

# Quarterly Statement as at 30 September 2016

Wüstenrot & Württembergische AG

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



**wüstenrot  
würtembergische**

This Quarterly Statement has been prepared in accordance with IFRS principles as at 30 September 2016.  
It does not constitute a Quarterly Financial Report in accordance with IAS 34 or Financial Statements in accordance with IAS 1.

# KEY FIGURES OF W&W GROUP

## W&W GROUP (ACCORDING TO IFRS)

CONSOLIDATED BALANCE SHEET		9M 2016	FY 2015
Total assets	€ bn	74.5	74.1
Capital investments	€ bn	47.2	47.0
Financial assets available for sale	€ bn	25.4	24.3
First tier loans and advances to institutional investors	€ bn	14.6	15.7
Building loans	€ bn	23.8	24.3
Liabilities to customers	€ bn	25.4	25.3
Technical provisions	€ bn	34.3	32.9
Equity	€ bn	3.9	3.6
Equity per share	€	41.83	38.68
CONSOLIDATED PROFIT AND LOSS STATEMENT		9M 2016	9M 2015
Net financial result (after credit risk adjustments)	€ mn	1,420.9	1,469.5
Premiums/contributions earned (net)	€ mn	2,933.2	2,863.4
Insurance benefits (net)	€ mn	-3,038.9	-3,062.7
Earnings before income taxes from continued operations	€ mn	270.0	251.0
Consolidated net profit	€ mn	179.8	201.8
Total comprehensive income	€ mn	352.8	115.2
Earnings per share	€	1.90	2.11
OTHER INFORMATION		9M 2016	FY 2015
Employees (domestic) <sup>1</sup>		6,779	6,907
Employees (Group) <sup>2</sup>		8,453	8,763
KEY SALES FIGURES		9M 2016	9M 2015
<i>Group</i>			
Gross premiums written	€ mn	3,107.4	3,023.0
New construction financing business (including brokering for third parties)	€ mn	4,012.0	4,250.0
Sales of own and third-party investment funds	€ mn	266.1	243.2
<i>Home Loan and Savings Bank</i>			
New home loan savings business (gross)	€ mn	10,425.7	10,305.0
New home loan savings business (net)	€ mn	8,794.4	8,159.2
<i>Life and Health Insurance</i>			
Gross premiums written	€ mn	1,697.2	1,625.0
New premiums	€ mn	485.1	405.3
<i>Property/Casualty Insurance</i>			
Gross premiums written	€ mn	1,413.8	1,379.0
New premiums (measured in terms of annual contributions to the portfolio)	€ mn	166.7	170.0

1 Full-time equivalent head count.

2 Number of employment contracts.



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# Business report and Outlook

## BUSINESS REPORT

### Development of business and Group position

In the first nine months of 2016, W&W Group brought in further new business growth. Home loan and savings grew against the market trend. Gross premiums written by the insurance companies also rose again.

The successes in the new business are flanked by W&W's high cost awareness, which has enabled the general administrative expenses to fall further. Thanks to a risk-aware underwriting policy in recent years, insurance benefits also fell despite numerous spring storms.

In line with expectations, the consolidated net profit after taxes of €179.8 million at the end of the third quarter was below the previous year's figure of €201.8 million. In contrast to the previous year, the consolidated net income in the reporting period did not benefit from the relief afforded by one-off tax effects. The pre-tax result achieved €270.0 million (previous year €251.0 million).

The earnings forecast of more than €220 million after taxes for the whole year is being reaffirmed – provided that extraordinary claims resulting from extreme damages or extreme events on capital markets continue to be absent.

### W&W@2020

The growth programme W&W@2020 is posting further progress. In the third quarter of 2016, in particular, we were able to make additional W&W core products available for purchase by customers online. The new "Wohnsparen" went online in the spring, now followed by W&W's attractive accident insurance and term insurance. In order to enable policies to be concluded online in a simple, convenient manner, W&W's websites were also overhauled to make them more customer-friendly.

### W&W stock can assert itself on the market

During the course of the year, W&W stock was quite volatile, reflecting the situation on the markets as a whole. The announcement of the EU referendum in the UK caused investors' risk aversion to increase. After the disappointing result of the British referendum from a stock-market perspective, prices recovered on the markets as a whole, as did the W&W stock price, which was consistently trading just below €18 by the end of the third quarter.

### NEW BUSINESS KEY FIGURES (GROUP)

	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015	Change
	in € million	in € million	in %
New home loan savings business (gross)	10 731.3	10 576.9	1.5
Gross premiums written (insurer)	3 107.4	3 023.0	2.8
Construction financing business (including brokering for third parties)	4 012.0	4 250.0	-5.6

## FINANCIAL PERFORMANCE

### Consolidated income statement

At €270.0 million (previous year: €251.0 million), pre-tax income came in above the level of the previous year. Tax expenses normalized to €90.2 million (previous year: €49.2 million). As at 30 September 2016, consolidated net profit after taxes stood at €179.8 million (previous year: €201.8 million).

### COMPOSITION OF CONSOLIDATED NET PROFIT

in € million	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015
Home Loan and Savings Bank segment	47.9	43.7
Life and Health Insurance segment	34.0	36.1
Property/Casualty Insurance segment	84.2	81.2
All other segments	99.8	74.6
Consolidation/reconciliation	-86.1	-33.8
<b>CONSOLIDATED NET PROFIT</b>	<b>179.8</b>	<b>201.8</b>

Net financial income fell to €1,420.9 million (previous year: €1,469.5 million). On the one hand, year-to-date income declined considerably as a consequence of the low interest rate environment. On the other, downward trends on the equities markets resulted in higher impairments being taken on equity instruments and in weaker development of investments for unit-linked life insurance policies. Net income from disposals increased.

Net earned premiums rose by €69.8 million to €2,933.2 million (previous year: €2,863.4 million). Both property/casualty insurance and life and health insurance saw increases.

Net insurance benefits fell by €23.8 million to €3,038.9 million (previous year: €3,062.7 million). Despite a number of storms, claims development was once again very good in property/casualty insurance.

General administrative expenses declined by €8.6 million to €786.5 million (previous year: €795.1 million) as a result of continued tenacious cost management. Due to a lower headcount, personnel expenses declined despite collectively bargained salary increases. By contrast, materials costs were higher than in the previous year due to increased contributions to the deposit guarantee scheme and to IT investments.

Tax expenses rose sharply to €90.2 million (previous year: €49.2 million). In contrast to the previous year, consolidated net income did not benefit from the relief afforded by one-off tax effects.

### Consolidated statement of comprehensive income

As at 30 September 2016, total comprehensive income stood at €352.8 million (previous year: €115.2 million). It consists of consolidated net profit and other comprehensive income (OCI).

As at 30 September 2016, OCI amounted to €173.0 million (previous year €-86.7 million). Interest rates fell during the reporting period, whereas they were still rising during the same period last year, particularly in the longer maturity bands.

OCI was essentially shaped by two effects: First, the actuarial assumptions underlying the pension commitments were adjusted to conform to market conditions. As a result, the actuarial interest rate used to measure pension commitments fell from 2.0% as at 31 December 2015 to 1.25%. After additions to the provision for premium refunds and to deferred taxes, this resulted in an unrealised loss of €-162.9 million (previous year: €98.4 million).

Unrealised net income from financial assets available for sale is the second noteworthy effect. After additions to the provision for premium refunds and to deferred taxes, it amounted to €348.1 million (previous year: €-173.9 million). These measurement gains, which are recognised directly in equity, were the result of the decline in interest rates since the start of the year and the associated interest rate-related increase in prices of bearer instruments.

## HOME LOAN AND SAVINGS BANK SEGMENT

Segment net income stood at €47.9 million (previous year: €43.7 million).

New home loan savings business increased slightly during the first three quarters. The segment's total assets amounted to €33.0 billion (previous year: €35.1 billion).

### New business

Gross new business from home loan savings contracts rose by 1.2% to €10.4 billion (previous year: €10.3 billion). Net new business (paid-in new business) rose even more strongly by 7.8% to €8.8 billion (previous year: €8.2 billion). In contrast to the development on the market, the home loan savings bank achieved growth in both gross and net new business and thus increased its market share.

New construction financing business fell to €2,065.6 million (previous year: €2,204.2 million) as a result of focusing on more profitable offers and the initial effects of the German Directive on Residential Property Loans (Wohnimmobilienkreditrichtlinie). The follow-on lending included in this figure amounted to €285.4 million (previous year: €344.0 million). New lending business came in at €1,780.2 million (previous year: €1,860.2 million).

### NEW BUSINESS KEY FIGURES

	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015	Change
	in € million	in € million	in %
Gross new business	10 425.7	10 305.0	1.2
Net new business	8 794.4	8 159.2	7.8
New construction financing business (approvals)	2 065.6	2 204.2	-6.3

## Financial performance

The increase in net income for the Home Loan and Savings Bank segment to €47.9 million (previous year: €43.7 million) is mainly attributable to higher net financial income.

Net financial income in the Home Loan and Savings Bank segment increased to €350.3 million (previous year: €311.9 million). This is particularly attributable to increased income from disposals resulting from the strategy-compliant decrease in the portfolio of the Pfandbriefbank, as well as to improved risk provision. However, year-to-date net interest income declined as a consequence of the environment of low interest rates.

General administrative expenses increased slightly by €0.8 million to €269.6 million (previous year: €268.8 million). The reduction of personnel expenses by €6.9 million was once again nearly completely offset by increased materials costs. This was mainly due to higher contributions to the deposit guarantee scheme, which for the first time was determined on the basis of the calculation methodology that has been harmonised on the European level.

Tax expenses rose to €22.0 million (previous year: €12.8 million). This was due to higher segment pre-tax income and lower deferred tax effects.



## LIFE AND HEALTH INSURANCE SEGMENT

Segment net income stood at €34.0 million (previous year: €36.1 million). New premiums for life and health insurance increased significantly. The segment's total assets increased to €34.5 billion (previous year: €33.0 billion).

### New business/premium development

As at 30 September 2016, new premiums for the Life and Health Insurance segment stood at €485.1 million (previous year: €405.3 million). Single-premium income rose to €411.0 million (previous year: €328.1 million). New regular premiums reached €74.1 million (previous year: €77.2 million).

Gross premiums written increased to €1,697.2 million (previous year: €1,625.0 million), mainly as a result of higher single-premium income.

### NEW BUSINESS KEY FIGURES

	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015	Change
	in € million	in € million	in %
<b>New premiums</b>	<b>485.1</b>	<b>405.3</b>	<b>19.7%</b>
Single premiums, life	411.0	328.1	25.3%
Regular premiums, life	67.2	69.1	-2.7%
Annual new premiums, health	6.9	8.1	-14.8%

### Financial performance

At €34.0 million, segment net income came in slightly below the level of the previous year (€36.1 million). Declining net financial and real estate income was able to be offset by the rise in the underwriting result.

The decline in net financial income in the Life and Health Insurance segment by €43.3 million to €997.7 million (previous year: €1,041.0 million) was shaped by the downward trends on the equities markets. This resulted in higher impairments being taken on equity instruments and in

declining net income from investments for unit-linked life insurance policies. Likewise, year-to-date income declined as a consequence of the low interest rate environment. Net income from disposals once again came in at a high level. This also served to hedge obligations to our customers.

Net income from investment property fell by €21.4 million to €47.9 million (previous year: €69.3 million). This was mainly due to lower gains from disposals. Rental income likewise trended downward as a consequence of numerous disposals during the course of 2015.

Net earned premiums increased to €1,742.2 million (previous year: €1,680.3 million) as a result of higher single premium income.

Net insurance benefits were at the level of the previous year, coming in at €2,395.5 million (previous year: €2,394.6 million). Benefits to customers were secured further through the regular increase of the additional interest reserve (including interest rate reinforcement). Additions amounted to €183.0 million (previous year: €244.2 million). The interest rate reserve as a whole thus now totals €1,492.2. By contrast, additions to the provision for premium refunds increased.

General administrative expenses in the Life and Health Insurance segment fell to €190.5 million (previous year: €192.1 million). The main reasons for this were lower personnel expenses and depreciation.

Segment tax expenses rose to €16.2 million (previous year: €7.1 million). In contrast to the previous year, net income was not influenced by any relief afforded by one-off tax effects.

## PROPERTY/CASUALTY INSURANCE SEGMENT

Segment net income came in at €84.2 million (previous year: €81.2 million). New business in the Property/Casualty Insurance segment declined slightly. Total assets stood at €4.5 billion (previous year: €4.2 billion).

### New business/premium development

New business decreased slightly to €166.7 million (previous year: €170.0 million). The decline was mainly attributable to the motor business line. By contrast, an increase was achieved in the corporate customers business line. Overall, new business came in slightly above plan.

Gross premiums written increased further by €34.8 million to €1,413.8 million (previous year: €1,379.0 million).

### NEW BUSINESS KEY FIGURES

	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015	Change
	in € million	in € million	in %
<b>New business</b>	<b>166.7</b>	<b>170.0</b>	<b>-1.9%</b>
Motor	125.6	129.6	-3.1%
Corporate customers	22.1	20.9	5.7%
Retail customers	19.0	19.5	-2.6%

### Financial performance

Segment net income came in at €84.2 million (previous year: €81.2 million). The reasons for this were the once again good underwriting result and lower general administrative expenses.

At €32.3 million, net financial income fell considerably (previous year: €74.7 million). This decline is attributable to, among other things, negative net income from disposals and higher impairment expenses for equity instruments. In addition, net currency income declined, which was, however, more than offset by currency gains in net other operating income.

Net earned premiums continued to trend positively. They increased by €26.1 million to €1,014.4 million (previous year: €988.3 million). Growth was achieved in all business lines.

Net insurance benefits fell by €11.6 million to €533.9 million (previous year: €545.5 million). Losses due to acts of nature totalling €74.2 million, gross, were recorded in the first nine months of 2016 (previous year: €60.0 million) as a result of such storms as "Neele", "Frederike" and "Elvira". Despite these high losses due to acts of nature and premium growth, insurance benefits declined. The combined ratio (gross) was therefore once again very good, coming in at 91.3% (previous year: 93.1%). This positive trend in the insurance portfolio is ultimately due to a sustainable, risk-conscious underwriting policy.

General administrative expenses decreased significantly by €9.7 million to €249.1 million (previous year: €258.3 million). Both personnel expenses and materials costs fell.

Net other operating income amounted to €21.6 million (previous year: €10.8 million). This contains currency gains from technical provisions, which were offset by losses in net financial income.

Segment tax expenses rose to €45.8 million (previous year: €31.2 million). The reporting period was, in particular, negatively influenced by write-downs on equities that could not be recognised for tax purposes.

## ALL OTHER SEGMENTS

All other segments” covers the divisions that cannot be allocated to any other segment. This includes W&W AG, W&W Asset Management GmbH, the Czech subsidiaries and the Group’s internal service providers. The total assets of the other segments amounted to €6.2 billion (previous year: €6.0 billion). After-tax net income stood at €99.8 million (previous year: €74.6 million). This was composed, among other things, of the following:

W&W AG €69.9 million (previous year: €33.5 million), W&W Asset Management GmbH €14.7 million (previous year: €15.9 million), and Czech subsidiaries €11.1 million (previous year: €10.8 million).

Net financial income amounted to €165.0 million (previous year: €96.4 million). It was mainly shaped by long-term equity investment income from within the Group received by W&W AG, which is included in net income from financial assets available for sale and was considerably above the level of the previous year. This equity investment income is eliminated in the consolidation/reconciliation column in order to obtain values for the Group. The sale of the Czech insurance subsidiaries resulted on whole in a positive effect on results in the amount of €6.4 million. Having the opposite effect were lower net currency income, higher write-downs on investment funds, and slightly increased risk provision.

Earned premiums fell by €19.3 million to €185.6 million (previous year: €204.9 million). This was mainly attributable to the sale of the two Czech insurance companies Wüstenrot životní pojišť’ovna a.s. and Wüstenrot pojišť’ovna a.s. Net insurance benefits decreased analogously to €118.7 (previous year: €136.2), also as a consequence of improved claims development.

General administrative expenses remained virtually unchanged at €68.6 million (previous year: €68.5 million).

Segment tax expenses rose to €46.4 million (previous year: €19.3 million). In contrast to the previous year, segment net income was not influenced by the settlement of prior-year taxes.

## OUTLOOK

After the end of the reporting period, the Federal Court of Justice (BGH) gave a verdict on 08 November 2016 regarding the lawfulness of loan fees in home Loan and Savings affecting all home loan banks in Germany. According to this, the loan fee for building loan agreements is no longer lawful. Specific impact on the business area Home Loan and Savings Bank of the W&W Group cannot currently be foreseen, especially since the written reasons for the judgement are not yet available.

Because of the positive development of business during the first nine months of the current year, we continue to forecast a consolidated net income of more than €220 million to the year end – provided that extraordinary claims resulting from extreme damages or extreme events on capital markets continue to be absent. Current political developments such as the US election are not at present expected to have a direct sustained effect on the W&W Group.

# Condensed financial statements

## CONSOLIDATED BALANCE SHEET

<b>ASSETS</b>		
<i>in € thousands</i>	30/9/2016	31/12/2015
<b>A. Cash reserves</b>	<b>973 837</b>	<b>299 454</b>
<b>B. Non-current assets classified as held for sale and discontinued operations</b>	<b>75 042</b>	<b>96 022</b>
<b>C. Financial assets at fair value through profit or loss</b>	<b>3 183 647</b>	<b>3 243 271</b>
<b>D. Financial assets available for sale</b>	<b>25 423 389</b>	<b>24 259 671</b>
thereof sold under repurchase agreements or lent under securities lending transactions	918 904	1 338 472
<b>E. Receivables</b>	<b>41 308 463</b>	<b>42 698 563</b>
I. Subordinated securities and receivables	116 340	127 641
II. First-rank receivables from institutional investors	14 581 645	15 688 698
III. Building loans	23 792 170	24 293 438
IV. Other loans and receivables	2 818 308	2 588 786
<b>F. Risk provision</b>	<b>-189 415</b>	<b>-199 845</b>
<b>G. Positive market values from hedges</b>	<b>27 260</b>	<b>57 972</b>
<b>H. Financial assets accounted for using the equity method</b>	<b>95 553</b>	<b>122 144</b>
<b>I. Investment property</b>	<b>1 711 939</b>	<b>1 722 678</b>
<b>J. Reinsurers' portion of technical provisions</b>	<b>335 526</b>	<b>332 745</b>
<b>K. Other assets</b>	<b>1 522 039</b>	<b>1 453 906</b>
I. Intangible assets	82 836	89 580
II. Property, plant and equipment	221 296	219 914
III. Inventories	101 956	76 789
IV. Current tax assets	51 894	59 136
V. Deferred tax assets	972 797	916 732
VI. Other assets	91 260	91 755
<b>TOTAL ASSETS</b>	<b>74 467 280</b>	<b>74 086 581</b>

## LIABILITIES

<i>in € thousands</i>	30/9/2016	31/12/2015
<b>A. Liabilities under non-current assets classified as held for sale and discontinued operations</b>	—	79 735
<b>B. Financial liabilities at fair value through profit or loss</b>	1 172 180	752 411
<b>C. Liabilities</b>	<b>30 254 483</b>	<b>31 828 304</b>
I. Liabilities evidenced by certificates	662 830	1 056 854
II. Liabilities to credit institutions	2 917 326	4 122 614
III. Liabilities to customers	25 363 297	25 335 037
IV. Finance lease liabilities	29 340	28 413
V. Miscellaneous liabilities	1 281 690	1 285 386
<b>D. Negative market values from hedges</b>	—	544 643
<b>E. Technical provisions</b>	<b>34 319 726</b>	<b>32 860 538</b>
<b>F. Other provisions</b>	<b>3 288 481</b>	<b>2 911 578</b>
<b>G. Other liabilities</b>	<b>1 054 919</b>	<b>895 429</b>
I. Current tax liabilities	203 497	201 737
II. Deferred tax liabilities	843 847	687 108
III. Other liabilities	7 575	6 584
<b>H. Subordinated capital</b>	<b>443 986</b>	<b>570 201</b>
<b>I. Equity</b>	<b>3 933 505</b>	<b>3 643 742</b>
I. Interests of W&W shareholders in paid-in capital	1 483 639	1 487 576
II. Interests of W&W shareholders in earned capital	2 426 928	2 138 356
Retained earnings	2 289 332	2 169 652
Other reserves (other comprehensive income)	137 596	-31 296
III. Non-controlling interests in equity	22 938	17 810
<b>TOTAL LIABILITIES</b>	<b>74 467 280</b>	<b>74 086 581</b>

## CONSOLIDATED INCOME STATEMENT

<i>in € thousands</i>	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015
Income from financial assets available for sale	1 018 493	1 285 499
Expenses from financial assets available for sale	-341 186	-200 415
<b>1. Net income from financial assets available for sale</b>	<b>677 307</b>	<b>1 085 084</b>
Income from financial assets accounted for using the equity method	7 668	25 143
Expenses from financial assets accounted for using the equity method	—	-977
<b>2. Net income from financial assets accounted for using the equity method</b>	<b>7 668</b>	<b>24 166</b>
Income from financial assets/liabilities at fair value through profit or loss	1 075 685	1 091 108
Expenses from financial assets/liabilities at fair value through profit or loss	-1 019 603	-1 467 180
<b>3. Net expense from financial assets/liabilities at fair value through profit or loss</b>	<b>56 082</b>	<b>-376 072</b>
Income from hedges	220 820	164 429
Expense from hedges	-141 530	-98 806
<b>4. Net income from hedges</b>	<b>79 290</b>	<b>65 623</b>
Income from receivables, liabilities and subordinated capital	1 256 543	1 287 877
Expense from receivables, liabilities and subordinated capital	-659 264	-614 228
<b>5. Net income from receivables, liabilities and subordinated capital</b>	<b>597 279</b>	<b>673 649</b>
Income from risk provision	77 699	85 628
Expense from risk provision	-74 458	-88 593
<b>6. Net expense from risk provision</b>	<b>3 241</b>	<b>-2 965</b>
<b>7. NET FINANCIAL RESULT</b>	<b>1 420 867</b>	<b>1 469 485</b>
Income from investment property	99 658	129 085
Expense from investment property	-48 165	-56 283
<b>8. Net income from investment property</b>	<b>51 493</b>	<b>72 802</b>
Commission income	182 065	169 308
Commission expense	-466 661	-453 037
<b>9. Net commission expense</b>	<b>-284 596</b>	<b>-283 729</b>
Earned premiums (gross)	3 010 525	2 939 530
Premiums ceded to reinsurers	-77 324	-76 162
<b>10. Earned premiums (net)</b>	<b>2 933 201</b>	<b>2 863 368</b>
Insurance benefits (gross)	-3 086 999	-3 131 882
Received reinsurance premiums	48 127	69 222
<b>11. Insurance benefits (net)</b>	<b>-3 038 872</b>	<b>-3 062 660</b>
<b>CARRYOVER</b>	<b>1 082 093</b>	<b>1 059 266</b>

<i>in € thousands</i>	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015
<b>CARRYOVER</b>	<b>1 082 093</b>	<b>1 059 266</b>
Personnel expenses	-435 599	-453 240
Materials costs	-302 797	-290 053
Depreciation/amortisation	-48 084	-51 757
<b>12. General administrative expenses</b>	<b>-786 480</b>	<b>-795 050</b>
Other operating income	157 817	154 893
Other operating expense	-183 435	-168 109
<b>13. Net other operating expense</b>	<b>-25 618</b>	<b>-13 216</b>
<b>14. CONSOLIDATED EARNINGS BEFORE INCOME TAXES FROM CONTINUED OPERATIONS</b>	<b>269 995</b>	<b>251 000</b>
<b>15. Income taxes</b>	<b>-90 190</b>	<b>-49 172</b>
<b>16. CONSOLIDATED NET PROFIT</b>	<b>179 805</b>	<b>201 828</b>
Result attributable to shareholders of W&W AG	178 103	197 972
Result attributable to non-controlling interests	1 702	3 856
<b>17. BASIC (= DILUTED) EARNINGS PER SHARE, IN €</b>	<b>1.90</b>	<b>2.11</b>
Thereof from continued operations, in €	1.90	2.11

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>in € thousands</i>	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015
<b>Consolidated net profit</b>	<b>179 805</b>	<b>201 828</b>
<i>Other comprehensive income</i>		
<i>Elements not reclassified to the consolidated income statement:</i>		
Actuarial gains/losses (–) from defined-benefit plans (gross)	–255 644	152 428
Provision for deferred premium refunds	20 955	–10 635
Deferred taxes	71 762	–43 357
<b>Actuarial gains/losses (–) from defined-benefit plans (net)</b>	<b>–162 927</b>	<b>98 436</b>
<i>Elements subsequently reclassified to the consolidated income statement:</i>		
Unrealised gains/losses (–) from financial assets available for sale (gross)	1 291 306	–800 765
Provision for deferred premium refunds	–789 703	547 581
Deferred taxes	–153 459	79 299
<b>Unrealised gains/losses (–) from financial assets available for sale (net)</b>	<b>348 144</b>	<b>–173 885</b>
Unrealised gains/losses (–) from financial assets accounted for using the equity method (gross)	–92	–135
Provision for deferred premium refunds	–	–
Deferred taxes	1	2
<b>Unrealised gains/losses (–) from financial assets accounted for using the equity method (net)</b>	<b>–91</b>	<b>–133</b>



<i>in € thousands</i>	1/1/2016 to 30/9/2016	1/1/2015 to 30/9/2015
Unrealised gains/losses (–) from cash flow hedges (gross)	–19 366	–22 236
Provision for deferred premium refunds	–	–
Deferred taxes	5 922	6 799
<b><i>Unrealised gains/losses (–) from cash flow hedges (net)</i></b>	<b>–13 444</b>	<b>–15 437</b>
<b><i>Currency translation differences of economically independent foreign units</i></b>	<b>1 319</b>	<b>4 359</b>
Total other comprehensive income, gross	1 017 523	–666 349
Total provision for deferred premium refunds	–768 748	536 946
Total deferred taxes	–75 774	42 743
<b><i>Total other comprehensive income, net</i></b>	<b>173 001</b>	<b>–86 660</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>352 806</b>	<b>115 168</b>
Attributable to shareholders of W&W AG	346 695	111 967
Attributable to non-controlling interests	6 111	3 201

## SEGMENT INCOME STATEMENT

	HOME LOAN AND SAVINGS BANK		LIFE AND HEALTH INSURANCE	
	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015
<i>in € thousands</i>				
1. Net income from financial assets available for sale	132 243	147 433	515 528	866 276
2. Net income from financial assets accounted for using the equity method	—	—	3 295	10 791
3. Net income from financial assets/liabilities at fair value through profit or loss	7 696	-117 817	47 552	-231 638
4. Net income from hedges	79 290	65 623	—	—
5. Net income from receivables, liabilities and subordinated capital	123 430	216 178	430 453	397 022
6. Net income from risk provision	7 665	495	859	-1 486
<b>7. NET FINANCIAL RESULT</b>	<b>350 324</b>	<b>311 912</b>	<b>997 687</b>	<b>1 040 965</b>
8. <i>Net income from investment property</i>	—	—	47 901	69 337
9. <i>Net commission income</i>	-4 826	260	-98 322	-98 962
10. <i>Earned premiums (net)</i>	—	—	1 742 166	1 680 327
11. <i>Insurance benefits (net)</i>	—	—	-2 395 455	-2 394 562
12. <i>General administrative expenses</i> <sup>3</sup>	-269 618	-268 777	-190 483	-192 081
13. <i>Net other operating income</i>	-6 047	13 120	-53 286	-61 752
<b>14. SEGMENT NET INCOME BEFORE INCOME TAXES FROM CONTINUED OPERATIONS</b>	<b>69 833</b>	<b>56 515</b>	<b>50 208</b>	<b>43 272</b>
15. <i>Income taxes</i>	-21 976	-12 769	-16 203	-7 124
<b>16. SEGMENT NET INCOME AFTER TAXES</b>	<b>47 857</b>	<b>43 746</b>	<b>34 005</b>	<b>36 148</b>

1 Includes amounts from proportional profit transfers eliminated in the Consolidation column.

2 The column "Consolidation/reconciliation" includes the effects of consolidation between segments.

3 Includes service revenues and rental income with other segments.

	PROPERTY/CASUALTY INSURANCE		TOTAL FOR REPORTABLE SEGMENTS		ALL OTHER SEGMENTS <sup>1</sup>		CONSOLIDATION/ RECONCILIATION <sup>2</sup>		GROUP	
	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015	1.1.2016 to 30.9.2016	1.1.2015 to 30.9.2015
	17 276	56 948	665 047	1 070 657	151 674	75 202	-139 414	-60 775	677 307	1 085 084
	3 295	11 008	6 590	21 799	1 078	2 367	—	—	7 668	24 166
	-849	-25 893	54 399	-375 348	-1 888	-4 300	3 571	3 576	56 082	-376 072
	—	—	79 290	65 623	—	—	—	—	79 290	65 623
	13 069	32 828	566 952	646 028	18 873	24 947	11 454	2 674	597 279	673 649
	-509	-174	8 015	-1 165	-4 774	-1 800	—	—	3 241	-2 965
	32 282	74 717	1 380 293	1 427 594	164 963	96 416	-124 389	-54 525	1 420 867	1 469 485
	1 399	1 555	49 300	70 892	254	288	1 939	1 622	51 493	72 802
	-156 758	-158 726	-259 906	-257 428	-31 271	-29 495	6 581	3 194	-284 596	-283 729
	1 014 427	988 313	2 756 593	2 668 640	185 628	204 938	-9 020	-10 210	2 933 201	2 863 368
	-533 851	-545 452	-2 929 306	-2 940 014	-118 689	-136 199	9 123	13 553	-3 038 872	-3 062 660
	-249 124	-258 813	-709 225	-719 671	-68 567	-68 455	-8 688	-6 924	-786 480	-795 050
	21 627	10 816	-37 706	-37 816	13 917	26 470	-1 829	-1 870	-25 618	-13 216
	130 002	112 410	250 043	212 197	146 235	93 963	-126 283	-55 160	269 995	251 000
	-45 804	-31 161	-83 983	-51 054	-46 401	-19 315	40 194	21 197	-90 190	-49 172
	84 198	81 249	166 060	161 143	99 834	74 648	-86 089	-33 963	179 805	201 828



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The financial reports of the W&W Group are available at [www.ww-ag.com/publikationen](http://www.ww-ag.com/publikationen). In case of any divergences, the German original is legally binding.

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