Change in other net technical provisions							
	(a)	Net provision for future policy benefits				-1		-1
	(b)	Other net technical provisions				-947		-23
							-948	-24
6.	Expenses for insurance business, net of reinsurance			20				
	(a)	Gross expenses for insurance business				151,957		151,818
	(b)	thereof less received commissions and profit participations from insurance business ceded				31,295		40,449
							120,662	111,369
7.	Other technical expenses, net of reinsurance						2,632	2,363
8.	**Subtotal**						**1,717**	**-27,061**
9.	Change in the claims equalisation reserve and similar provisions						1,889	27,929
10.	Technical result, net of reinsurance						3,606	868
Carryover							**3,606**	**868**

in € thousand			see Note no.	1.1.2024 to 31.12.2024	1.1.2024 to 31.12.2024	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023
Carryover						**3,606**	**868**
II.	**Non-technical account**						
1.	Income from capital investments						
	(a)	Income from participating interests		64,217			63,707
		thereof from affiliated companies €63,627 thousand (previous year: €62,963 thousand)					
	(b)	Income from other capital investments	21	65,536			62,189
		thereof from affiliated companies €45,537 (previous year: €36,439 thousand)					
	(c)	Income from write-ups	22	4,705			20,073
	(d)	Gains from the disposal of capital investments	23	49,702			2,578
	e)	Income from profit pools, profit transfer agreements and partial profit transfer agreements		77,641			117,693
					261,801		266,240
2.	Capital investment expenses						
	(a)	Capital investment management expenses, interest expenses and other capital investment expenses		8,261			8,581
	(b)	Write-downs on capital investments	24	16,441			17,774
	(c)	Losses from the disposal of capital investments	25	5,197			893
	(d)	Cost of loss absorption		-			419
					29,899		27,667
					231,902		238,573
						231,902	238,573
3.	Other income		26		67,546		68,950
4.	Other expenses		27		129,776		135,662
						-62,230	-66,712
5.	Result from normal business operations					173,278	172,729
6.	Income taxes		28		38,505		41,684
7.	Other taxes				14		-692
						38,519	40,992
8.	**Net income for the year**					**134,759**	**131,737**
9.	Retained earnings carried forward from the previous year					999	133
10.	Allocation to retained earnings						
		Other revenue reserves				56,000	52,000
11.	**Unappropriated surplus**					**79,758**	**79,870**

Notes

Notes concerning the annual financial statements

Accounting policies: Assets

Wüstenrot & Württembergische AG draws up its annual financial statements and prepares its management report in accordance with the statutory requirements of the German Commercial Code (HGB), the German Stock Corporation Act (AktG), the German Act on the Supervision of Insurance Undertakings (VAG) and the German Regulation on the Accounting of Insurance Undertakings (RechVersV).

Land, land-type rights and buildings, including buildings on third-party land

Assets recognised under the item "Land, land-type rights and buildings" are measured at cost less scheduled straight-line depreciation or at fair value, whichever is lower.

Unscheduled write-downs are taken only in the event of expected permanent impairment, and the lower fair value is recognised (moderate lower-of-cost-or-market rule). If the reasons for a lower carrying amount no longer exist, the asset is written up to a maximum of its historical depreciated cost.

Shares in affiliated companies

Shares in affiliated companies are measured at cost. Pursuant to Section 341b (1) in conjunction with Section 253 (3) sentence 5 of the German Commercial Code (HGB), unscheduled write-downs to the lower fair value are taken only in the event of expected permanent impairment (moderate lower-of-cost-or-market rule). If the reasons for a lower carrying amount no longer exist, the asset is written up to a maximum of its historical cost.

Loans to affiliated companies

Recognised under the item "Loans to affiliated companies" are bearer bonds, registered bonds, promissory notes and loans. For recognition and measurement, please see the notes on the items below.

Participating interests

Participating interests are measured at cost. Pursuant to Section 341b (1) in conjunction with Section 253 (3) sentence 5 of the German Commercial Code (HGB), unscheduled write-downs to the lower fair value are taken only in the event of expected permanent impairment (moderate lower-of-cost-or-market rule). If the reasons for a lower carrying amount no longer exist, the asset is written up to a maximum of its historical cost.

Shares, units or shares in investment funds and other variable-yield securities

Pursuant to Section 341b (2) in conjunction with Section 253 (4) German Commercial Code (HGB), shares, units or shares in investment funds and other variable-yield securities are recognised at average cost less unscheduled write-downs in accordance with the strict lower-of-cost-or-market rule. If the reasons for a lower carrying amount no longer exist, the asset is written up to a maximum of its historical cost.

Securities under this item that are intended to support business operations in the long-term are recognised in accordance with the provisions of Section 341b (2) clause 2 of the German Commercial Code (HGB) in conjunction with Section 253 (3) sentence 5 HGB and measured at amortised cost or fair value, whichever is lower, in accordance with the moderate lower-of-cost-or-market rule. Unscheduled write-downs are taken only in the event of expected permanent impairment. As a rule, allocations to non-current assets are decided on a case-by-case basis. In the case of special funds held as non-current assets that have hidden liabilities, the valuation of the respective fund is based on a review of the underlying material individual securities. Fixed-income securities with only temporary hidden liabilities are generally measured at amortised cost, while shares and derivatives are measured at fair value. The higher of the current redemption price of the fund units and the fair value determined in the review is then written down. If the reasons for a lower carrying amount no longer exist, the asset is written up to a maximum of its historical cost.

Bearer bonds and other fixed-income securities

Pursuant to Section 341b (2) of the German Commercial Code (HGB) in conjunction with Section 253 (4) HGB, bearer bonds and other fixed-income securities are recognised at a security's average cost less unscheduled write-downs in accordance with the strict lower-of-cost-or-market rule and are measured taking into account the requirement to reverse impairment losses.

Securities under this item that are intended to support business operations on a long-term basis are recognised in accordance with the provisions of Section 341b (2) clause 2 of the German Commercial Code (HGB) in conjunction with Section 253 (3) sentence 5 German Commercial Code (HGB) and measured at cost or fair value, whichever is lower, in accordance with the moderate lower-of-cost-or-market rule.

Creditworthiness analyses are conducted to identify permanent impairments for issuers whose ratings have deteriorated by two or more notches or whose issues have hidden liabilities of 10.0% or more. To do this, permanence is assessed on the basis of standard applicability criteria relevant for the company or environment. Critical issuers are also handled by the Group Credit Committee. If the creditworthiness analyses reveal that it is no longer likely that the securities will be redeemed in accordance with the terms of their contracts, they are written down to the lower fair value.

Other loans

The item "Other loans" contains registered bonds, promissory notes and loans. These receivables are measured according to the rules applicable to non-current assets.

In departure from this, pursuant to Section 341c (1) German Commercial Code (HGB), registered bonds are recognised at their nominal value less repayments made. Premiums and discounts are spread on a straight-line basis over the term to maturity.

Pursuant to Section 341c (3) HGB, promissory notes and loans receivable are measured at amortised cost by spreading the difference between cost and the repayment amount over the residual maturity using the effective interest method.

Creditworthiness analyses are conducted for registered bonds, promissory notes and loans to identify permanent impairment for issuers whose ratings have deteriorated by two or more notches or whose issues have hidden liabilities of 10% or more. If the creditworthiness analyses reveal that it is no longer likely that the securities will be redeemed in accordance with the terms of their contracts, they are written down to the lower fair value. In addition, collective impairment allowances are created for registered bonds on a portfolio basis using empirical data from recent years.

Deposits with credit institutions

Deposits with credit institutions are recognised at their nominal amounts.

Other capital investments

Other capital investments are measured at cost.

Deposits from reinsurance accepted

Deposits from reinsurance accepted are recognised at nominal values.

Receivables

Amounts receivable on reinsurance business are recognised at nominal values. In addition, amounts receivable from reinsurance business include receivables that were measured using the default probability of the S&P rating model and for which collective impairments were taken.

We recognise the default risk of reinsurers by taking a collective impairment for amounts receivable on reinsurance business and by deducting on the liabilities side the part that relates to the reinsurers' portion of technical provisions for insurance claims.

Other receivables are measured at cost or in their nominal amounts. Individual and collective impairment provisions are recognised for discernible risks and deducted from the assets.

In the 2024 financial year, Württembergische Krankenversicherung AG and Allgemeine Rentenanstalt Pensionskasse AG joined the cash pool agreement from 2023 between Wüstenrot & Württembergische AG, Württembergische Versicherung AG and Württembergische Lebensversicherung AG. Under the agreement, Wüstenrot & Württembergische AG acts as the "cash pool leader", while Württembergische Versicherung AG, Württembergische Lebensversicherung AG, Württembergische Krankenversicherung AG and Allgemeine Rentenanstalt Pensionskasse AG act as "cash pool participants". The settlement balances from this contract are recognised as receivables.

Other assets

Property, plant and equipment are measured at cost less straight-line depreciation over their normal useful life. Assets with a net cost of up to €800 are depreciated in full in the year of acquisition.

Current accounts with banks, cheques and cash are recognised at the nominal amounts.

Other assets are recognised at nominal value or deducted from acquisition costs.

Accrued income and prepaid expenses

Accrued interest and rent are measured at the nominal amounts. The premiums included under “Other accrued income and prepaid expenses” were accrued and spread over the scheduled term as planned.

Excess of plan assets over pension liabilities

The excess of plan assets over pension liabilities relates to a surplus that results when reinsurance claims measured at fair value are offset against liabilities under phased-in early retirement agreements. Insolvency-proof reinsurance claims are measured in the amount of the coverage capital specified in the business plan, plus irrevocably committed profit participation, which, under compliance with the strict lower-of-cost-or-market rule, corresponds to amortised cost in accordance with Section 253 (4) of the German Commercial Code (HGB) and thus, in the absence of other measurement methods, to fair value within the meaning of Section 255 (4) sentence 4 HGB.

Deferred tax assets

No use was made of the option to recognise deferred tax assets on the basis of the tax relief resulting under Section 274 (1) sentence 2 of the German Commercial Code (HGB).

In accordance with Section 274 (3) HGB, differences arising from the German Minimum Tax Act (MinStG) or foreign minimum tax laws were not taken into account when recognising and measuring deferred taxes.

Derivatives

Forward exchange transactions were concluded to hedge foreign currency investments. They are measured using the discounted cash flow method. Provisions are created for contingent losses from these transactions.

Acquired option rights are measured at cost in the amount of the option premium less write-downs according to the strict lower-of-cost-or-market rule, taking into account the requirement to reverse impairment losses. Premiums for written options are recognised as miscellaneous liabilities for as long as the performance obligation from the option exists. Any impending excess liability resulting from writing options is accounted for by recognising provisions for expected losses.

Determination of fair value

The fair values of land, land rights and buildings are determined using the discounted cash flow method and are reviewed on an ongoing basis.

The W&W campus is measured using the net asset value method.

We base the fair value of capital investments in affiliated companies and participating interests on their capitalised earnings or on the fair value determined using the net asset value method, in some cases also on cost, the liquidation value or the proportional share of equity.

The fair value of alternative investment funds is generally determined on the basis of the pro rata net asset value, taking into account any interim capital updates, distributions and performance fees.

Interests or shares in investment assets are recognised at their most recently available redemption price.

Recognised as the fair value of other capital investments is the most recently available exchange price or a market value determined on the basis of recognised mathematical models that are customary on the market.

Currency translation

We generally measure capital investments denominated in foreign currency according to the rules of individual measurement in line with the lower-of-cost-or-market rule. They are subsequently measured at the ECB's average spot exchange rate.

Bank balances denominated in foreign currencies are measured at the ECB’s average spot exchange rate in effect on the reporting date.

Pursuant to Section 256a of the German Commercial Code (HGB), translation gains and losses are recognised in the income statement where the remaining terms are one year or less.

Exchange rate gains and losses from capital investments denominated in foreign currency are recognised under "Income from write-ups" and "Gains from the disposal of capital investments", while the corresponding losses are recognised under "Write-downs on capital investments" and "Losses from the disposal of capital investments".

Exchange rate gains and losses from current bank account balances denominated in foreign currency are recognised under "Other income" or "Other expenses", as the case may be.

Accounting policies: Equity and liabilities

Subordinated liabilities

Subordinated liabilities are recognised in the amount need to satisfy the obligation.

Technical provisions

Provision for unearned premiums
The provision for unearned premiums in assumed business is recognised in accordance with the information provided by the prior insurers and in compliance with supervisory rules.

Provision for future policy benefits
The provision for future policy benefits for casualty insurance policies that provide for premium refunds and for life insurance business is created in accordance with the information provided by the prior insurers.

Provision for outstanding insurance claims
Provisions for outstanding insurance claims for assumed business are calculated in accordance with the information provided by the prior insurers, in some cases as augmented by our own findings.

Claims equalisation reserve and similar provisions
The claims equalisation reserve was formed in accordance with the appendix to Section 29 RechVersV.

The provisions for nuclear installation risks and for major pharmaceutical risks arising under product liability insurance are created in accordance with Section 30 RechVersV.

Other technical provisions
Other technical provisions are created in accordance with the information provided by the prior insurers, in some cases as augmented by our own findings.

The reinsurers' portion of technical provisions is calculated in accordance with the contractual agreements.

Provisions for pensions and similar obligations

The provisions for pensions and similar obligations are calculated in accordance with actuarial principles. Pursuant to the German Accounting Law Modernisation Act (BilMoG), the amount needed to satisfy the obligation is determined using the projected unit credit method and recognised at the present value of the acquired pension entitlement. In determining these provisions, the following actuarial assumptions apply:

in %	31.12.2024	31.12.2023
Actuarial interest rate	1.90	1.83
Trend in pensions	2.00	2.00
Trend in salaries	3.00	3.00
Fluctuation: area of salaried employees	3.50	3.50
Fluctuation: area of individual contracts	1.00	1.00
Biometrics	Heubeck Mortality Tables 2018 G	Heubeck Mortality Tables 2018 G

Pursuant to Section 253 (2) sentence 1 of the German Commercial Code (HGB), the actual interest rate applied is the average market interest rate over the past ten years. The discount rates published by the Deutsche Bundesbank as at 31 October 2024 with a ten-year average interest rate were adjusted by updating the interest rate as at 31 October 2024 for the months of November and December 2024 and thus determining the interest rate as at 31 December 2024.

We elected to use the simplification rule under Section 253 (2) sentence 2 of the German Commercial Code (HGB). Where reinsurance policies exist, IDW accounting standard IDW RH FAB 1.021 was applied, using the actuarial reserve method and the primacy of equity and liabilities.

The pledged reinsurance policies are recognised at their fair value (cover assets) as part of the netting requirement in accordance with Section 246 (2) HGB. This is composed of the coverage capital plus irrevocable participation contracts.

Tax provisions and miscellaneous provisions

Miscellaneous provisions and tax provisions are recognised in the amount needed to satisfy the obligation. In accordance with Section 253 (1) sentence 2 of the German Commercial Code (HGB), provisions with a term of longer than one year are generally determined in the amount needed to satisfy the obligation, taking into account future price and cost increases. Price and cost increases are in line with the inflation rate and are taken into account over the respective term of the provision.

The rate used to discount miscellaneous provisions corresponds to the average rate of the past seven years published by the Deutsche Bundesbank pursuant to the German Regulation on the Discounting of Provisions (RückAbzinsV) for the respective assumed remaining term. Results from discounting and compounding, from changes in the discounting rate, and from the interest rate effects of a changed estimate of remaining term to maturity are recognised as interest income or interest expenses under "Other income" or "Other expenses", as the case may be.

Tax interest accrued as at the reporting date is recognised under "Miscellaneous provisions".

Tax provisions are recognised in the amount need to satisfy the obligation. If they are non-current, they are compounded at an interest rate of 6.0% p.a. for interest periods until 31 December 2018 in accordance with IDS RS HFA 34 pursuant to Section 233a of the German Fiscal Code (AO). For interest periods from 1 January 2019 onwards, the statutory interest rate was reset at 1.8% p.a. in 2022 in accordance with the case law of the German Federal Constitutional Court. Tax provisions were discounted using the Deutsche Bundesbank's discount rate based on the expected term.

Legal obligations under phased-in early retirement agreements in effect on the reporting date consist of a provision equalling the present value of future top-up benefits (salary and additional pension contributions), agreed compensation payments due to reduced pension claims and settlement arrears from work performed in advance by the employee after accounting for the employer's social security expenses. The provision is discounted in accordance with the specific maturities using the corresponding interest rates published by the Deutsche Bundesbank in accordance with the German Regulation on the Discounting of Provisions (RückAbzinsV). In addition, a salary trend of 3.66% p.a. is taken into account during measurement. Biometric factors are taken into account when calculating the provision via a flat-rate discount of 2.0%. In addition, pursuant to Section 285, no. 25 of the German Commercial Code (HGB) in conjunction with Section 246 (2) sentence 2 HGB, pledged reinsurance policies are taken into account at cost and netted as coverage assets against the phased-in early retirement commitments. The fair value consists of coverage capital plus irrevocably committed participation contracts.

The provisions due to the social security system and for anniversary bonuses were calculated in the amount need to satisfy the obligation in accordance with Section 253 (1) sentence 2 HGB using the Heubeck Mortality Tables 2018 G, interest rate 1.6%, with the projected unit credit method. Fluctuation and future salary increases are taken into account.

Deposits retained from ceded reinsurance business and other liabilities

Deposits retained from ceded reinsurance business and other liabilities are recognised in the amount needed to satisfy the obligation.

Other liabilities

Liabilities are recognised in the amount need to satisfy the obligation.

In the 2024 financial year, Württembergische Krankenversicherung AG and Allgemeine Rentenanstalt Pensionskasse AG joined the cash pool agreement from 2023 between Wüstenrot & Württembergische AG, Württembergische Versicherung AG and Württembergische Lebensversicherung AG. Under the agreement, Wüstenrot & Württembergische AG acts as the "cash pool leader", while Württembergische Versicherung AG, Württembergische Lebensversicherung AG, Württembergische Krankenversicherung AG and Allgemeine Rentenanstalt Pensionskasse AG act as "cash pool participants". The settlement balances from this contract are recognised as liabilities.

Currency translation

We translate items associated with foreign insurance business at the ECB's average spot exchange rate in effect on the reporting date. The corresponding income and expenses are recognised in the income statement at the relevant ECB average spot exchange rate in effect on the settlement date.

Currency translation gains and losses from underwriting are recognised in the general section of the income statement under "Other income" or "Other expenses", as the case may be.

Recording of income and expenses on an accrual basis

Active, non-Group reinsurance business is recorded in the following year, since the necessary accounting information from cedants for the current accounting year is not available at the time the financial statements are drawn up. Business assumed by affiliated companies is recognised in the reporting year.

Notes concerning assets

B. Capital investments

The change in capital investments is depicted in the notes under "Individual disclosures concerning assets".

I. Land, land-type rights and buildings, including buildings on third-party land (1)

As at the balance sheet date, our land holdings comprised three (previous year three) properties with a carrying amount of €440.9 million (previous year €450.4 million), of which the campus accounted for €434.4 million (previous year: €444.8 million).

No properties were sold in the reporting year.

The underlying useful lives for the properties are currently 40 years.

There are financial obligations totalling €324 thousand for preparatory activities for the development of the L site.

II. Capital investments in affiliated companies and participating interests (2)

Pursuant to Section 285, no.11 of the German Commercial Code (HGB) in conjunction with Section 271 (1) HGB, the disclosures concerning participating interests are set forth in the table "List of shareholdings". The list sets forth all companies in which W&W AG owns at least 5.0% of the interests.

III. Other capital investments

1. Shares, interests or shares in investment assets and other variable-yield securities (3)

Structure of the portfolio

in € thousand	31.12.2024	31.12.2023
Equities	1,174	744
Interests or shares in investment assets	962,702	937,874
Total	**963,876**	**938,618**

3. Other loans (4)

Structure of the portfolio

in € thousand	31.12.2024	31.12.2023
Registered bonds	62,464	82,446
Promissory notes and loans	122,399	139,031
Total	**184,863**	**221,477**

4. Deposits with credit institutions (5)

At the end of the reporting year, we had overnight and term deposits of €52.4 million (previous year: €62.2 million), of which €46.1 million (previous year: €52.6 million) was invested with affiliated companies.

Fair value of capital investments

Valuation reserves

in € thousand	Carrying amount 31.12.2024	Fair value 31.12.2024	Valuation reserves[1] 31.12.2024	Carrying amount 31.12.2023	Fair value 31.12.2023	Valuation reserves[1] 31.12.2023
Land, land-type rights and buildings, including buildings on third-party land	440,905	440,905	-	450,433	450,433	-
Shares in affiliated companies	1,595,083	3,492,047	1,896,964	1,429,729	3,458,879	2,029,150
Loans to affiliated companies	564,000	575,506	11,506	556,000	557,819	1,819
Participating interests	14,264	16,516	2,252	20,342	45,321	24,979
Shares, units or shares in investment funds and other variable-yield securities	963,876	1,031,453	67,577	938,618	1,001,088	62,470
Bearer bonds and other fixed-income securities	418,852	336,735	-82,117	437,503	352,619	-84,884
Other loans						
Registered bonds	62,464	60,585	-1,879	82,446	80,337	-2,109
Promissory notes and loans	122,399	117,885	-4,514	139,031	131,592	-7,439
Deposits with credit institutions	52,381	52,384	3	62,217	62,216	-1
Other capital investments	87	87	-	87	87	-
Deposits from reinsurance accepted	595	596	1	623	623	-
Total	**4,234,906**	**6,124,699**	**1,889,793**	**4,117,029**	**6,141,014**	**2,023,985**
Carrying amount of all capital investments, in %			**44.62**			**49.16**

1 Net perspective, balance of valuation reserves and hidden liabilities

The figures provided above include the following amounts for securities serving a long-term investment: in € thousand	Carrying amount 31.12.2024	Fair value 31.12.2024	Valuation reserves[1] 31.12.2024	Carrying amount 31.12.2023	Fair value 31.12.2023	Valuation reserves 31.12.2023
Shares, units or shares in investment funds and other variable-yield securities	2,433	2,433	-	1,932	2,066	134
Bearer bonds and other fixed-income securities	390,988	308,864	-82,124	410,226	325,282	-84,944
Total	**393,421**	**311,297**	**-82,124**	**412,158**	**327,348**	**-84,810**

1 Net perspective, balance of valuation reserves and hidden liabilities

Section 285, no. 18 of the German Commercial Code (HGB) – disclosures concerning capital investments recognised at greater than fair value

Loans to affiliated companies with a carrying amount of €61,000.0 thousand were not amortised in the amount of €3,748.5 thousand, as these are temporary impairments that are interest-induced.

Write-downs of €82,203.4 thousand were avoided for bearer bonds totalling €388,140.3 thousand, as this is only expected to be a temporary impairment due to the issuer's credit rating and is only interest-induced. The securities are held on a long-term basis to ensure redemption at nominal value.

The market values of other loans (registered bonds and promissory note loans) are €7,002.7 thousand below the carrying amount of €184,863.1 thousand. They were not written down because the impairment is merely induced by interest rates and is expected to be only temporary due to the issuer rating. Interest and principal payments are expected be made as scheduled.

Disclosures pursuant to Section 285, no. 19 of the German Commercial Code (HGB) concerning derivative instruments not recognised at fair value

Derivative financial instrument/grouping	Type	Nominal	Fair value	Measurement method applied	Carrying amount and item[1]
		in € thousand	in € thousand		in € thousand
Share/index-related transactions	Option OTC	51	1,070	Option price model	709
Currency-related transactions	Forward exchange transactions	74,118	-39	Discounted cash flow method	-95

1 Derivatives are pending transactions that are not recognised in the balance sheet. An exception to this are paid option premiums. Negative items correspond to the loss provision created.

This table focuses on derivatives whose carrying amount does not correspond to fair value on the reporting date. Derivatives have to do with transactions to be settled in the future, whose value is based on the change in the value of an underlying asset pursuant to the agreed contractual terms. Normally, there are no or only minor acquisition costs for these.

If on the reporting date the carrying amount of a derivative corresponds to fair value, it is nevertheless taken into account in the table if the recognised value is based on the imparity principle or results from the creation of a loss provision.

Disclosures pursuant to Section 285, no. 26 of the German Commercial Code (HGB) concerning shares, units or shares in investment funds

Fund name	Investment objective	Certificate value pursuant to Section 36 InvG	Carrying amount	Difference vs. carrying amount	Distribution made for the financial year
		in € thousand	in € thousand	in € thousand	in € thousand
LBBW AM-76	Mixed fund (equities share of up to 70%)	340,400	320,034	20,366	0
LBBW AM-EMB3	Bond fund	114,795	108,004	6,791	0
LBBW AM-W&W AG Corporate Bonds	Bond fund	91,084	84,500	6,583	0
LBBW AM-USD CORP.BD FDS 3	Bond fund	48,832	48,832	0	2,095
W&W Flexible Point & Figure	Mixed fund (equities share of up to 70%)	40,448	40,448	-	-
LBBW AM-US Municipals 2	Bond fund	26,787	26,787	-	1,110
W&W Flexible Premium II Fund B	Mixed fund (equities share of up to 70%)	16,770	16,770	-	-
Do-RM Special Situations Total Return	Mixed fund (equities share of up to 70%)	4,708	4,708	-	-
Total		**683,824**	**650,083**	**33,740**	**3,205**

None of the funds has any restrictions on daily redemptions or on the three-month notice period for calling the redemption of all units.

C. Receivables

II. Other receivables (6)

in € thousand	31.12.2024	31.12.2023
Receivables from clearing transactions with affiliated companies and companies in which a participating interest is held	34,937	48,297
Receivables under profit and loss transfer agreements	77,641	117,693
Receivables from the tax office	8,268	4,187
Assets that have been pledged, deposited or assigned for the purposes of security[1]	9,226	8,678
Miscellaneous other receivables	208	1,849
Total	**130,282**	**180,703**

1 Thereof reinsurance policies with affiliated companies for insolvency protection of pension obligations €9,226.1 thousand (previous year: €8,677.9 thousand).

E. Accrued income and prepaid expenses

II. Other accrued income and prepaid expenses (7)

This item includes a discount in the amount of €2,246 thousand (previous year: €2,380.8 thousand) from subordinated liabilities and a premium from the purchase of registered bonds in the amount of €52.4 thousand (previous year: €409.1 thousand).

F. Excess of plan assets over pension liabilities (8)

Assets that serve to cover liabilities under pension obligations or similar long-term obligations and that are inaccessible to all other creditors are required to be netted against the provisions for such obligations. If, in the process, the fair value of such assets exceeds the carrying amount of the provisions, the item "Excess of plan assets over pension liabilities" is to be created on the assets side of the balance sheet. The netting in accordance with Section 246 (2) sentence 3 HGB of claims from pension liability insurance policies of €3.2 million (previous year: €3.0 million) with the portions of the phase-in early retirement provisions used outstanding settlement amounts of €2.2 million (previous year: €2.4 million) yields an excess of plan assets over pension liabilities of €1.0 million (previous year: €0.6 million). A ban on distributions pursuant to Section 268 (8) sentence 3 of the German Commercial Code (HGB) does not apply because the fair value of the pension liability insurance policies equals amortised cost.

Notes concerning equity and liabilities

A. Equity

Employee share ownership programme

An employee share ownership programme was conducted in the first half-year 2024. It enabled all eligible employees of companies in the W&W Group to acquire up to 40 shares (previous year: 40 shares) at a price of €8.48 (previous year: €11.28) per share, which represented a discount of €5.00 (previous year: €5.00) per share. Employees are required to hold these shares for at least three years (previous year: three years) (vesting period). The purchase price was established based on the XETRA closing price on 25 March 2024.

In addition to the issue of 34,335 treasury shares, further 150,000 shares were bought back on the market for the programme. Employees acquired a total of 82,136 (previous year: 85,035) at the purchase price. This corresponds to an amount of €0.4 million or 0.09% of the relevant share capital. At the end of the programme, 320 shares were returned to the market. As at 31 December 2024, W&W AG therefore still held 101,879 (previous year: 34,335) treasury shares, which account for €532,827.17 of the share capital (0.11%). These shares are to be used for further employee share programmes.

Change in the number of shares outstanding

	2024	2023
As at 1.1.	**93,715,385**	**93,715,088**
Repurchase for employee share ownership programme	-150,000	-84,898
Issuance to employees	82,136	85,035
Sale on the stock exchange	320	160
As at 31.12.	**93,647,841**	**93,715,385**

I. Share capital (9)

According to the Articles of Association, the share capital remains unchanged at €490.3 million and is divided into 93,749,720 no-par value registered shares, each with a notional value of €5.23 of the share capital. Of these, 101,879 shares (€0.5 million) are treasury shares. These were acquired as part of the implementation of the employee share programme. This results in share capital totalling €489.8 million on the balance sheet.

In legal terms, these are ordinary shares.

This means that they carry voting and dividend rights, a right to share in liquidation proceeds and subscription rights. There are no preferential rights or restrictions.

Share capital

	in € thousand
As at 31.12.2023	**490,132**
Purchase of 150,000 treasury shares (average purchase price: €13.34)	-785
Sale to employees: 82,136 treasury shares (average sellling price: €8.48)	429
Sale on the stock exchange: 320 treasury shares (average selling price: €13.27)	2
As at 31.12.2024	**489,778**

II. Capital reserve (10)

As at the balance sheet date, the capital reserve totalled €992.3 million (previous year: €993.2 million) and relates to the premium from the capital contribution of €271.9 million (previous year: €271.9 million) and other additional payments of €725.9 million (previous year: €725.9 million), less €5.5 million (previous year: €4.6 million) as the balance of the differences between the calculated value and the multi-year difference between the acquisition costs and the proceeds from the sale of treasury shares, which were recognised in the capital reserve.

Capital reserve

	in € thousand
As at 31.12.2023	**993,202**
Purchase of 150,000 treasury shares (average purchase price: €13.34)	-1,216
Sale to employees: 82,136 treasury shares (average sellling price: €8.48)	267
Sale on the stock exchange: 320 treasury shares (average selling price: €13.27)	2
As at 31.12.2024	**992,255**

III. Retained earnings (11)

Retained earnings

	in € thousand
As at 31/12/2023	**640,577**
Allocation by the Annual General Meeting from the 2023 unappropriated surplus	18,000
Allocation from the 2024 net profit	56,000
As at 31.12.2024	**714,577**

IV. Unappropriated surplus (12)

The unappropriate surplus amounted to €79.8 million (previous year: €79.9 million). This includes profit carried forward from the previous year of €1.0 million (previous year: €0.1 million).

Proposal for the appropriation of the unappropriated surplus

The unappropriated surplus amounts to €79,758,250.79 We propose that it be appropriated as follows:

in €	31.12.2024
Dividend of €0.65 per share	60,871,096.65
Allocation to other revenue reserves	18,000,000.00
Carry forward to new account	887,154.14
Total	**79,758,250.79**

The proposal for the appropriation of profit takes into account the 101,879 treasury shares held directly by the company on 31 December 2024, which are not entitled to dividends in accordance with Section 71b of the German Stock Corporation Act (AktG). The number of shares entitled to receive dividends may change by the time of the Annual General Meeting. In such case, a correspondingly modified proposal for the appropriation of profit will be submitted to the Annual General Meeting for adoption that provides for keeping the distribution unchanged at €0.65 per share entitled to receive dividends while adjusting the amounts for the total distributed amount and for retained earnings.

B. Subordinated liabilities (13)

In September 2021, W&W AG issued a subordinated bond with a volume of €300.0 million and a term of 20 years. The issue price stood at 99.103%. The interest rate for the subordinated bond is 2.125% for the first ten years, after which the bond bears variable interest.

D. Other provisions

I. Provisions for pensions and similar obligations (14)

In addition to the pension provisions for Wüstenrot & Württembergische AG and employees of the former Württembergische Feuerversicherung AG and Gemeinschaft der Freunde Wüstenrot GmbH, the pension provisions for eight (previous year: eight) subsidiaries are recognised here. Wüstenrot & Württembergische AG assumed joint liability for the pension commitments of these subsidiaries in exchange for a one-time compensation payment in the amount of the former partial value, and it made an internal agreement with the subsidiaries to meet these pension obligations. The income and expenses from the change in these pension obligations are settled annually in cash with the subsidiaries. As at the balance sheet date, pension provisions totalled €1,173.2 million (previous year: €1,178.6 million). This amount includes the netting of the asset value from reinsurance policies of €4.9 million (previous year: €4.7 million).

III. Other provisions (15)

in € thousand	31.12.2024	31.12.2023
Phased-in early retirement	1,121	1,246
Expenses for the annual financial statements	1,752	1,558
Holiday obligations and flexi-time credits	2,653	2,767
Bonuses and performance incentives	3,770	5,173
Outstanding trade payables relating to land ownership	4,769	3,466
Expenses for deferred maintenance	161	243
Employee long-service obligations	224	225
Legal risks	451	693
Interest expense under Section 233a of the German Fiscal Code (AO)	1,217	1,043
Provision for sureties	305	334
Contributions to the employers' liability insurance scheme, compensatory levy for disabled persons, etc.	752	1,074
Derivatives	95	1
Total	**17,270**	**17,823**

"Miscellaneous provisions" also include benefits for phased-in early retirement. This item contains the portion of the provision that is not "out-financed" in an insolvency-proof manner through reinsurance. Pledged reinsurance policies for the credit balance under phased-in early retirement agreements, which are inaccessible to all other creditors and serve solely to satisfy these phased-in early retirement obligations, are netted with these. Income and expenses from discounting and from the assets to be offset are handled in an analogous manner. Pledged reinsurance policies are taken into account at their fair value. This is composed of the coverage capital plus irrevocable participation contracts.

As at 31 December, the item "Benefits for phased-in early retirement" was as follows:

in € thousand	31.12.2024	31.12.2023
Amount needed to satisfy vested claims	3,299	3,651
Thereof capable of netting with reinsurance	2,178	2,405
Recognition	**1,121**	**1,246**

D. Deposits retained from ceded reinsurance business (16)

Retained deposits have an indefinite term. Depending on individual trends in claims and the conditions on the capital market, the term may be longer than five years.

F. Other liabilities

II. Miscellaneous liabilities (17)

in € thousand	31.12.2024	31.12.2023
Loans taken out from affiliated companies	99,500	81,750
Liabilities under profit and loss transfer agreements	-	420
Interest accrual subordinated bond	1,974	1,968
Trade payables	822	957
Liabilities from clearing transactions with affiliated companies	1,198	61,598
Taxes	2,256	745
Other miscellaneous liabilities	4,874	3,727
Total	**110,624**	**151,165**

There were no liabilities with a remaining term of more than five years .

Notes concerning the income statement

I. Technical account

2. Technical interest income, net of reinsurance (18)

Recognised here pursuant to Section 38 of the German Regulation on the Accounting of Insurance Undertakings (RechVersV) is interest on actuarial provisions after deduction of the reinsurers' portion. It also includes interest on the provision for future policy benefits for assumed reinsurance in life insurance business.

4. Claims expenses, net of reinsurance

b) Change in the provision for outstanding insurance claims (19)
Running off the provision for outstanding insurance claims carried over from the previous financial year resulted in net gains totalling €23.2 million (previous year: €8.7 million). The gains are mainly attributable to the motor (€19.1 million), other insurance (€6.0 million) and liability (€3.9 million) lines. Run-off losses were mainly incurred in the other property insurance (€4.5 million) and fire (€1.3 million) lines.

6. Operating expenses, net of reinsurance (20)

Gross operating expenses totalled €152.0 million (previous year: €151.8million), which includes €151.5 million (previous year: €151.3million) in profit shares and commissions and €0.4 million (previous year: €0.5million) in administrative expenses.

II. Non-technical account

1. Income from capital investments

b) Income from other capital investments (21)

in € thousand	2024	2023
Land, land-type rights and buildings, including buildings on third-party land	15,657	15,931
Other capital investments	49,879	46,258
Total	**65,536**	**62,189**

c) Income from write-ups (22)
Income from write-ups includes exchange rate gains of €431.5 thousand (previous year: €48.9 thousand). The break-down of this item is shown in the notes under "Individual disclosures concerning assets".

d) Gains from the disposal of capital investments (23)

in € thousand	2024	2023
Land, land-type rights and buildings, including buildings on third-party land	-	816
Participating interests	26,495	443
Thereof realised exchange rate gains €104.2 thousand (previous year: €0 thousand)		
Shares, units or shares in investment funds and other variable-yield securities	22,732	461
Thereof realised exchange rate gains €404.9 thousand (previous year: €2,016.8 thousand)		
Bearer bonds and other fixed-income securities	320	428
Thereof realised exchange rate gains €369.4 thousand (previous year: €1.9 thousand)		
Deposits with credit institutions	155	3
Thereof realised exchange rate gains €2.8 thousand (previous year: €87.6 thousand)		
Other capital investments	-	427
Total	**49,702**	**2,578**

2. Capital investment expenses

b) Write-downs on capital investments (24)

The item includes unscheduled write-downs that were taken in accordance with Section 253 (3) sentences 5 and 6 and (4) of the German Commercial Code (HGB) in conjunction with Section 277 (3) sentence HGB. They can be broken down as follows:

in € thousand	2024	2023
Shares, units or shares in investment funds and other variable-yield securities	4,654	1,113
Bearer bonds and other fixed-income securities	246	1
Thereof exchange rate losses €0.0 thousand (previous year: €1.0 thousand)		
Other loans	-	32
Deposits with credit institutions	-	197
Thereof exchange rate losses €0.0 thousand (previous year: €196.6 thousand)		
Total	**4,900**	**1,343**

In the case of securities and units or shares in investment funds, €232.5 thousand are allocated to balance sheet items that are measured like non-current assets. In the case of securities and units or shares in investment funds, €4,668.4 thousand are allocated to balance sheet items that are measured like current assets.

c) Losses from the disposal of capital investments (25)

in € thousand	2024	2023
Participating interests	4,026	90
Thereof exchange rate losses €692.9 thousand (previous year: €90.0 thousand)		
Shares, units or shares in investment funds and other variable-yield securities	1,168	607
Thereof exchange rate losses €0.0 thousand (previous year: €36.9 thousand)		
Bearer bonds and other fixed-income securities	3	5
Thereof exchange rate losses €2.9 thousand (previous year: €4.5 thousand)		
Deposits with credit institutions	-	191
Thereof exchange rate losses €0.0 thousand (previous year: €191.2 thousand)		
Total	**5,197**	**893**

3. Other income (26)

This position includes the following material items:

in € thousand	2024	2023
Income from services provided to affiliated companies	62,841	61,523
Interest income from taxes	59	721
Income from pension schemes and phased-in early retirement	1,068	1,517
Exchange rate gains	760	710
Thereof realised exchange rate gains of €157 thousand (previous year: €355 thousand)		
Release of other provisions	571	546
Total	**65,299**	**65,017**

4. Other expenses (27)

This position includes the following material items:

in € thousand	2024	2023
General administrative expenses	104,456	112,152
thereof: Expenses of affiliated companies for services	62,841	61,523
Interest expenses	23,399	21,206
thereof: interest due on credit accounts resulting from the assumption of joint liability for pension commitments	9,959	8,876
thereof: interest expenses for pension provisions	1,845	2,423
thereof: Interest expense from issued subordinated capital	6,515	6,504
thereof: interest expenses from the compounding of provisions	33	21
Pension scheme expenses	1,284	1,570
Currency expenses	576	569
Total	**129,715**	**135,497**

Expenses relating to phased-in early retirement agreements from the compounding of interest of €19.7 thousand (previous year: €11.2 thousand) and income from the discounting of assets to be offset in the amount of €78.4 thousand (previous year: €57.1 thousand) were netted against each other in accordance with Section 246 (2) sentence 2 HGB. Expenses were also recognised from the compounding of the pension provision of €1,845.0 thousand (previous year: €2,423.0 thousand) and income from the discounting of asset values from reinsurance policies in the amount of €121.7 thousand (previous year: €100.5 thousand) were offset against each other in accordance with Section 246 (2) sentence 2 HGB.

7. Income taxes (28)

Taxes on income and earnings totalled €38.5 million in the financial year (previous year: €41.7 million). The slight reduction in tax expenses is due to slightly higher tax relief effects.

Deferred tax assets and deferred tax liabilities resulted from the carrying amounts for land, land-type rights and buildings, which differ from one another under commercial law and tax law accounting rules, and from shares, interests or shares in investment assets and other variable-yield securities, the provision for outstanding insurance claims and provisions for pensions. Deferred taxes were calculated using a tax rate of 29.86%. Expected future tax charges and tax relief are netted when calculating the tax amounts to be deferred. We made use of the option provided in Section 274 (1) sentence 2 of the German Commercial Code (HGB) not to recognise deferred tax assets that exceed the netted amount in the balance sheet.

The taxes on income recognised in the annual financial statements include €0.0 million (previous year: €0.0 million) in taxes in connection with the Minimum Tax Act and foreign minimum tax laws.

Other mandatory disclosures

Mandates

Memberships on supervisory boards required to be created by statute, as well as on comparable domestic and foreign control bodies (disclosures pursuant to Section 285, no. 10 of the German Commercial Code (HGB)):

a) Group mandates on domestic supervisory boards required to be created by law
b) Third-party mandates on domestic supervisory boards required to be created by law
c) Mandates on comparable control bodies

Members of the Supervisory Board of W&W AG

Dr Michael Gutjahr, Chair
Former Member of the Executive Boards of
Wüstenrot & Württembergische AG
Wüstenrot Bausparkasse AG
Württembergische Versicherung AG
Württembergische Lebensversicherung AG

Frank Weber, Deputy Chair[1]
Chair of the Works Council
Württembergische Versicherung AG/Württembergische Lebensversicherung AG,
Karlsruhe location
Chair of the Group Works Council
a) Württembergische Lebensversicherung AG, Kornwestheim

Hartmut Bader[1]
(from 14 May 2024) Chair of the Works Council
Württembergische Versicherung AG/Württembergische Lebensversicherung AG,
Kornwestheim head office
Chair of the General Works Council Württembergische Versicherung AG/Württembergische Lebensversicherung AG
a) Württembergische Versicherung AG, Kornwestheim

Jutta Eberle [1]
Insurance employee
Württembergische Versicherung AG

Dr Frank Ellenbürger
Auditor and tax advisor
a) Wüstenrot Bausparkasse AG, Kornwestheim b) LVM Lebensversicherungs-AG, Münster (from 23 April 2024)
MS Reinsurance (MS Amlin AG), Zurich (from 24 April 2024)

Prof. Dr Nadine Gatzert
Chair of Insurance Economics and Risk Management
Friedrich Alexander University Erlangen/Nuremberg
b) Nürnberger Beteiligungs-AG, Nuremberg
Nürnberger Lebensversicherung AG, Nuremberg

Dr Reiner Hagemann
(until 14 May 2024)
Former Chair of the Executive Board
Allianz Versicherungs-AG
Former member of the Executive Board
Allianz AG

Jochen Höpken[1]
(until 14 May 2024)
Department Secretary
Vereinte Dienstleistungsgewerkschaft ver.di

Ute Kinzinger[1]
(until 14 May 2024)
Chair of the Works Council
W&W Informatik GmbH
a) W&W Informatik GmbH, Kornwestheim, Deputy Chair

Corinna Linner
(until 14 May 2024)
Linner Wirtschaftsprüfung
b) Donner & Reuschel AG, Munich/Hamburg
SIGNAL IDUNA Bauspar AG, Hamburg

Bernd Mader[1]
Head of Customer Service - Cross-functional Operations
Württembergische Versicherung AG

Andreas Rothbauer[1]
Chair of the Central Works Council
Wüstenrot Bausparkasse AG
a) Wüstenrot Bausparkasse AG, Kornwestheim

Petra Sadowski[1]
(from 14 May 2024)
Trade union secretary, Dienstleistungsgewerkschaft ver.di, Stuttgart district
a) Württembergische Versicherung AG, Kornwestheim

Dr Wolfgang Salzberger
Chief Financial Officer (CFO) and member of the
Management ATON GmbH
b) Ziehm Imaging GmbH, Nuremberg (from 1 May 2024)

Christoph Seeger[1]
(until 14 May 2024)
Chair of the Works Council
Wüstenrot Bausparkasse AG, Kornwestheim location
a) Wüstenrot Bausparkasse AG, Kornwestheim

Jutta Stöcker
Former member of the Executive Board
RheinLand Versicherungsgruppe
b) RheinLand Versicherungs AG, Neuss
RheinLand Holding AG, Neuss

Susanne Ulshöfer[1]
(until 14 May 2024) Deputy Chair of the Works Council
Wüstenrot Bausparkasse AG, Kornwestheim location
a) Wüstenrot Bausparkasse AG, Kornwestheim

Edith Weymayr
Chair of the Executive Board
Landeskreditbank Baden-Württemberg - Förderbank (L-Bank)
c) Baden-Württemberg International - Gesellschaft für internationale
wirtschaftliche und wissenschaftliche Zusammenarbeit mbH (bw-i), Stuttgart

1 Employee representatives.

Members of the Executive Board of W&W AG

Jürgen A. Junker, Chairman
Group Legal, Group Audit, communication, Group development (strategy, M&A, strategic brand management & corporate identity, customer data) and business organisation, Group personnel, data, processes and AI

a) Württembergische Lebensversicherung AG, Kornwestheim, Chairman
Württembergische Versicherung AG, Kornwestheim, Chair
Württembergische Krankenversicherung AG, Kornwestheim, Chairman (from 1 July 2024)
Wüstenrot Bausparkasse AG, Kornwestheim, Chairman

Alexander Mayer
Group accounting, financial services, risk management, compliance (money laundering/securities compliance), Group controlling/cost controlling, retained organisation

b) BF.direkt AG, Stuttgart, Deputy Chairman of the Supervisory Board
c) BWK GmbH Unternehmensbeteiligungsgesellschaft, Stuttgart, Deputy Chairman of the Supervisory Board

Jürgen Steffan
(until 30 June 2024)
Risk management and compliance (money laundering/securities compliance), Group controlling, cost controlling, Group personnel

a) Württembergische Krankenversicherung AG, Kornwestheim, Deputy Chairman (until 30 June 2024)
W&W Informatik GmbH, Kornwestheim, Chairman (until 30 June 2024)
b) V-Bank AG, Munich, Chairman
EUWAX AG, Stuttgart
c) Vereinigung Baden-Württembergische Wertpapierbörse e.V., Stuttgart, Deputy Chairman of the Executive Committee

Jens Wieland
Financial management/asset allocation, enterprise IT management, customer data protection and operational security

Supplementary disclosures

Contingent liabilities and other financial obligations

As a member of the pharmaceutical reinsurance pool, we are obliged to assume the benefit obligation of one of the other pool members in the event of its default within the scope of our pro rata share of 1.41%. The pool currently has a total volume of €106.7 million. No provision was recognised for this contingent liability because the company is not expected to be called upon or charged, as we do not doubt the creditworthiness of the current pool members known by name.

By way of a release and hold harmless agreement dated 20 October 1993, Württembergische Versicherung AG assumed the risk under the contract executed by W&W AG via a London broker. Accordingly, Württembergische Versicherung AG recognised provisions for outstanding insurance claims in the amount of €23.3 million. Vis-à-vis third parties, W&W AG is liable for these obligations. From today's perspective, Württembergische Versicherung AG has sufficient reserves. As a result, liability on the part of W&W AG currently appears unlikely. Based on the creditworthiness assessment of the debtor, a drawdown is not expected.

Wüstenrot Bausparkasse AG secures loans granted to W&W AG for housing purposes that are not secured in rem. W&W AG provided a guaranty on behalf of Wüstenrot Bausparkasse AG for the loan obligations under the loans that existed at the time of contract conclusion. The guaranty will be reduced in step with loan repayments. As at the reporting date, the guaranty amounted to €8.2 million, taking into account the provision in the amount of €0.3 million that was created for loan guaranties. Based on the creditworthiness assessment by Wüstenrot Bausparkasse AG about the borrowers, a further drawdown is not expected.

In connection with an agreement concerning the takeover of staff that was concluded between W&W Service GmbH and WISAG Facility Management Süd-West GmbH & Co. KG, W&W AG provided WISAG Facility Management Süd-West GmbH & Co. KG with an unconditional, open-ended, directly enforceable guaranty, up to a total amount of €10.0 million. This guaranty constitutes surety for the fulfilment of all current and future financial liabilities of W&W Service GmbH under that agreement. Based on the creditworthiness assessment of the debtor, a drawdown under the guaranty is not expected.

In an agreement dated 16 June 2023, W&W AG issued a guarantee promise for WWS GmbH in favour of Holman Leasing Germany GmbH in the event that the profit and loss transfer agreement between W&W AG and WWS GmbH is terminated or WWS GmbH is dissolved or becomes insolvent.

As at the balance sheet date, the outstanding payment obligations for equity and fund investments received totalled €58.5 million.

As at the balance sheet date, W&W AG had financial obligations from the contracts concluded for the first and second construction phases of the new W&W Campus project totalling around €0.3 million.

As a result of existing control and profit-and-loss transfer agreements, we expect compensatory payments in the amount of €1.1 million over the next three years for losses incurred by start-ups. Profits are expected in the intermediate term.

Expenses of €33.0 million are expected for intragroup services in the coming financial year.

Pursuant to Section 253 (2) sentence 1 of the German Commercial Code (HGB), the actual interest rate applied is the average market interest rate over the past 10 years. The discount rates published by the Deutsche Bundesbank as at 31 October 2024 with a 10-year average interest rate were adjusted by extrapolating the interest rate as at 31 October 2024 for the months of November and December 2024 and thus determining the interest rate as at 31 December 2024. The difference between the valuation of the provision for pensions and similar obligations using the 10-year average interest rate and the 7-year average interest rate in accordance with Section 253 (6) HGB amounts to -€0.9 million. Where reinsurance policies exist, IDW accounting note IDW RH FAB 1.021 was applied to the measurement of pension provisions, using the coverage capital procedure and “liability primacy” principle.

If the difference is negative, the amount blocked from distribution must be maximised to 0.

To the best of our current knowledge, we also believe going forward that the risk of a claim under the aforementioned contingent liabilities, as in the past, will not lead to any additional expense for the company.

Authorised capital

In accordance with Article 5 (5) of the Articles of Association of W&W AG, the Executive Board is authorised until 13 May 2029 to increase the company's share capital with the approval of the Supervisory Board by issuing new no-par value registered shares against cash and/or non-cash contributions on one or more occasions, but by no more than €100.0 million in total. Shareholders are entitled to a statutory subscription right.

Contingent capital

By resolution of the Annual General Meeting on 14 May 2024, the Executive Board was authorised until 13 May 2029 to issue bonds with warrants, convertible bonds, profit participation rights, income bonds or a combination of these instruments. Article 5 (6) of the Articles of Association accordingly stipulates that the share capital of W&W AG is conditionally increased by up to a nominal amount of €240,000,003.46, divided into up to 45,889,102 no-par value registered shares.

Corporate Governance Code

The Management Board and Supervisory Board of our company have issued the declaration of conformity with the German Corporate Governance Code in accordance with Section 161 of the German Stock Corporation Act (AktG) and made it permanentlyavailable to shareholders on the W&W Group's website at www.ww-ag.com/en → Investor Relations → Publications → Further publications. It can also be found in the corporate governance statement in the management report.

Related party disclosures

Transactions with related parties are concluded at arm's length terms and conditions.

The control and profit-and-loss transfer agreements concluded with Württembergische Versicherung AG, W&W Informatik GmbH, W&W Asset Management GmbH, W&W Service GmbH and W&W brandpool GmbH remain in place.

Group affiliation

Wüstenrot & Württembergische AG, Kornwestheim, is the parent company of the W&W Group. The consolidated financial statements of the W&W Group are published in the German Federal Gazette (Bundesanzeiger).

The company has received the following notifications pursuant to Section 33 (1) of the German Securities Trading Act (WpHG):

Company name	Registered office	Exceeds/falls below	Reporting threshold	Date	Share of voting rights	Number of votes	Attribution pursuant to Section 22 WpHG
Wüstenrot Stiftung Gemeinschaft der Freunde Deutscher Eigenheimverein e.V. (attribution via Wüstenrot Holding AG, Ludwigsburg)	Ludwigsburg, Stuttgart	Falls below	50%	17.8.2016	39.91%	37,417,638	Section 22 (1) sentence 1, no. 1 WpHG
Wüstenrot Stiftung Gemeinschaft der Freunde Deutscher Eigenheimverein e.V. (attribution via WS Holding AG, Stuttgart)	Ludwigsburg, Stuttgart	Exceeds	25%	17.8.2016	26.40%	24,750,000	Section 22 (1) sentence 1, no. 1 WpHG
Dr Lutz Helmig (attribution via FS BW Holding GmbH)	Hallbergmoos, Germany	Exceeds	10%	11.12.2013	10.62%	9,960,674	Section 22 (1) sentence 1, no. 1 WpHG

Legal framework

Wüstenrot & Württembergische Aktiengesellschaft maintains its registered office in Stuttgart and is recorded in the Commercial Register of the Local Court of Stuttgart under Number HRB 20203.

Subsequent events

No events of special significance to the net assets, financial position and financial performance of Wüstenrot & Württembergische AG occurred between the end of the financial year and the preparation of the annual financial statements,

Auditor's fees

The fee for auditing services provided by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, relates to the audit of the consolidated and annual financial statements of W&W AG as well as other authorised services directly related to the audit of the financial statements. In addition, Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft conducted audits of the annual financial statements and group reporting of various subsidiaries, as well as statutory audits in accordance with the German Securities Trading Act (WpHG), the German Act on the Supervision of Insurance Undertakings (VAG), the German Stock Corporation Act (AktG) and other legal provisions.

Information about auditor fees is contained in the consolidated financial statements of W&W AG. Based on the exemption for groups set forth in Section 285, no. 17 of the German Commercial Code (HGB), we have elected to dispense with publication here.

Employees

Number[1]	2024	2023
Total employees	574	551
thereof women	303	294
thereof men	271	257
thereof full-time	419	399
thereof part-time	155	152

1 Average employee headcount for the year pursuant to Section 285, no. 7 of the German Commercial Code (HGB).

Remuneration of the Executive Board

The remuneration report in accordance with Section 162 AktG is published at www.ww-ag.com/en.
The following remarks contain the disclosures required under Section 285, no. 9 of the German Commercial Code (HGB).

in € thousand	31.12.2024	31.12.2023
Remuneration paid to members of the Executive Board	2,802	2,967
Remuneration paid to former members of the Executive Board	1,713	1,572
Remuneration paid to survivorsiSurvivors' benefits	660	446
Pension commitments for former members of the Executive Board	23,177	22,354

Total remuneration was examined by the Supervisory Board, and it bears a reasonable relationship to the duties and performance of Executive Board members, as well as to the company's condition.

The company did not grant any loans to members of the Executive Board. No liabilities were entered into in favour of Executive Board members. No subscription rights or other share-based remuneration were granted to members of the Executive Board.

Remuneration of the Supervisory Board

In the 2024 financial year, the company paid the members of the Supervisory Board of Wüstenrot & Württembergische AG total remuneration of €673 thousand (previous year: €776 thousand). In the 2024 financial year, the company paid members of the Supervisory Board of Wüstenrot & Württembergische AG who had retired during the financial year pro rata temporis remuneration of €92 thousand (previous year: €0 thousand).

Members of the Supervisory Board are reimbursed for expenses and the value-added tax (if liable for VAT) due on Supervisory Board remuneration. However, this is not included in the designated expenses.

Wüstenrot & Württembergische AG has no receivables from members of the Supervisory Board as a result of granted advances or loans.

Subscription rights or other share-based remuneration for members of the Supervisory Board do not exist in the W&W Group. No provisions for current pensions or entitlements had to be created for members of the Supervisory Board or their survivors.

The company did not pay any remuneration or grant any benefits to members of the Supervisory Board for personally performed services, such as consulting or brokering services.

Annex to the notes

Individual disclosures concerning assets

Notes concerning assets

			Carrying amounts 2023	Additions	Reclassifications	Disposals	Write-ups	Depreciation, amortisation and write-downs	Carrying amounts 2024
in € thousand									
B.	**I.**	**Land, land-type rights and buildings, including buildings on third-party land**	**450,433**	**2,012**	**-**	**-**	**-**	**11,540**	**440,905**
B.	**II.**	**Capital investments in affiliated companies and participating interests**							
1.	Shares in affiliated companies		1,429,729	165,354	-	-	-	-	1,595,083
2.	Loans to affiliated companies		556,000	160,000	-	152,000	-	-	564,000
3.	Participating interests		20,342	-	-	6,235	157	-	14,264
4.	Loans to companies in which a participating interest is held		-	-	-	-	-	-	-
Total B. II.			**2,006,071**	**325,354**	**-**	**158,235**	**157**	**-**	**2,173,347**
B.	**III.**	**Other capital investments**							
1.	Shares, units or shares in investment funds and other variable-yield securities		938,618	69,091	-	43,193	4,014	4,654	963,876
2.	Bearer bonds and other fixed-income securities		437,503	1,191	-	19,834	238	246	418,852
3.	Other loans								
	(a)	Registered bonds	82,446	-	-	20,000	18	-	62,464
	(b)	Promissory notes and loans	139,031	-	-	16,632	-	-	122,399
4.	Deposits with credit institutions		62,217	34,622,802	-	34,632,917	279	-	52,381
5.	Other capital investments		87	-	-	-	-	-	87
Total B. III.			**1,659,902**	**34,693,084**	**-**	**34,732,576**	**4,549**	**4,900**	**1,620,059**
Total			**4,116,406**	**35,020,450**	**-**	**34,890,811**	**4,706**	**16,440**	**4,234,311**

List of shareholdings

	Direct interest in equity, in %	Indirect interest in capital, in %3	Currency	Reporting date	Equity[1]	Net income/loss after tax[1]
Germany						
3B Boden-Bauten-Beteiligungs-GmbH, Ludwigsburg	100.00		€	31.12.2023	69,171,701	1,827,599
Adam Riese GmbH, Stuttgart[2]		100.00	€	31.12.2023	25,000	-
Adveq Europe II GmbH, Frankfurt am Main		16.77	€	31.12.2023	853,065	-41,857
Adveq Opportunity II Zweite GmbH, Frankfurt am Main		29.31	€	31.12.2023	195,626	-664,257
Adveq Technology V GmbH, Frankfurt am Main		16.50	€	31.12.2023	1,244,938	-141,717
Allgemeine Rentenanstalt Pensionskasse AG, Stuttgart		100.00	€	31.12.2023	92,890,553	0
Altmark Versicherungsmakler GmbH, Stuttgart		100.00	€	31.12.2023	1,555,314	505,314
Altmark Versicherungsvermittlung GmbH, Stuttgart		100.00	€	31.12.2023	240,573	215,573
Asendorfer Kippe ASK GmbH & Co. KG, Kornwestheim		100.00	€	31.12.2023	1,780,000	451,995
Bausparkasse Wüstenrot Immo GmbH, Ludwigsburg		100.00	€	31.12.2023	108,561	622
Beteiligungs-GmbH der Württembergischen, Stuttgart		100.00	€	31.12.2023	3,716,190	62,291
BF.capital GmbH, Stuttgart[2]		35.00	€	30.9.2023	649,342	-
BWK GmbH Unternehmensbeteiligungsgesellschaft, Stuttgart		35.00	€	31.12.2023	205,832,267	-4,890,057
BWK Holding GmbH Unternehmensbeteiligungsgesellschaft, Stuttgart		35.00	€	31.12.2023	14,905,803	680,767
Deutscher Solarfonds “Stabilität 2010” GmbH & Co. KG, Frankfurt am Main		17.77	€	31.10.2023	70,454,139	15,524,442
Domus Beteiligungsgesellschaft der Privaten Bausparkassen mbH, Berlin		28.73	€	31.12.2023	4,719	-6,021,130
European Sustainable Power Fund Nr. 2 GmbH & Co. KG, Grünwald	1.00	11.10	€	30.9.2023	391,999,138	24,336,301
Feuersee Entwicklungsgesellschaft mbH & Co. KG, Kornwestheim		100.00	€	31.12.2023	66,554,182	-30,158,090
Ganzer GmbH & Co KG, Kornwestheim		100.00	€	31.12.2023	2,000,000	1,278,796
Gerber GmbH & Co KG, Kornwestheim		100.00	€	31.12.2023	288,093,647	1,515,197
GMA Gesellschaft für Markt- und Absatzforschung mbH, Ludwigsburg		100.00	€	31.12.2023	1,517,490	244,453
Immomio GmbH, Hamburg		13.33	€	31.12.2023	5,069,490	-3,861,431
IVB – Institut für Vorsorgeberatung Risiko- und Finanzierungsanalyse GmbH, Karlsruhe		100.00	€	31.12.2023	150,423	5,435
Keleya Digital-Health Solutions GmbH, Berlin		9.97	€	31.12.2022	-166,343	-1,377,810
KLV BAKO Dienstleistungs-GmbH, Karlsruhe		95.80	€	31.12.2023	264,197	7,937
KLV BAKO Vermittlungs-GmbH, Karlsruhe		79.80	€	31.12.2023	276,428	8,251
Onshore Wind Portfolio 2012 GmbH & Co. KG, Frankfurt am Main	4.41	16.31	€	31.8.2023	76,940,763	5,367,500
riparo gmbh, Holzgerlingen		25.00	€	31.12.2023	3,046,623	2,004,204
V-Bank AG, Munich		15.00	€	31.12.2023	123,257,312	24,495,139
ver.di Service GmbH, Berlin		40.10	€	31.12.2023	105,880	3,742

List of ownership interests (continuation)

Company name and registered office	Direct interest in equity, in %	Indirect interest in capital, in %3	Currency	Reporting date	Equity1	Net income/loss after tax[1]
W&W Asset Management GmbH, Ludwigsburg[2]	100.00		€	31.12.2023	11,261,185	-
W&W brandpool GmbH, Stuttgart[2]	100.00		€	31.12.2023	3,275,000	-
W&W Informatik GmbH, Ludwigsburg[2]	100.00		€	31.12.2023	473,025	-
W&W Interaction Solutions GmbH, Munich[2]		100.00	€	31.12.2023	1,492,030	109,470
W&W Service GmbH, Stuttgart[2]	100.00		€	31.12.2023	100,153	-
WHS Entwicklungs-GmbH, Kornwestheim[2]		100.00	€	31.12.2023	25,000	-
Windpark Golzow GmbH & Co. KG, Rheine		100.00	€	31.12.2023	0	-25,148
WL Erneuerbare Energien Verwaltungs GmbH, Stuttgart		100.00	€	31.12.2023	82,893	2,171
WL Renewable Energy GmbH & Co KG, Kornwestheim		100.00	€	31.12.2023	100,028,267	59,522
WL Sustainable Energy GmbH & Co. KG, Kornwestheim		100.00	€	31.12.2023	93,480,622	1,422,102
Württembergische Akademie GmbH, Stuttgart		100.00	€	31.12.2023	111,761	13,979
Württembergische Immobilien GmbH, Kornwestheim		100.00	€	31.12.2023	121,412,846	4,111,469
Württembergische Kö 43 GmbH, Stuttgart		89.90	€	31.12.2023	23,100,087	826,871
Württembergische Krankenversicherung AG, Kornwestheim	100.00		€	31.12.2023	59,948,122	6,700,000
Württembergische Lebensversicherung AG, Kornwestheim	94.89		€	31.12.2023	616,404,050	20,000,000
Württembergische Logistik I GmbH & Co KG, Kornwestheim		100.00	€	31.12.2023	18,354,735	1,946,496
Württembergische Rechtsschutz Schaden-Service-GmbH, Stuttgart		100.00	€	31.12.2023	75,660	-65
Württembergische Versicherung AG, Kornwestheim[2]	100.00		€	31.12.2023	392,563,107	-
Württembergische Vertriebspartner GmbH, Stuttgart[2]		100.00	€	31.12.2023	74,481	-
Württembergische Verwaltungsgesellschaft mbH, Stuttgart		100.00	€	31.12.2023	37,062	694
Württfeuer Beteiligungs-GmbH, Stuttgart	100.00		€	31.12.2023	61,486,809	1,559,241
WürttLeben Alternative Investments GmbH, Stuttgart[2]		100.00	€	31.12.2023	266,025,000	-
WürttVers Alternative Investments GmbH, Stuttgart[2]		100.00	€	31.12.2023	82,025,000	-
Wüstenrot Bausparkasse AG, Kornwestheim	100.00		€	31.12.2023	903,729,627	40,279,041
Wüstenrot Energieberatung GmbH, Kornwestheim		100.00	€	31.12.2023	1,725,295	-299,705
Wüstenrot Grundstücksverwertungs-GmbH, Ludwigsburg	100.00		€	31.12.2023	2,094,828	37,244
Wüstenrot Haus- und Städtebau GmbH, Ludwigsburg	100.00		€	31.12.2023	106,234,870	4,304,230
Wüstenrot Immobilien GmbH, Ludwigsburg	100.00		€	31.12.2023	5,163,453	1,101,735
Zweite Wohnimmobilien GmbH & Co. KG der Württembergischen, Kornwestheim		100.00			Formed in 2024	
France						
Württembergische France Immobiliere SARL, Strasbourg		100.00	€	30.9.2024	33,221,628	1,999,815
Württembergische France Strasbourg SARL, Strasbourg		100.00	€	30.9.2024	55,974,202	2,504,470
Ireland						
W&W Asset Management Ireland DAC		100.00	€	31.12.2023	20,918,298	8,920,600
W&W Investment Managers DAC, Dublin		100.00	€	31.12.2023	2,772,821	721,374

List of ownership interests (continuation)

Company name and registered office	Direct interest in equity, in %	Indirect interest in capital, in %3	Currency	Reporting date	Equity1	Net income/loss after tax[1]
Austria						
G6 Zeta Errichtungs- und VerwertungsGmbH & Co OG, Vienna		99.90	€	31.12.2023	20,188,630	1,674,225
Kellerwirt Holding GmbH, Brixlegg		100.00	€	31.12.2023	18,557,481	-12,772
Kellerwirt Mountain Health Resort GmbH, Brixlegg		100.00	€	31.12.2023	16,984,825	-748,397
Mount Med Resort Betriebs GmbH, Oberau Wildschönau		80.03	€	30.6.2023	0	-47,794
SAMARIUM drei GmbH & Co OG, Vienna		100.00	€	31.12.2023	9,448,073	420,220
United Kingdom						
Partners Group Emerging Markets 2007, L.P., Edinburgh		9.38	US$	31.12.2023	3,156,000	-14,092,000

1 The figures relate to the most recent annual financial statements available on the reporting date.
2 Profit and loss transfer agreement in place.
3 Pursuant to Section 16 (4), of the German Stock Corporation Act (AktG), the indirect share comprises shares which belong to a dependent company or to another on behalf of the company or one of these dependent companies

Individual disclosures concerning the income statement

Commissions and other remuneration paid to insurance agents, personnel expenses

in € thousand	2024	2023
Wages and salaries	44,999	45,670
Remittances for social security and other employee benefits	6,424	4,770
Pension scheme expenses	8,594	8,366
Total	**60,017**	**58,806**

W&W AG does not have its own mobile sales force. As a result, the table required by the German Regulation on the Accounting of Insurance Undertakings (RechVersV) contains only personnel expenses and no commissions or other remuneration paid to insurance agents.

Wüstenrot & Württembergische AG Responsibility statement

To the best of our knowledge, and in accordance with applicable accounting principles, the annual financial statements present a true and accurate view of the company's net assets, financial position and financial performance, and the combined management report provides a true and accurate presentation of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

Kornwestheim, 17 March 2025

Jürgen A. Junker

Alexander Mayer

Jens Wieland

Wüstenrot & Württembergische AG Independent auditor's report

To Wüstenrot & Württembergische AG, Kornwestheim

Report on the audit of the annual financial statements and of the combined management report

Audit opinions

We have audited the annual financial statements of Wüstenrot & Württembergische AG, Kornwestheim, comprising the balance sheet as at 31 December 2024, the income statement for the financial year from 1 January to 31 December 2024 and the notes, including the presentation of the accounting policies. In addition, we have audited the combined management report of Wüstenrot & Württembergische AG for the financial year 1 January to 31 December 2024. In conformity with German statutory requirements, we have not audited the content of the statement on corporate governance pursuant to Section 341a HGB (German Commercial Code) in conjunction with Section 289f HGB, which is contained in the section "Corporate governance statement" of the combined management report as well as the Group Sustainability Report. We have not audited the content of the company's information outside of the combined management report to which reference is made through links in the section "Corporate governance statement" of the combined management report.

In our opinion, based on the findings of our audit,

- the attached annual financial statements comply in all material respects with the requirements of the German Commercial Code (HGB) applicable to insurance undertakings and present a true and accurate view of the company's net assets and financial position as at 31 December 2024 and its financial performance for the financial year from 1 January 2024 to 31 December 2024 in accordance with the German standards of proper accounting, and
- the attached combined management report as a whole presents a true and accurate view of the company's position. The combined management report is consistent with the annual financial statements in all material respects, complies with German statutory requirements and accurately depicts the opportunities and risks of future development. Our audit opinion concerning the combined management report does not cover the content of the aforementioned corporate governance statement or the content of the aforementioned information outside of the annual report to which reference is made through links.

In accordance with Section 322 (3) sentence 1 of the HGB, we declare that our audit has not led to any reservations concerning the regularity of the annual financial statements and the combined management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the combined management report in conformity with Section 317 of the HGB (German Commercial Code) and with Regulation (EU) No. 537/2014 on specific requirements regarding statutory audits of public-interest entities (hereinafter, the „EU Audit Regulation"), as well as in accordance with the German standards for the proper auditing of financial statements promulgated by the IDW (Institute of Public Auditors in Germany). Our responsibility in accordance with those provisions and standards is described extensively in the section of our audit report entitled „Responsibility of the statutory auditor for the audit of the annual financial statements and the combined management report". We are independent of the company in accordance with the requirements of European and German commercial law and the rules of professional conduct, and we have fulfilled our other German professional obligations in accordance with these requirements. In addition, in accordance with Article 10(2)(f) of the EU Audit Regulation, we declare that we did not provide any prohibited non-audit services referred to in Article 5(1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions concerning the annual financial statements and the combined management report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January 2024 to 31 December 2024. These matters were addressed in the context of our audit of the annual financial statements as a whole and in forming our opinion on the audit; we do not issue a separate opinion on these matters.

In the following, we describe the key audit matters in our view.

Valuation of shares in affiliated companies

Reasons why this was determined to be a key audit matter

The shares in affiliated companies are not listed on a stock exchange, meaning that no fair values can be derived for them from active markets on the reporting date. For these capital investments, fair values are calculated using recognised valuation methods that are customary on the market, in particular the capitalised earnings method. As part of the capitalised earnings method, measurement parameters that cannot be observed on the market (in particular planning assumptions for projected income and expenses such as premiums, net interest income, and claims and general administrative expenses) are predominantly used as input data, but to a lesser extent valuation parameters derived from the market (in particular key determinants of the capitalisation rate) are also used. Discretion is exercised in connection with the specification of the measurement parameters and assumptions.

Because discretion is exercised in connection with the specification of the measurement method and the assumptions to be made about the material measurement parameters and assumptions in connection with model-based measurement and the write-downs and write-ups that may result from this, as well as the associated risk of a materially incorrect presentation in the annual financial statements, this is a key audit matter.

Audit approach

We have gained an understanding of the planning and measurement processes.

For a selection of shares in affiliated companies, we have analysed the applied measurement models methodically and arithmetically.

Where the fair value was determined using the capitalised earnings method, we analysed the most significant planning assumptions, in particular. We also analysed the reasons for deviations from the previous year's planning that occurred in the current year and their expected one-off or long-term effects. We based our planning analyses on current business developments and publicly available information.

Furthermore, we compared the plans submitted to us with the plans approved by the legal representatives of the responsible company. We also made a retrospective comparison of the previous year's planning with the actual business performance and analysed the deviations.

We reconstructed the capitalisation interest rates used for discounting and how they were calculated pursuant to the capital asset pricing model. This related to the base interest rate and the market risk premium, as well as the individually specified beta factors, country risk premiums and growth discounts. To this end, we reconstructed the calculation method presented to us and examined the parameters used on the basis of market data and available information on comparable companies, taking into account adjustments specific to the business model.

In addition, we appointed our own specialists with particular expertise in the field of company valuation for a selection of shares in affiliated companies.

Our audit procedures did not result in any objections to the valuation of the shares in affiliated companies.

Reference to associated disclosures

Information on the valuation of shares in affiliated companies can be found in the notes in the sections „Accounting policies for shares in affiliated companies, investments“ and „Fair value measurement“.

Determination of the fair value of fixed-income debt securities held as non-current assets

Reasons why this was determined to be a key audit matter

In the case of fixed-income debt securities held as non-current assets, write-downs to the lower fair value must be made in the event of expected permanent impairment. The Executive Board of the company has discretion in assessing whether and to what extent impairment on these investments can be considered permanent and the resulting determination of the fair value. If there are reasons why the impairments made are no longer permanent, a write-up is required taking into account the upper limit of acquisition costs.

Fixed-income debt securities held as non-current assets had substantial hidden liabilities as at the reporting date. Against this background, there is a risk that presumably permanent impairments and their elimination will not be recognised, or that the existing discretion in this regard will not be exercised appropriately, and that the necessary write-downs to the lower fair value or necessary write-ups will be omitted or made in the wrong amount. For this reason, we consider the determination of the fair value of fixed-income debt securities held as non-current assets to be a key audit matter.

Audit approach

As part of our audit, we examined the process for determining the fair value of fixed-income debt securities held as non-current assets. In this context, we assessed the design of the procedures put in place in terms of their methodological suitability for determining the fair value and whether they are being applied systematically. We examined the adequacy and effectiveness of the controls established in this respect.

Furthermore, on the basis of the evaluations and analyses prepared by the company’s legal representatives, we assessed whether the determination of fair value and the associated assessment of the legal representatives regarding the permanence and extent of impairments or their elimination are correct.

In the case of fixed-income debt securities held as non-current assets, we examined whether payment defaults or significant deteriorations in the creditworthiness of the issuers had occurred or had ceased to occur in these investments and whether appropriate write-downs or write-ups had been made on this basis.

Insofar as the company classified existing hidden liabilities as only temporary, we reviewed the company’s liquidity planning in order to assess the company’s intention and ability to hold these investments and had it explained to us by employees entrusted with the matter.

Our audit procedures did not give rise to any objections to the determination of the fair value of fixed-income debt securities classified as non-current assets.

Reference to associated disclosures

The disclosures on the determination of the fair value of fixed-income debt securities held as non-current assets are contained in the „Accounting policies“ section of the notes.

Other information

The Supervisory Board is responsible for the report of the Supervisory Board. The Executive Board and the Supervisory Board are responsible for the statement pursuant to the German Corporate Governance Kodex (Corporate Governance Code) in accordance with Section 161 of AktG (German Stock Corporation Act), which is an element of the corporate governance statement. Beyond this, the Executive Board is responsible for the other information. The other information comprises the above-mentioned corporate governance statement and the report on equality and equal pay in accordance with the Entgelttransparenzgesetz (Remuneration Transparency Act). In addition, the other information comprises the sustainability report of the W&W Group, a copy of which was provided to us prior to issuing this audit report. Furthermore, the other information comprises additional elements envisaged for the annual report, a copy of which was provided to us prior to issuing this audit report, in particular:

- the letter to shareholders,
- presentation of the Management Board and the Supervisory Board,
- key performance indicator overview, financial calendar, glossary,
- the responsibility statement,
- the report of the Supervisory Board and
- the eight picture pages „solidarity is the key".

Our audit opinions concerning the annual financial statements and the combined management report do not cover the other information, and as a result, we do not provide an audit opinion or any other form of audit conclusion concerning it.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the annual financial statements, the combined management report or our knowledge obtained in the audit or
- otherwise appears to be materially misstated.

Responsibility of the Executive Board and the Supervisory Board for the annual financial statements and the combined management report

The Executive Board is responsible for preparing the annual financial statements in a manner that conforms in all material respects with the provisions of the German Commercial Code applicable to insurance undertakings and for ensuring that they present a true and accurate view of the company's net assets, financial position and financial performance in accordance with the German standards of proper accounting. Furthermore, the legal representatives are responsible for the internal controls that they have specified as necessary in accordance with the German standards of proper accounting in order to facilitate the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i. e. manipulation of financial accounting and financial losses) or errors.

When preparing the annual financial statements, the Executive Board is responsible for assessing the company's ability to continue as a going concern. It is also responsible for disclosing, as applicable, matters related to continuation as a going concern. Moreover, it is responsible for preparing the financial statements on a going concern basis, unless there are factual or legal circumstances that prevent it from doing so.

Furthermore, the Executive Board is responsible for preparing a combined management report that as a whole presents a true and accurate view of the company's position and that in all material respects is consistent with the annual financial statements, complies with German statutory requirements and accurately depicts the opportunities and risks of future development. In addition, the Executive Board is responsible for the arrangements and measures (systems) that it considers necessary in order to facilitate the preparation of a combined management report in conformity with applicable German statutory requirements and to enable sufficient and appropriate evidence to be provided for the statements in the combined management report.

The Supervisory Board is responsible for monitoring the company's accounting process with respect to the preparation of the annual financial statements and the combined management report.

Responsibility of the statutory auditor for the audit of the annual financial statements and the combined management report

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and about whether the combined management report as a whole presents a true and accurate view of the company's position and in all material respects is consistent with the annual financial statements and the knowledge gained in the audit, complies with German statutory requirements and accurately depicts the opportunities and risks of future development, as well as to issue an audit report containing our audit opinions concerning the annual financial statements and the combined management report.

Reasonable assurance is a high level of assurance, but not a guarantee, that an audit conducted in accordance with Article 317 HGB and the EU Audit Regulation in compliance with the German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW) will always detect a material misstatement. Misstatements may be the result of fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users that are taken on the basis of these annual financial statements and the combined management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatements in the annual financial statements and the combined management report due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement is higher in the case of fraud than in the case of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls;
- obtain an understanding of internal controls relevant to the audit of the annual financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls or on the effectiveness of these arrangements and measures;
- evaluate the appropriateness of the accounting policies used by the Executive Board and the reasonableness of the estimates and related disclosures made by the Executive Board;
- draw conclusions on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, about whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual financial statements and in the combined management report or, if such disclosures are inadequate, to modify our opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements depict the underlying business transactions and events in such a way as to present a true and accurate view of the company's net assets, financial position and financial performance in accordance with the German standards of proper accounting;
- evaluate the consistency of the combined management report with the annual financial statements, its conformity with the law and the view of the company's position it provides;
- perform audit procedures concerning the forward-looking statements made by the Executive Board in the combined management report. In doing so, on the basis of sufficient and appropriate audit evidence, we gain an understanding, in particular, of the key assumptions underlying the Executive Board's forward-looking statements and evaluate whether the statements were properly derived from those assumptions. We do not provide a separate audit opinion concerning the forward-looking statements or the underlying assumptions. There is a substantial, unavoidable risk that future events may significantly deviate from the forward-looking statements.

We meet with the individuals responsible for monitoring in order to discuss, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal controls that we identify during our audit.

We provide the individuals responsible for monitoring with a statement that we complied with the relevant independence requirements, and we discuss with them all relationships and other matters that may reasonably be presumed to influence our independence and the steps we have taken to guard against this.

From the matters that we discussed with the individuals responsible for monitoring, we determine those matters that were of most significance in the audit of the annual financial statements for the current reporting period and that are therefore the key audit matters. We describe these matters in our audit report, unless laws or regulations preclude public disclosures about a given matter.

Other statutory and legal requirements

Report on the audit of the electronic reproductions of the annual financial statements and the combined management report that are prepared for the purposes of disclosure pursuant to Section 317 (3a) German Commercial Code (HGB)

Audit opinion

Pursuant to Section 317 (3a) HGB, we performed an audit with reasonable assurance of whether the reproductions of the annual financial statements and the combined management report that are prepared for the purposes of disclosure (hereinafter, the „ESEF documents“) and that are included in the file WW_AG_KLB+JA_ESEF-2024-12-31.zip comply with the requirements of Section 328 (1) HGB concerning the electronic reporting format („ESEF format“) in all material respects. In conformity with German statutory provisions, this audit covers only the transmission of the information in the annual financial statements and the combined management report in the ESEF format and therefore does not cover either the information included in those reproductions or other information included in the aforementioned file.

In our opinion, the reproductions of the annual financial statements and the combined management report that are included in the aforementioned file and that are prepared for the purposes of disclosure comply with the requirements of Section 328 (1) HGB concerning the electronic reporting format in all material respects. Other than this audit opinion and the audit opinions concerning the attached annual financial statements and the attached combined management report for the financial year from 1 January to 31 December 2024 that are included in the foregoing “Report on the audit of the annual financial statements and of the combined management report“, we do not provide any audit opinion concerning the information included in those reproductions or concerning the other information included in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the annual financial statements and the combined management report that are included in the aforementioned attached file in conformity with Section 317 (3a) HGB and in observance of the standard promulgated by the IDW (Institute of Public Auditors in Germany): „Audit of electronic reproductions of financial statements and management reports prepared for the purposes of disclosure pursuant to Section 317 (3a) HGB" (IDW PS 410 (June 2022)). Our responsibility in accordance therewith is described extensively in the section „Responsibility of the statutory auditor for the audit of the ESEF documents". Our auditing practice applied the requirements of the IDW quality management standard: Requirements for quality management in auditing practice (IDW QMS 1 (09.2022)).

Responsibility of the Executive Board and the Supervisory Board for the ESEF documents

The Executive Board of the company is responsible for the preparation of the ESEF documents with the electronic reproductions of the annual financial statements and the combined management report in accordance with Section 328 (1) sentence 4 no. 1 HGB.

In addition, the company's Executive Board is responsible for the internal controls that it considers necessary in order to facilitate the preparation of ESEF documents that are free from material infringements, whether intentional or unintentional, of the requirements of Section 328 (1) HGB concerning the electronic reporting format.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the accounting process.

Responsibility of the statutory auditor for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material infringements, whether intentional or unintentional, of the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material infringements, whether intentional or unintentional, of the requirements of Section 328 (1) HGB, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion;
- obtain an understanding of internal controls relevant to the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls;
- evaluate the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents satisfies the requirements concerning the technical specifications for this file as are set forth in Delegated Regulation (EU) 2019/815, in the version in force on the audit date;
- evaluate whether the ESEF documents facilitate an identical XHTML reproduction of the audited annual financial statements and the audited combined management report.

Other information in accordance with Article 10 of the EU Audit Regulation

We were elected as auditor by the Annual General Meeting on 14 May 2024. We were given a mandate by the Chairman of the Supervisory Board's Risk and Audit Committee on 14 June 2024. We have served as the statutory auditor of Wüstenrot & Württembergische AG without interruption since the 2020 financial year.

We declare that the audit opinions contained in this audit report are consistent with the additional report to the Risk and Audit Committee in accordance with Article 11 of the EU Audit Regulation.

In addition to the audit of the annual and consolidated financial statements, we have essentially provided the following services for the audited company and companies controlled by it:

- audit review of the half-year financial report,
- completion of voluntary audits of the annual financial statements of controlled companies,
- completion of the audit of the group sustainability report to obtain limited assurance and
- permissible non-audit services in the form of advisory services (mainly in connection with regulatory issues and in the area of IT).

Other matter – use of the audit report

Our audit report should always be read in conjunction with the audited annual financial statements and the audited combined management report, as well as the audited ESEF documents. The annual financial statements and combined management report converted into the ESEF format – including the versions to be entered in the company register – are merely electronic reproductions of the audited annual financial statements and the audited combined management report and are not a substitute for them. In particular, the ESEF audit report and our audit opinion contained therein may be used only in conjunction with the audited ESEF documents provided in electronic form.

Responsible public auditor

The public auditor responsible for the audit is Martin Gehringer.

Stuttgart, 24 March 2025

EY GmbH & Co. KG
Wirtschaftsprüfungsgesellschaft

Gehringer
Public auditor

Bose
Public auditor

Wüstenrot & Württembergische AG Report of the Supervisory Board

The Supervisory Board fulfilled its duties in the 2024 financial year in accordance with statutory requirements, the Articles of Association and the bylaws. It supervised the management of the company, was directly involved in all matters of fundamental importance to the company and advised the Executive Board on all matters of importance to the company.

Overview

In the reporting year, the Supervisory Board held four ordinary meetings and one constituent meeting and passed one resolution by written circulation procedure. Four meetings were held in person and one in hybrid form. In addition, a further meeting was held in an extended form as a strategy meeting.

At all meetings, the Executive Board reported to the Supervisory Board on the situation of the company and the Group. In particular, the Executive Board explained the business and earnings performance and developments in the main business areas to the Supervisory Board. In this context, the Executive Board also discussed deviations in actual business performance from the original planning with the Supervisory Board. The risk and solvency situation, including the risk-bearing capacity of the W&W Group, was also discussed in detail by the Supervisory Board. To this end, detailed risk reports were prepared and then presented to the Supervisory Board for discussion. Following preparation by the Risk and Audit Committee, the Supervisory Board examined the annual and consolidated financial statements in detail, including the respective auditor's reports and the half-year financial report.

In addition to the effects of the high level of inflation and interest rates on macroeconomic development and the W&W Group, other focal points of reporting and consultation included the business, risk, IT, DOR and sustainability strategy as well as the planning for the 2025 financial year and medium-term planning. The Supervisory Board also dealt in detail with strategic issues such as the status of the implementation of the projects within the "W&W Besser!" strategy programme.

The Executive Board reported regularly to the Supervisory Board in writing and verbally and in a timely and comprehensive manner about all issues of relevance to the company and the Group concerning strategy, planning, business performance and risk position. The reports of the Executive Board, written presentations and meeting documentation were submitted to it in a timely fashion for the purpose of preparing for the meetings. In addition, the Chair of the Executive Board and the Chair of the Supervisory Board exchanged information on an ongoing and, where warranted by events, prompt basis about all key developments and decisions.

In the course of the 2024 financial year, a joint training programme on the Digital Operational Resilience Act (DORA) was carried out on the basis of an agreed development plan for the Supervisory Board. There was also another joint training programme on the topic of "audits".

All measures requiring approval by statute or under the company's rules were submitted to the Supervisory Board. There were no conflicts of interest requiring disclosure in 2024.

Key topics for the full Supervisory Board

At its meeting on 26 March 2024, the Supervisory Board received a detailed report on the final business figures for 2023 and the business and earnings performance in the individual segments in 2024 to date. The Supervisory Board dealt in particular with the status of the implementation of the "W&W Besser!" strategy programme and received reports on key projects in this context. The Executive Board also informed the Supervisory Board about the W&W Group's key personnel figures and investment management. The Supervisory Board also discussed and approved the consolidated and annual financial statements, including the combined management report, as well as the Executive Board's proposal for the appropriation of profit for the 2023 financial year. The auditor confirmed that an unqualified audit opinion had been issued for the consolidated and annual financial statements, including the combined management report. The Supervisory Board then discussed and reviewed the separate summarised non-financial Group report on the basis of the preliminary review by the Risk and Audit Committee. The auditor issued an unqualified opinion on the non-financial Group report as part of its limited assurance engagement. The Supervisory Board also approved the remuneration report, taking into account the audit results of the auditor commissioned with the formal audit in accordance with Section 162 (3) of the German Stock Corporation Act (AktG), the corporate governance statement and the report of the Supervisory Board. The committee chairs then provided information on the work of the committees. The Supervisory Board also received and discussed the annual report from the Compliance Officer and Internal Audit. The Executive Board presented its report on the development of the risk and solvency situation in the 2023 financial year and, in this context, discussed in detail the liquidity situation and risk-bearing capacity of the financial conglomerate, the Solvency II Group and Wüstenrot & Württembergische AG. The Supervisory Board also approved the agenda and the proposed resolutions for the 2024 Annual General Meeting of Wüstenrot & Württembergische AG. At the recommendation of the Risk and Audit Committee, the Supervisory Board also resolved to propose to the Annual General Meeting that EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, be appointed as the auditor for the consolidated and annual financial statements for the 2024 financial year, the review of the 2025 half-year financial report and the audit of the solvency overview at individual and Group level. The Supervisory Board also dealt with the Executive Board's target achievement for the 2023 financial year.

At the meeting on 13 May 2024, the Executive Board reported on the course of business in the first quarter of 2024 and discussed with the Supervisory Board in particular the development in the property/casualty insurance segment against the backdrop of increased claims figures and inflation. The Supervisory Board also dealt with the handling of artificial intelligence (AI) in the W&W Group as well as the current status of AI governance and future developments. The Supervisory Board also received reports on the key personnel, risk and solvency figures of the W&W Group.

At its constituent meeting on 14 May 2024, which took place following the Annual General Meeting, the Supervisory Board dealt with the election of the Chairman of the Supervisory Board and his deputy as well as the new composition of its committees (Risk and Audit Committee, Nomination Committee, Personnel Committee and Mediation Committee) due to the new elections of all members of the Supervisory Board. At this meeting, the Supervisory Board also set a female quota for the Executive Board of at least one woman, which is to be met by 2029.

At its meeting on 23 September 2024, the Supervisory Board discussed the half-year results and the business performance of the W&W Group together with the Executive Board following a preliminary discussion by the Risk and Audit Committee. The Supervisory Board also received a report on the current status of an IT infrastructure project in the Insurance segment. The Executive Board also provided information on the key personnel figures and gave an overview of the results of the employee survey in the W&W Group. The Executive Board also presented its report on the risk and solvency situation and on investment management. The Chair of the Risk and Audit Committee also reported on the key topics and discussions from the committee meeting. Finally, the Supervisory Board approved the meeting dates for 2025.

At the subsequent strategy meeting on 23-24 September 2024, the operationalisation of the W&W Group's immunisation concept was explained in detail to the Supervisory Board. The immunisation concept itself was presented to the Supervisory Board at last year's strategy meeting. It is intended to contribute to the resilient and long-term positioning of the Group while maintaining its substance and earning power in view of the macroeconomic and political uncertainties and to ensure its continued successful positioning in the market. In this context, under the aspirational culture "W&W Besser! – Bestform 2030", the measures per business segment to secure the short and medium-term planning as well as an outlook on the long-term ambition and the overarching success factors of the W&W Group are presented. Against this background, the strategic orientation of the W&W Group was discussed. The Supervisory Board invited the heads of the Housing and Insurance divisions to a closed meeting and discussed their strategies with them in detail.

At the meeting on 13 December 2024, the Executive Board reported on current business developments, the results for the third quarter of 2024 and the situation of the W&W Group. The Supervisory Board also discussed the current status of the "W&W Besser!" strategy programme and an IT project in the Insurance segment as well as the earnings performance in the Property/Casualty Insurance segment. The Supervisory Board also received a report on the preparations for the annual and consolidated financial statements for the 2024 financial year. The Executive Board also presented the key personnel, risk and solvency figures of the W&W Group and submitted its report on investment management. The committee chairs informed the Supervisory Board about the key topics and discussions from the respective committee meetings. The Supervisory Board also dealt with the business and risk strategy, including the other sub-strategies. The Executive Board also provided information on an adjustment to the risk strategy and the framework for ad hoc risk reporting and gave an overview of current audit topics. The Supervisory Board also discussed and approved the operational planning for 2025 and took note of the medium-term planning. In addition, the Supervisory Board dealt in detail with the competency profile for the full Supervisory Board and the resulting development plan as well as the parameters for the composition of the Supervisory Board. In 2024, the members of the Supervisory Board once again assessed their strengths in the relevant areas by way of a self-assessment. This in turn forms the basis for the development plan that the Supervisory Board prepares each year. The plan identifies areas where the Supervisory Board as a whole or its individual members wish to acquire greater expertise. The Supervisory Board has approved the development plan for 2025. It also dealt with the declaration of conformity with the German Corporate Governance Code. Following a preliminary referral to the Personnel Committee, the Supervisory Board also dealt with remuneration matters and took note of the Executive Board's report on the structuring of the remuneration system for employees. In the absence of the Executive Board, the Supervisory Board reviewed and assessed the professional qualifications and reliability of each member of the Executive Board and Supervisory Board in accordance with the "Fit & Proper Guideline for Managing Directors and Members of the Supervisory Board". The Supervisory Board also dealt with the derivatives and interest book management of Wüstenrot Bausparkasse AG.

Work of the committees

In order to enable it to efficiently perform its duties, the Supervisory Board created four committees, which are able to prepare resolutions for deliberation and adoption by the full Supervisory Board, as well as adopt resolutions themselves. These are the Risk and Audit Committee, the Nomination Committee, the Remuneration and Personnel Committee and the Conciliation Committee. Further details about the composition and working methods of the Supervisory Board committees can be found in the corporate governance statement. The issues falling within the purview of the respective committees were thoroughly discussed at committee meetings. The committee chairs reported to the Supervisory Board about the work of the committees at its next meeting.

The **Risk and Audit Committee** held a total of three ordinary meetings in the 2024 financial year, one of which was to discuss the half-year financial report. Two meetings were held in person and one meeting was held virtually as a video conference. In addition to the topics for which it is responsible by law and the Supervisory Board's rules of procedure, the Risk and Audit Committee focussed on key risk and solvency indicators. Another key topic discussed by the committee was the possible development of property/casualty insurance in 2024, among other things in light of the increase in loss events and their impact on the earnings performance of the W&W Group. The committee has defined the focal points of the audit for the 2024 financial year. The auditors regularly reported on the results of their audit at the meetings and discussed these with the committee members. The Risk and Audit Committee discussed the Wirecard case at a meeting. It also dealt extensively with the appropriateness and effectiveness of the internal audit, the internal control system, the risk management system and the compliance management system as well as the quality of the audit in accordance with Section 107 (3) sentence 2 of the German Stock Corporation Act (AktG). To this end, the Head of Internal Audit, the Independent Risk Controlling function and the Compliance Officer reported to the Risk and Audit Committee in person at the meetings.

In organisational terms, it was determined that the policy on the provision of non-audit services by the auditor had proved effective with respect to the approval process and the basis for it.

The Risk and Audit Committee also monitored the auditor with regard to authorised non-audit services and the auditor's independence. The committee reviewed the Group Sustainability Report at its meeting on 18 March 2025, at which the auditor also reported to the committee on the methodology and the key findings of its audit in writing and verbally. The audit report was sent to each member of the committee.

The Chair of the Risk and Audit Committee and the Chief Financial Officer were also in regular contact outside of the meetings. In addition, the Chair of the Risk and Audit Committee regularly discussed the progress of the audit with the auditor and reported on this to the committee. The Risk and Audit Committee also met with the auditor in the absence of the Executive Board.

The **Personnel Committee** held two ordinary meetings and one extraordinary meeting in 2024, two of which were held in person and one in hybrid form. At its meetings, the committee dealt extensively with remuneration matters, in particular the 2023 remuneration report under stock corporation law and the review of compliance with the remuneration policy and the associated review of the remuneration systems under insurance supervisory law. The Personnel Committee also discussed the Executive Board's target achievement for 2023. The committee also carried out the regular review of the professional qualifications and personal reliability of the members of the supervisory body and the Executive Board. Furthermore, the fit & proper guideline for managing directors and members of the supervisory body was reviewed, and the Personnel Committee dealt with current personnel issues.

The **Nomination Committee** held one ordinary meeting in hybrid form in 2024. In view of the upcoming elections to the Supervisory Board at the Annual General Meeting in 2024, the shareholder representatives on the Nomination Committee submitted the necessary resolution recommendations for the election of shareholder representatives to the Supervisory Board.

Meetings of the **Conciliation Committee** that was formed in accordance with the German Codetermination Act (MitbestG) were not necessary in the 2024 financial year.

Individualised disclosure of meeting attendance

The following table discloses the individualised attendance of Supervisory Board members at meetings:

Individualised disclosure of meeting attendance

	Full Supervisory Board		Risk and Audit Committee		Personnel Committee		Nomination Committee	
	Number	Presence in %	Number	Presence in %	Number	Presence in %	Number	Presence in %
(number of meetings / attendance)								
Dr Michael Gutjahr (Chair)	5/5	100			3/3	100	1/1	100
Dr Frank Ellenbürger	5/5	100	3/3	100	2/2	100	1/1	100
Prof. Dr Nadine Gatzert	3/5	60	3/3	100				
Dr Reiner Hagemann (until 14 May 2024)	2/2	100			1/1	100		
Corinna Linner (until 14 May 2024)	2/2	100					1/1	100
Dr Wolfgang Salzberger	5/5	100	3/3	100				
Jutta Stöcker	5/5	100	1/1	100				
Edith Weymayr	5/5	100						
Frank Weber (Deputy Chair) Chair)	3/5	60			3/3	100	1/1	100
Hartmut Bader (from 14 May 2024)	3/3	100	2/2	100				
Jutta Eberle	5/5	100	2/2	100				
Jochen Höpken (until 14 May 2024)	2/2	100					1/1	100
Ute Kinzinger (until 14 May 2024)	2/2	100	1/1	100				
Bernd Mader	5/5	100	3/3	100				
Andreas Rothbauer	5/5	100	1/1	100	2/2	100		
Petra Sadowski (from 14 May 2024)	3/3	100						
Christoph Seeger (until 14 May 2024)	2/2	100			1/1	100	1/1	100
Susanne Ulshöfer (until 14 May 2024)	2/2	100	1/1	100				
		94		**100**		**100**		**100**

Declaration of Conformity with the German Corporate Governance Code

The Supervisory Board also dealt with key corporate governance issues and, together with the Executive Board, adopted an updated declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG) in December 2024 on the basis of the German Corporate Governance Code. The declaration of conformity was published on the company's website (in German only). In the course of the audit, the auditor found no evidence that the statement of compliance was inaccurate. Further information on the declaration of conformity and corporate governance in the W&W Group can be found in the "Corporate governance statement".

Audit of the annual financial statements and the consolidated financial statements

The Supervisory Board examined at length the annual financial statements and the consolidated financial statements for the 2024 financial year, the combined management report for Wüstenrot & Württembergische AG and the W&W Group as at 31 December 2024, as well as the proposal of the Executive Board concerning the appropriation of unappropriated surplus. The annual and consolidated financial statements were prepared on the basis of the international accounting standard IFRS 17. The annual financial statements, consolidated financial statements and the combined management report comply with the legal requirements and are consistent with the assessments of the Executive Board in the reports to be submitted to the Supervisory Board in accordance with Section 90 AktG. The Executive Board's proposal for the appropriation of earnings is in line with a consistent balance sheet and distribution policy, taking into account the company's liquidity situation, capital requirements and planned investments. The Supervisory Board has therefore endorsed the Executive Board's proposal.

The auditors appointed by the Supervisory Board, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart, duly audited the annual financial statements and consolidated financial statements prepared by the Executive Board for the 2024 financial year and the combined management report for Wüstenrot & Württembergische AG and the Group for the 2024 financial year and issued an unqualified audit opinion.

The auditor reported the material results of its audit to the Supervisory Board verbally and in writing. The audit report was sent to each member of the Supervisory Board. In addition, the auditor reported both at the meeting of the Risk and Audit Committee on 18 March 2025 and at the accounting meeting of the Supervisory Board on 27 March 2025. The submitted audit report meets the statutory requirements of Section 321 HGB and was taken into account by the Supervisory Board in connection with its own review of the annual financial statements. There were no circumstances that could call into question the independence of the auditor. The half-year financial report 2024 was reviewed by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft, Stuttgart.

At its meeting on 27 March 2025, the Supervisory Board examined the Group Sustainability Report (in accordance with ESRS) after preliminary referral to the Risk and Audit Committee, which included verbal and written input from the auditor about the methodology and key results of its audit. The audit report was sent to each member of the Supervisory Board. The result of the auditor's review of the Group Sustainability Report is consistent with the result of the Supervisory Board's review. The Supervisory Board did not raise any objections to the Group Sustainability Report.

Following the definitive result of the audit of the annual financial statements, the consolidated financial statements and the combined management report, as well as the proposal of the Executive Board concerning the appropriation of unappropriated surplus, the Supervisory Board raised no objections, and at its meeting on 27 March 2025, it approved the annual financial statements prepared by the Executive Board as well as the consolidated financial statements. Accordingly, the annual financial statements are deemed approved pursuant to Section 172 sentence 1 of the German Stock Corporation Act (AktG).

The Supervisory Board also discussed the solvency overview for Wüstenrot & Württembergische AG and the W&W Group as at 31 December 2023 and the auditor's report in this regard.

2024 was a very demanding year both for the management and employees. The Supervisory Board expresses its gratitude and appreciation to the Executive Board and to the employees at all Group companies for their work and their tireless commitment.

Composition of the Supervisory Board and Executive Board

On 23 May 2023, the Annual General Meeting of Wüstenrot & Württembergische AG resolved to amend the Articles of Association, as a result of which the Supervisory Board will be reduced from sixteen to twelve members for the period from the end of the Annual General Meeting that resolves on the discharge for the 2023 financial year. This Annual General Meeting took place on 14 May 2024. When it expires, the Supervisory Board will consist of only twelve members.

There were personnel changes on the Supervisory Board in the course of the 2024 financial year.

Effective at the conclusion of the Annual General Meeting of 14 May 2024, the terms of office of all members of the Supervisory Board ended. Following the elections of employee and shareholder representatives held for this reason, the Supervisory Board is composed as follows:

Jutta Eberle, Bernd Mader, Andreas Rothbauer and Frank Weber were re-elected as employee representatives on the Supervisory Board with effect from the end of the Annual General Meeting. In addition, Hartmut Bader and Petra Sadowski were newly elected to the Supervisory Board as employee representatives with effect from the end of the Annual General Meeting on 14 May 2024.

The Annual General Meeting on 14 May 2024 also elected six shareholder representatives to the Supervisory Board. Dr Michael Gutjahr, Dr Frank Ellenbürger, Prof Dr Nadine Gatzert, Dr Wolfgang Salzberger, Jutta Stöcker and Edith Weymayr were re-elected with effect from the end of the Annual General Meeting.

The aforementioned members are members of the Supervisory Board until the end of the Annual General Meeting that resolves on the financial year ending 31 December 2028.

On the shareholder side, Dr Rainer Hagemann and Corinna Linner left the Supervisory Board. On the employee side, Jochen Höpken, Ute Kinzinger, Christoph Seeger and Susanne Ulshöfer left the Supervisory Board. The Supervisory Board would like to thank the departing members for their commitment and constructive collaboration.

By resolution of the Supervisory Board at its constituent meeting on 14 May 2024, Dr Michael Gutjahr was elected as Chairman and Frank Weber as Deputy Chairman of the Supervisory Board. Due to the reduction in the size of the Supervisory Board, various committees were also reduced in size. The Risk and Audit Committee now consists of six members and the Nomination Committee of three members. Since then, only shareholder representatives have been members of the Nomination Committee. Furthermore, the Nomination Committee is now only responsible for nominating shareholder representatives to the Supervisory Board. Further responsibilities were transferred to the Personnel Committee.

Due to the new elections of members to the Supervisory Board, the Supervisory Board reappointed its Risk and Audit Committee, Nomination Committee, Personnel Committee and Conciliation Committee by resolution dated 14 May 2024. Dr Frank Ellenbürger was appointed as the financial expert for the audit and Dr Wolfgang Salzberger as the financial expert for accounting.

The company is required by law to have women make up at least 30% of the Supervisory Board. The Supervisory Board currently consists of seven men and five women. Accordingly, women make up 41.66% of the Supervisory Board. At 50%, the shareholder representatives achieve full gender parity. Further details about the composition of the Supervisory Board can be found in the corporate governance statement.

There was a change in the composition of the Executive Board in the course of the 2024 financial year. Jürgen Steffan stepped down from the Executive Board at the end of 30 June 2024. Since then, the Executive Board has consisted of just three members. In connection with Jürgen Steffan's departure, the Supervisory Board adopted corresponding changes to the schedule of responsibilities applicable from 1 July 2024 at its meeting on 14 May 2024.

At the Supervisory Board meeting on 23 September 2024, Alexander Mayer's term of office as a member of the Executive Board was extended for the period from 1 September 2025 to 31 December 2028. Jens Wieland's term of office as a member of the Executive Board was also extended at the Supervisory Board meeting on 23 September 2024 for the period from 1 July 2025 to 31 December 2026.

Kornwestheim, 27 March 2025

Supervisory Board

Dr Michael Gutjahr
Chair

Glossary

Actuarial interest rate

Interest rate that the life insurance company typically uses to calculate premiums and that is guaranteed for the entire term. If a higher amount of interest is earned, customers receive most of this as participation contracts.

Affiliated companies

This term refers to the parent company (Group parent company) and all subsidiaries. Subsidiaries are companies over which the parent company can exercise a controlling influence on business policy. This is the case, for example, where the Group parent company directly or indirectly holds the majority of voting rights or has the right to appoint or remove the majority of the members of the Supervisory Board, or where there are contractual rights of control.

Asset liability management

Asset liability management describes the coordination of the maturity structure of assets and liabilities, as well as control of the associated market and liquidity risks.

Associated company

An associated company is a company over which the Group as owner has a decisive influence. It is neither a subsidiary nor a joint venture. Decisive influence typically exists where the Group maintains an ownership of 20-50%.

Black-Scholes model

Measurement model for ascertaining the fair value of options, which takes into consideration the strike price, the maturity of the option, the current price of the underlying, the risk-free interest rate and the volatility of the underlying.

Building block approach (BBA)

The building block approach (BBA), also known as the general measurement model (GMM), refers to the general measurement approach under IFRS 17. The carrying amount of a group of insurance contracts consists of the present value of expected future cash flows taking an explicit risk adjustment for non-financial risk and the contractual service margin into account.

Building savings contract volume

This is defined when the contract is concluded and normally determines the volume of the home loan savings resources available for allocation.

Cancellation (lapse rate)

Contracts that are terminated or made non-contributory by the policyholder before an insured event occurs. The lapse rate is the proportion of cancellations based on the average insurance portfolio.

Capital investments

Pursuant to the statutory provisions, the assigned amounts must be invested in such a way as to achieve the greatest possible security and profitability while maintaining the insurance company‘s liquidity at all times. This is done by ensuring an appropriate mix and spread with respect to investment types. By capital investments, we mean:

- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income
- Senior fixed-income securities at amortised cost
- Subordinated securities and receivables at amortised cost
- First-rate receivables from institutional investors at amortised cost
- Other loans and advances to credit institutions at amortised cost
- Financial assets accounted for under the equity method
- Investment property
- Non-current assets classified as held for sale, if included in one of the above categories

Capital investments for the account and risk of life insurance policyholders

These mainly include capital investments in unit-linked life insurance and additional capital investments designed to cover liabilities under contracts where the benefit is index-linked. Policyholders are entitled to the income earned from these capital investments, but they also have to bear any losses themselves.

Combined ratio

Actuarial profitability indicator used by property/casualty insurance companies, ratio of technical expenses to technical income.

Compliance

Compliance refers to all measures that are taken to ensure the legally and ethically correct behaviour of companies, governing bodies and employees. Compliance is designed to protect the company against misconduct, which can lead to pecuniary losses, damage to image and the failure to meet corporate objectives. It is also designed to protect the interests of employees, customers and business partners.

Contingent liabilities

Unrecognised liabilities that are unlikely to occur, for example contingent liabilities arising from guaranty obligations.

Contract boundaries

When measuring a group of insurance contracts, all future cash flows within the boundaries of each contract must be taken into account. A contract boundary is reached when the entity no longer has to offer insurance protection and the policyholder has no claim to the continuation of the contract, i.e. there are no longer any substantive rights or obligations under the contract.

Contractual service margin (CSM)

The CSM is the unrealised expected future profit from the insurance contracts. In accordance with the core principle of IFRS 17, the company does not earn this until the services are provided over the coverage period.

Corporate Governance Code

The German Corporate Governance Code contains nationally and internationally recognised standards of good and responsible corporate governance. Apart from conditions that have to be observed by companies as applicable statutory law, the Code also contains recommendations and suggestions. Companies can deviate from recommendations, but they are obligated to disclose this annually. Suggestions can be deviated from without disclosure.

Coverage period

The coverage period is the period in which the company provides insurance contract services and for which premiums were paid within the boundaries of the contract.

Credit provision ratio

The credit provision ratio means the ratio of the individual and portfolio impairment provisions to the associated credit volume.

Deferred taxes

Deferred taxes must be created for temporary differences resulting from the different valuation methods applied to assets and liabilities in the tax and IFRS balance sheets, where the tax effects arise in future periods.

Derivative financial instruments

Derivative financial instruments are forward transactions structured as a fixed or option transaction whose value depends on one or more underlying variables. Important examples of derivative financial instruments are options, futures, forwards and swaps.

Direct credit

The part of the surplus earned by the insurance company that is credited directly to customers during the financial year.

Earnings per share

Earnings per share are calculated by dividing the consolidated net profit attributable to the common shareholders of the parent company by the weighted average number of common shares outstanding during the reporting period.

Effective interest rate method

Pursuant to IFRS 9, the effective interest rate method is a method of calculating the amortised cost of a financial asset or a financial liability. It is also used to allocate interest receivable or interest payable over the relevant period. Using the effective interest rate, for example, a discount is spread over the maturity of the financial instrument and reduced to zero.

Equalisation reserve

Reserve to be created in accordance with officially established, actuarial-based methods in order to compensate for fluctuations in claims development in various years. In years with a relatively low/relatively high number of claims, additions/withdrawals are made.

Equity method

Units or shares in associated companies and joint ventures are recognised in accordance with this method. In doing so, the valuation corresponds to the Group‘s share of equity of these companies.

Expenses for insurance business

These costs include claim adjustment, contract administration and acquisition costs. Service commissions as part of administrative costs and, for direct participating business, asset management costs are considered separately here. On the other hand, provisions for outstanding insurance claims include exclusively provisions for claim adjustment costs. As a simplification, it is assumed that acquisition costs are incurred with the first premium.

Fair value

The amount at which an asset is exchanged between knowledgeable, willing and unrelated business partners. The fair value is the current market value, insofar as there is an active market. If an active market does not exist, fair value is determined using recognised valuation methods.

Financial assets at amortised cost

Financial assets that are assigned to the business model “Hold to collect” and pass the SPPI test are recognised at amortised cost. Costs at the time of acquisition correspond to fair value. In subsequent measurement, the carrying amount is amortised through profit or loss by depreciating transaction costs, premiums and discounts at a constant effective interest rate.

Financial assets at fair value through other comprehensive income

Financial assets that are assigned to the business model “Hold to collect and sell” and pass the SPPI test are initially recognised at fair value. In the case of subsequent measurement, changes in fair value are recognised through other comprehensive income. In the case of a disposal of the debt instrument, the changes in fair value that had previously been recognised in equity are recycled through profit or loss.

Financial assets at fair value through profit or loss

Recognised here are financial assets that are assigned to the business model “Other/trading” or are assigned to the business models “Hold to collect” or “Hold to collect and sell” and do not pass the SPPI test. Changes in fair value are recognised in the income statement. Initial recognition and subsequent measurement take place at fair value.

Financial conglomerate

A financial conglomerate provides financial services (banking and insurance services). A financial conglomerate is defined as a group of companies consisting of a parent company, its subsidiaries and the companies in which the parent company or a subsidiary hold an interest. The group must contain at least one entity in the banking and securities services sector and one entity in the insurance sector, one of which must be subject to the supervision of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin – German Federal Financial Supervisory Authority).

Financial liabilities

These are recognised at amortised cost. Costs at the time of acquisition correspond to fair value. In subsequent measurement, the carrying amount is amortised through profit or loss by depreciating transaction costs, premiums and discounts at a constant effective interest rate.

Financial liabilities at fair value through profit or loss

Recognised here are the negative market values of derivative financial instruments that are not accounted for as a hedging instrument in connection with hedge accounting. Changes in fair value are recognised in the income statement.

Futures

Standardised forward transactions under which a commodity available on a cash, capital, precious-metal or foreign exchange market is to be delivered or purchased at the exchange price at a particular time in the future.

Genuine securities repurchase transaction (repo)

A genuine securities repurchase transaction (repo) is a contract in which the buyer assumes the obligation to retransfer the securities acquired under a repurchase agreement at a predetermined time or at a time determined by the seller.

German covered bonds

German covered bonds are
- covered bonds based on acquired mortgages (German covered mortgage bonds)
- covered bonds based on acquired loans and advances due from governmental agencies (public German covered bonds)

Gross new business

For home loan and savings banks, gross new business describes new business as the sum of all building savings contracts applied for and accepted during a certain period of time.

Gross/net

In underwriting, gross/net means the respective position or ratio before or after deducting reinsurance.

Guarantee assets

Separate assets to be set aside by insurance companies in order to guarantee the claims of policyholders.

Guarantee needs

Guarantee needs have to do with the interest rate obligation under insurance contracts measured by taking into account a current market interest rate, less the provision for future policy benefits. Valuation reserves for fixed-income securities are to be taken into account with regard to the participation of policyholders in valuation reserves only to the extent that they exceed guarantee needs. Net profit may be distributed only to the extent that it exceeds the guarantee needs.

Hedge accounting

Hedge accounting is an accounting procedure for depicting how the value of a hedge (e.g. an interest rate swap) and the value of an underlying (e.g. a loan) trend in opposite directions. The object of hedging is to minimise the impact on the income statement that results from the measurement of derivatives and recognition of the results in profit or loss.

Hedging

Coverage against price risks through an adequate counter-position, particularly through derivative financial instruments. There are two basic models, depending on the risk to be secured: fair value hedges are used to secure assets or liabilities against risks of changes in value, and cash flow hedges mitigate the risk of fluctuations in future cash flows.

IFRS/IAS

The abbreviation IFRS stands for International Financial Reporting Standards and describes the international principles of financial reporting. Since 2002, the designation IFRS applies to the overall concept of the standards enacted by the International Accounting Standards Board (IASB). Standards already enacted continue to be called International Accounting Standards (IAS).

Investment components

Under IFRS 17, investment components are the amounts that an insurance contract requires the entity to repay to a policyholder even if an insured event does not occur.

IRBA (Internal Ratings Based Approach)

Banks, banking groups and financial holding groups may rely on their own internal estimates of risk components when determining minimum capital requirements and in providing backing for risk-weighted assets for counterparty risks. The approval of BaFin is required in order to use IRBA.

ISDA (International Swaps and Derivatives Association)

The ISDA is an international trading organisation of participants on the derivatives market. The main purpose of the association is to research and mitigate risks in derivatives trading and in risk management in general. The association has published an ISDA Master Agreement, which is used for the standardised settlement of derivative transactions.

Issuer rating

An issuer rating (for banks and insurance companies) represents the current opinion of a rating agency about a debtor‘s general financial ability to meet its financial obligations. This opinion relates in particular to a debtor’s ability and willingness to settle its financial liabilities in full and on time.

Liability for incurred claims (LIC)

LIC is a component of technical liabilities under IFRS 17 and represents the fulfilment cash flows for expected cost and claims payments for claims that have already occurred over the settlement period.

Liability for remaining coverage (LRC)

LRC is a component of technical liabilities under IFRS 17 and comprises the fulfilment cash flows for remaining coverage and the adjusted contractual service margin.

Loan under a building savings contract

After allocation of a building savings contract, there is a claim to a loan under a building savings contract, which is granted for housing financing activities. The amount of the loan under a building savings contract is typically determined by the difference between the building savings contract volume and the building savings contract balance. Special features of this loan are a fixed low interest rate for the entire term, the ability to subordinate collateral and the right to make unscheduled payments at any time.

Loss component

Under IFRS 17, a loss component represents the expected future loss on insurance contracts separate from the contractual service margin. A loss component is recognised in the balance sheet as a component of the technical liability and reduced in stages over the coverage period. The change in a loss component is expensed directly.

Loss ratio

Percentage ratio of loss expenses to premiums attributable to the financial year, i.e. those that are "earned".

Mixed funds

Investment funds that invest both in equities and in fixed-income securities.

Net new business

For home loan and savings banks, net new business describes the sum of all building-savings contracts paid in during a certain period of time.

New business (annual portfolio contributions)

Annual portfolio contributions in property/casualty business that are added to the total portfolio over the course of the year on account of new contracts or contract amendments with a new business character (new contract or contract change to a different contract group).

New construction financing business

New advance and bridge loan business measured on the basis of accepted loans and accepted "Wohndarlehen Classic" new financing business.

New construction financing business (including brokering for third parties)

Total of net new construction financing business (including brokering for third parties). The net new business includes contracts that have been signed by debtor (customer) and lender.

New premium

This contains annual premiums from new life insurance business, including one-off premiums.

Non-controlling interests in equity

Interests in own funds of consolidated subsidiaries that, in the Group's view, are held by outside third parties.

Non-technical account

The result from those types of income and expenses that are not allocated to direct insurance business.

Options

Forward contracts where the buyer is entitled but not obligated to purchase (call option) or sell (put option) the subject of the option within a certain period at a price agreed to in advance. The seller of the option (writer) is obligated to provide or accept the subject of the option and receives a fee for granting the option.

OTC (over the counter) derivatives

Derivative financial instruments that are not standardised and not traded on a stock exchange but instead are individually negotiated between two contractual partners.

Paid in

A newly concluded building savings contract is deemed paid in after payment in full of the conclusion fee.

Premium allocation approach (PAA)

Under IFRS 17, PPA is a simplified measurement approach that can alternatively be applied to short-term insurance contracts with a coverage period of not more than one year. As a convenience, the provision for future policy benefits is presented using the provision for unearned premiums.

Premiums, written/earned

The premium is the price for the benefit to be provided by the insurer. It can be paid either continually or as a oneoff premium. Written premiums are premium revenues received for the respective financial year. Earned premiums are the amounts attributable to the financial year.

Primary insurance

Primary insurance is established through a direct contractual relationship between the insurance company and the policyholder and is described as direct insurance business.

Provision for future policy benefits

The insurance company creates a provision for future policy benefits in order to be able to guarantee the promised insurance cover at any time.

Provision for outstanding insurance claims

This is a provision for expenses arising from claims that occurred in the respective financial year but have not yet been able to be settled. It also includes provisions for claims that occurred before the reporting date but have not yet been reported.

Provision for unearned premiums

These premium revenues are allocated to income from future financial years. They are calculated individually and to the day for each insurance contract.

Public funds

Investment funds whose units can be purchased by anyone. Purchase and sale are possible when stock exchanges are open.

Quoted prices

Quoted prices are characterised by the fact that they are readily and regularly available. Quotes are made via a stock exchange, a broker, an industry group, a pricing service or a supervisory authority. Prices must be accessible to the public. Prices quoted on a stock exchange, as well as pricing on OTC markets, are publicly available if the prices are available to the public, for example via Reuters or Bloomberg.

Reinsurance

An insurance company insures part of its risk with another insurance company (the reinsurer).

Reserve for financial assets at fair value through other comprehensive income

In this reserve market value changes to assets belonging to the category “Financial assets available for sale“ are recognised directly in equity in the reserve for financial assets available for sale. It is a component of equity.

Result attributable to non-controlling interests

Shares in consolidated net profit that, in the Group‘s view, are attributable to outside third parties.

Retained earnings

Recognised as retained earnings in individual HGB financial statements are only those amounts that were accrued from net income in the financial year or in previous financial years. They strengthen the company‘s financial matter.

Retrocession

Assumption of the risks of reinsurance companies by other reinsurers.

Risk adjustment for non-financial risks

Under IFRS 17, the risk adjustment for non-financial risks represents the compensation requested for bearing the uncertainty of the timing and amount of the technical cash flows when fulfilling insurance contracts.

Risk provision

The arrangements in IFRS 9 concerning risk provision are applied to financial assets at amortised cost or at fair value through other comprehensive income, as well as to loan commitments. In the case of assets at amortised cost, the risk provision is recognised directly in the risk provision position associated with the respective balance sheet item. In the case of assets at fair value through other comprehensive in-come, the risk provision is recognised in the income statement by adjusting the reserve for financial assets at fair value through other comprehensive income, which is recognised in equity. The risk provision for off-balance-sheet business is recognised as an expense under “Other provisions”. This risk provision is essentially calculated the same way as that for financial assets.

Solvency II group

A Solvency II group involves a group of insurance undertakings. The participations of the parent undertaking are pooled in an insurance group. The supervisory authority thus has the ability to examine the financial situation from the standpoint of the group.

Solvency ratio

Term from the insurance industry. The solvency ratio indicates the relationship between an insurance company’s own funds and the value of its capital investments as weighted according to investment risk. The higher the ratio, the more risks the insurance company may assume pursuant to European investment regulations.

Special funds

Investment funds that are open only to a limited group of investors. These are usually institutional investors, such as insurance companies, pension funds, foundations, etc.

SPPI (solely payments of principal and interest)

If a financial asset is assigned to the business model "Hold to collect" or "Hold to collect and sell", it must be assessed on the basis of contractual agreements whether the cash flows contain only principal and interest payments, known as basic loan features (SPPI test).

Statement of compliance

Section 161 of the Aktiengesetz (AktG – German Stock Corporation Act) requires the executive board and the supervisory board of a listed company to issue an annual declaration that they have complied with the recommendations of the German Corporate Governance Code and to state which recommendations of the Code were not applied.

Stress test

The stress test simulates the effects that future negative developments on the capital markets – such as a drop in share prices accompanied by a rise in interest rates – can have on the coverage of guaranteed benefits and the solvency of the company.

Structured entity

With a structured entity, voting and comparable rights are not the definitive factors in determining who controls the company. Voting rights merely cover administrative duties, whereas material activities are performed pursuant to contractual arrangements.

Technical result

Under IFRS 17, a technical result is calculated in accordance with new principles and consists of technical income and technical expenses. The technical result incorporates changes relating to current services. These comprise, for instance, changes in the contractual service margin (CSM) through profit or loss and changes to the risk adjustment for non-financial risks. It also includes changes relating to past services in the form of the adjustment of the obligation for incurred claims.

Valuation reserves

Difference between the fair value and the carrying amount of certain asset classes. In HGB financial statements, this includes capital investments. In IFRS financial statements, this includes, for example, financial instruments that are not recognised at fair value. The same applies to investment property carried at amortised cost.

Value at risk (VaR)

The VaR is a measure of risk that indicates what value the loss of a certain risk position will not exceed with a stipulated probability of default (confidence level) during a stipulated time interval.

Variable fee approach (VFA)

Under IFRS 17, VFA is a measurement approach that is a modification of the general measurement model applied to insurance contracts with direct participation features.

Volatility

The standard deviation, translated to one year, of the logarithmic growth of a risk factor.

Württembergische

The term "Württembergische" includes Württembergische Lebensversicherung AG, Württembergische Versicherung AG and Württembergische Krankenversicherung AG.

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