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## **Quarterly Statement as at 30 September 2017** **Wüstenrot & Württembergische AG**

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

This Quarterly Statement has been prepared in accordance with IFRS principles as at 30 September 2017. It does not constitute a Quarterly Financial Report in accordance with IAS 34 or Financial Statements in accordance with IAS 1.

# Wüstenrot & Württembergische AG

## Key figures of W&W Group

### W&W Group (according to IFRS)

<b>Consolidated balance sheet</b>		9M 2017	FY 2016
Total assets	€ bn	72.6	72.3
Capital investments	€ bn	45.3	45.8
Financial assets available for sale	€ bn	24.8	24.6
First tier loans and advances to institutional investors	€ bn	14.1	14.3
Building loans	€ bn	23.6	23.7
Liabilities to customers	€ bn	24.7	25.4
Technical provisions	€ bn	33.9	33.3
Equity	€ bn	3.9	3.8
Equity per share	€	41.84	40.56
<b>Consolidated profit and loss statement</b>		9M 2017	9M 2016
Net financial result (after credit risk adjustments)	€ mn	1,466.0	1,420.9
Premiums/contributions earned (net)	€ mn	2,840.6	2,933.2
Insurance benefits (net)	€ mn	- 3,073.3	- 3,038.9
Earnings before income taxes from continued operations	€ mn	259.6	270.0
Consolidated net profit	€ mn	214.7	179.8
Total comprehensive income	€ mn	177.6	352.8
Earnings per share	€	2.29	1.90
<b>Other information</b>		9M 2017	FY 2016
Employees (Germany) <sup>1</sup>		6,627	6,745
Employees (Group) <sup>2</sup>		8,262	8,395
<b>Key sales figures</b>		9M 2017	9M 2016
<b>Group</b>			
Gross premiums written	€ mn	3,020.9	3,107.4
New construction financing business (including brokering for third parties)	€ mn	4,135.0	4,012.0
Sales of own and third-party investment funds	€ mn	307.2	266.1
<b>Home Loan and Savings Bank</b>			
New home loan savings business (gross)	€ mn	10,108.2	10,425.7
New home loan savings business (net)	€ mn	8,460.4	8,794.4
<b>Life and Health Insurance</b>			
Gross premiums written	€ mn	1,552.0	1,697.2
New premiums	€ mn	352.7	485.1
<b>Property/Casualty Insurance</b>			
Gross premiums written	€ mn	1,474.9	1,413.8
New premiums (measured in terms of annual contributions to the portfolio)	€ mn	189.7	166.7

1 Full-time equivalent head count.

2 Number of employment contracts.

# Wüstenrot & Württembergische AG

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# Wüstenrot & Württembergische AG

## Business report and Outlook

### Business report

#### Development of business and Group position

##### Development of business

As at 30 September 2017, the W&W Group significantly increased its consolidated net profit to €214.7million, almost €35 million more than in the previous year (€179.8 million). Claims development was again very good in property/casualty insurance. The sale of shares in V-Bank in the third quarter also had a positive impact on income performance.

Construction financing business increased in the first three quarters. However, new home loan savings declined as anticipated following the introduction of a new savings plan in the previous year. Nevertheless, business picked up considerably in the course of the year.

New business in property/casualty insurance and in health insurance performed well. However, single premiums for life insurance declined. Since in the single-premium business, the W&W Group deliberately pursues a cautious underwriting policy.

##### New business key figures (Group)

	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	Change
	in € million	in € million	in %
Net new home loan and savings business	4,135	4,012	3.1
Gross premiums written (Life and Health Insurance)	10,413	10,744	- 3.1
Gross premiums written (Property and Casualty Insurance)	1,475	1,414	4.3
Construction financing business (including brokering for third parties)	1,552	1,697	- 8.5

At the end of October, the W&W Group launched its digital brand “Adam Riese” at the end of October. With simple but high-quality products that are consistently priced according to the needs and risks, “Adam Riese” is targeted towards customers who compare prices and products via brokers or directly online. In this way, the W&W Group is expanding its new business potential to new customer

segments and opening up further sales routes. More than ever, the new brand enables the effective alignment of products and services with the collaboration with brokers. “Adam Riese” is the first fully digital insurance provider to enter the market concurrently via multiple sales channels after a development period of only ten months.

So far, the examination of the future options for Wüstenrot Bank AG Pfandbriefbank has not yielded any final results. The range of options include a further focusing of the business activity, partnerships and a sale of the bank, which is wholly owned by W&W. This process is intended to secure greater growth opportunities for the bank. In any case, the bank’s products will continue to be offered in the W&W Group. Wüstenrot Bausparkasse AG will not be affected by any potential transactions.

##### Financial performance

##### Consolidated income statement

As at 30 September 2017, the consolidated net profit after taxes rose to €214.7 million (previous year: €179.8 million).

##### Composition of consolidated net profit

in € million	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016
Home Loan and Savings Bank segment	42.6	47.9
Life and Health Insurance segment	21.4	34.0
Property/Casualty Insurance segment	109.2	84.2
All other segments	129.5	99.8
Consolidation across segments	- 88.0	- 86.1
<b>Consolidated net profit</b>	<b>214.7</b>	<b>179.8</b>

Net financial income increased €45.1 million to €1,466.0 million (previous year: €1,420.9 million). Positive effects resulted from lower impairment, higher net investment income from unit-linked life insurance policies and a one-off effect from the sale of shares in V-Bank. In contrast, the persistently low interest rates continued to weigh on interest income.

Net premiums earned declined to €2,840.6 million (previous year: €2,933.2 million). A further increase in property/casualty insurance was unable to compensate for the decline in life and health insurance.

Net insurance benefits increased €34.3 million to €3,073.2 million (previous year: €3,038.9 million). The claims development in property insurance was once again very good. In life and health insurance, the provision for unit-linked life insurance policies increased significantly as a consequence of the increased value of the underlying investments. On the other hand, the decline in single premiums had a negative impact.

General administrative expenses amounted to €788.2 million (previous year: €786.5 million), a level similar to that of the previous year although expenses for future projects rose. Due to a lower headcount, personnel expenses increased only slightly despite collectively bargained salary increases. We are well on target to increase productivity by 5 % each year.

Net other operating income grew to €49.4 million (previous year: –€25.6 million). This was mainly due to a change in the surplus participation in life insurance: Expenses are now recognised as benefits instead of net other operating income, as previously. Moreover, the improved income reflects the higher sales proceeds from the property development business and lower miscellaneous provisions than in the previous year.

Income tax expenses dropped significantly to €44.9 million (previous year: €90.2 million). In the financial year this was due, in particular, to the capitalisation of tax receivables from the offsetting of tax at source for previous years on the basis of a tax court decision, as well as tax-free share income.

### Consolidated statement of comprehensive income

As at 30 September 2017, total comprehensive income amounted to €177.6 million (previous year: €352.8 million). This item consists of consolidated net profit and other comprehensive income (OCI).

As at 30 September 2017, the OCI amounted to –€37.1 million (previous year: €173.0 million). It was mainly impacted by two effects. Firstly, the actuarial assumptions underlying the pension provisions were adjusted to conform to market conditions. The actuarial interest rate used to measure pension commitments increased from 1.5% to 1.75% compared to the end of the previous year. This resulted in actuarial gains of €50.9 (previous year: –€162.9 million) from defined benefit plans.

Second, the unrealised net income from financial assets available for sale was a major effect. After additions to the provision for premium refunds and to deferred taxes, this item declined to –€82.3 million (previous year: €348.1 million). The decline is due to the sale of securities whose reserves were previously recognised in equity, thus increasing consolidated net income. In addition, there was a decline in prices of bearer instruments due to the increased interest rate level since the start of the year.

These measurement effects, which are recognised directly in equity, mainly reflect the interest rate sensitivity of the assets side of the balance sheet, as well as that of pension provisions. However, in accordance with IFRS, developments in the opposite direction in the area of underwriting and deposits are not presented in total comprehensive income.

### Home Loan and Savings Bank segment

Net segment income amounted to €42.6 million (previous year: €47.9 million).

New home loan savings business declined in the first three quarters. The new construction financing business continued to grow. The segment's total assets amounted to €31.4 billion (previous year: €31.7 billion).

### New business

Gross new business in terms of total home loan savings amounted to €10.1 billion, less than in the excellent previous-year period (€10.4 billion) but has been able to catch up compared to Q2 2017. In the previous-year period, one-off effects from the “Wüstenrot Wohnsparen” savings plan introduced last year had increased the gross new business of home loan and savings. The net new business in the first nine months of 2017 (paid-in new business) amounted to €8.5 billion (previous year: €8.8 billion). Despite the decline, home loan and savings was able to reinforce its market position and even gain market shares in many areas.

The new construction financing business continued to focus on more profitable offers and increased to €2,131.6 million (previous year: €2,065.6 million 2,065.6). This includes €275.0 million (previous year: €285.4 million) in refinancing. New lending business came in at €1,856.6 million (previous year: €1,780.2 million).

### New business key figures

	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	Change
	in € million	in € million	in %
Gross new business	10,108.2	10,425.7	– 3.0
Net new business (paid-in new business)	8,460.4	8,794.4	– 3.8
New construction financing business (approvals)	2,131.6	2,065.6	3.2

### Financial performance

Net segment income declined by €5.3 million to €42.6 million (previous year: €47.9 million), mainly due to the lower net financial income.

The net financial income in the Home Loan and Savings Bank segment reached €296.8 million (previous year: €350.3 million). The first three quarters of 2017 were marked by the strategic restructuring of the segment, which included the centralisation of the construction financing business in Home Loan and Savings. In the previous year, the associated reduction of total assets resulted in significantly higher income from disposals.

The interest book management includes, in particular, the hedging of interest risks for financial instruments and in order to neutralise the offsetting effect on net income from discounting the provisions for loan savings business (bonus provisions). Interest rates in medium to long-term maturities increased in the first three quarters of 2017 after declining significantly in the same period the previous year. Due to the interest rate rise, the discounting of the interest bonus provision had a positive effect on net financial income. By contrast, the measurement income from the free derivatives used for interest book management and hedge income was negative.

General administrative expenses decreased €10.0 million to €259.6 million (previous year: €269.6 million). Both personnel expenses and material costs fell.

Net other operating income increased significantly to €21.7 million (previous year: –€6.0 million). This was mainly due to higher additions to miscellaneous provisions in the previous year.

Tax expenses fell to €19.5 million (previous year: €22.0 million).

### Life and Health Insurance segment

Net segment income totalled €21.4 million (previous year: €34.0 million). New premiums were lower than in the previous year. New regular premiums increased. The segment's total assets amounted to €33.7 billion (previous year: €33.5 billion).

### New business/premium development

Total premiums for new life insurance business amounted to €2,299 million (previous year: €2,383.1 million), slightly less than in the previous year. In company pension schemes, total premiums rose by 8.8%, in risk insurance increase reached 9.3%. As at 30 September 2017, new premiums in the Life and Health Insurance segment stood at €352.7 million (previous year: €485.1 million). New regular premiums increased to an excellent figure of €76.7 million (previous year: €74.1 million). This was partly due to the higher new business with supplementary health insurances. As a result of the cautious underwriting policy, single premiums fell to €276.0 million (previous year: €411.0 million).

Gross premiums written decreased to €1,552.0 million (previous year: €1,697.2 million), mainly as a result of lower single-premium income.

### New business key figures

	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	Change
	in € million	in € million	in %
<b>New premiums</b>	<b>352.7</b>	<b>485.1</b>	<b>– 27.3</b>
Single premiums life	276.0	411.0	– 32.8
Regular premiums life	67.3	67.2	0.1
Annual new premiums health	9.4	6.9	36.2

### Financial performance

Net segment income declined to €21.4 million (previous year: €34.0 million). This was due to the lower underwriting income, which could not be compensated by the higher financial income.

Net financial income in the Life and Health Insurance segment increased €71.8 million to €1,069.5 million (previous year: €997.7 million). The main causes of this increase were the higher net investment income from unit-linked life insurance policies and lower impairments on equity instruments. On the other hand, income from disposals was lower. Likewise, year-to-date income declined as a result of the low interest rate environment. In addition, the income in the individual categories includes currency effects, which had a slightly positive impact on net financial income.

Net premiums earned declined to €1,605.6 million (previous year: €1,742.2 million). This was mainly caused by the lower volume of single-premium insurance policies in new business.

Net insurance benefits stood at €2,416.5 million (previous year: €2,395.5 million). This increase was mainly due to higher additions to the provision for unit-linked life insurance policies as a result of the positive trends in the underlying investments. Benefits to our customers were further hedged through the regular increase of the additional interest reserve (including interest rate reinforcement). Additions amounted to €399.6 million, considerably more than in the previous year (€183.0 million). The additional interest reserve thus now totals €1,999.4 million. The addition to the provision for premium refunds declined.

General administrative expenses fell to €188.4 million (previous year: €190.5 million). This was due to lower material costs. Personnel expenses were about the same year on year.

Net other operating income went up to €19.3 million (previous year: –€53.3 million). This was primarily because of

a change to the surplus declaration for 2017. Since 2017, surplus that had formerly been allocated as direct credits is now being granted through the provision for premium refunds. The related expenses are therefore now recognised under “Insurance benefits” rather than under “Other net operating income/expense” as before.

Instead of tax expenses of €16.2 million as in the previous year, a tax gain of €10.3 million accrued in the financial year. This was due to the lower income before taxes as well as in the capitalisation of tax claims from the offsetting of tax at source for previous years on the basis of a decision of a fiscal court.

### Property/Casualty Insurance segment

Net segment income increased significantly to €109.2 million (previous year: €84.2 million). New business in the Property/Casualty Insurance segment also increased considerably. Total assets stood at €4.6 billion (previous year: €4.4 billion).

#### New business/premium development

New business developed very positively, coming in at €189.7 million (previous year: €166.7 million). This growth was fuelled by all business segments. The performance of the corporate customers business line was especially good.

#### New business key figures

	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	Change
	in € million	in € million	in %
<b>Annual contributions to the portfolio (segment)</b>	<b>189.7</b>	<b>166.7</b>	<b>13.8</b>
Motor	136.7	125.6	8.8
Corporate customers	32.5	22.1	47.1
Retail customers	20.5	7.2	7.9

Gross premiums written increased further by €61.1 million to €1,474.9 million (previous year: €1,413.8 million).

#### Financial performance

Net segment income increased to €109.2 million (previous year: €84.2 million). Net financial income grew. Net underwriting income came in slightly lower than the very good figure for the previous year.

Net financial income increased to €45.7 million (previous year: €32.3 million). This was mainly due to the higher income from disposals and lower impairments.

Net earned premiums earned also trended positively. This item increased €40.4 million to €1,054.8 million (previous year: €1,014.4 million). The W&W Group achieved growth in all business segments of Property/Casualty Insurance.

Net insurance benefits increased to €553.2 million (previous year: €533.9 million). This was mainly due to the growth of the premiums and thus of the portfolio. A combined ratio (gross) of 90.7% (previous year: 91.3%) demonstrates the profitability of the insurance portfolio. The sustainable, risk-conscious underwriting policy and low claims from natural disasters have contributed to this result. Despite high damages from natural catastrophes, figures in Q3 were better than in Q2.

General administrative expenses increased to €269.3 million (previous year: €249.1 million). Personnel expenses increased slightly, mainly due to restructuring. Material costs went up due to factors such as investments in the digital brand “Adam Riese”, which has entered the market with insurance products.

Tax expenses in the segment fell to €32.4 million (previous year: €45.8 million) despite the significant increase in income before taxes. This was due, in particular, to tax-free write-ups and sales.

#### 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 €6.5 billion (previous year: €6.2 billion). After-tax net income stood at €129.5 million (previous year: €99.8 million). This item is composed, among other things, of the following:

W&W AG €87.9 million (previous year: €69.9 million), W&W Asset Management GmbH €14.6 million (previous year: €14.7 million) and Czech bank subsidiaries €16.5 million (previous year: €11.1 million).

Net financial income amounted to €193.4 million (previous year: €165.0 million). It was affected by higher equity investment income from within the Group received by W&W AG, particularly from Württembergische Versicherung AG, which is included in net income from financial assets available for sale. Dividend income from fully consolidated subsidiaries is eliminated in the consolidation/reconciliation column in order to obtain values for the Group. Moreover, the sale of shares in V-Bank AG, which had been accounted for according to the equity method, resulted in a positive income effect amounting to €25.8 million.



Earned premiums rose to €191.4 million (previous year: €185.6 million). The volume ceded by Württembergische Versicherung AG to W&W AG for reinsurance within the Group increased as a result of the positive business development.

Net insurance benefits amounted to €117.9 million (previous year: €118.7 million), at the level of the previous year. General administrative expenses decreased to €64.9 million (previous year: €68.6 million).

Net other operating income increased to €18.3 million (previous year: €13.9 million), mainly as a result of higher net income from property development activities.

Tax expenses in the segment increased to €55.3 million (previous year: €46.4 million), due to the higher net segment income before taxes, in particular.

## Outlook

We remain confident that the IFRS consolidated net profit will significantly surpass the previous year's figure of €235 million.

# Wüstenrot & Württembergische AG

## Selected Financial Statements of W&W Group (IFRS)

### Consolidated balance sheet as at 30 September 2017

#### Assets

in € thousands	30/9/2017	31/12/2016
<b>A. Cash reserves</b>	<b>1,057,313</b>	<b>366,482</b>
<b>B. Non-current assets classified as held for sale and discontinued operations</b>	<b>81,170</b>	<b>15,211</b>
<b>C. Financial assets at fair value through profit or loss</b>	<b>2,904,767</b>	<b>2,996,697</b>
<b>D. Financial assets available for sale</b>	<b>24,751,343</b>	<b>24,564,474</b>
thereof sold under repurchase agreements or lent under securities lending transactions	1,752,512	113,745
<b>E. Receivables</b>	<b>40,411,906</b>	<b>40,860,885</b>
I. Subordinated securities and receivables	90,229	122,334
II. First-rank receivables from institutional investors	14,106,947	14,311,613
III. Building loans	23,551,911	23,708,597
IV. Other loans and receivables	2,662,819	2,718,341
<b>F. Risk provision</b>	<b>- 166,860</b>	<b>- 169,288</b>
<b>G. Positive market values from hedges</b>	<b>57,994</b>	<b>21,431</b>
<b>H. Financial assets accounted for using the equity method</b>	<b>87,349</b>	<b>97,407</b>
<b>I. Investment property</b>	<b>1,624,897</b>	<b>1,742,228</b>
<b>J. Reinsurers' portion of technical provisions</b>	<b>333,234</b>	<b>312,999</b>
<b>K. Other assets</b>	<b>1,432,883</b>	<b>1,467,112</b>
I. Intangible assets	101,559	100,724
II. Property, plant and equipment	275,753	238,985
III. Inventories	86,794	97,435
IV. Current tax assets	51,389	60,317
V. Deferred tax assets	826,347	888,466
VI. Other assets	91,041	81,185
<b>Total assets</b>	<b>72,575,996</b>	<b>72,275,638</b>

## Liabilities

in € thousands

	30/9/2017	31/12/2016
<b>A. Financial liabilities at fair value through profit or loss</b>	<b>693,637</b>	<b>1,129,266</b>
<b>B. Liabilities</b>	<b>30,135,856</b>	<b>29,596,623</b>
I. Liabilities evidenced by certificates	648,073	647,685
II. Liabilities to credit institutions	3,510,405	2,252,968
III. Liabilities to customers	24,724,261	25,418,956
IV. Finance lease liabilities	24,997	28,129
V. Miscellaneous liabilities	1,228,120	1,248,885
<b>C. Negative market values from hedges</b>	<b>68,346</b>	<b>—</b>
<b>D. Technical provisions</b>	<b>33,909,250</b>	<b>33,319,748</b>
<b>E. Other provisions</b>	<b>2,675,734</b>	<b>3,147,368</b>
<b>F. Other liabilities</b>	<b>755,318</b>	<b>874,304</b>
I. Current tax liabilities	227,201	233,452
II. Deferred tax liabilities	521,619	634,492
III. Other liabilities	6,498	6,360
<b>G. Subordinated capital</b>	<b>404,056</b>	<b>396,739</b>
<b>H. Equity</b>	<b>3,933,799</b>	<b>3,811,590</b>
I. Interests of W&W shareholders in paid-in capital	1,484,645	1,483,639
II. Interests of W&W shareholders in earned capital	2,429,427	2,308,146
Retained earnings	2,501,580	2,344,149
Other reserves (other comprehensive income)	- 72,153	- 36,003
III. Non-controlling interests in equity	19,727	19,805
<b>Total liabilities</b>	<b>72,575,996</b>	<b>72,275,638</b>

# Consolidated income statement for the period 1 January to 30 September 2017

in € thousands	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016
Income from financial assets available for sale	864,467	1,018,493
Expenses from financial assets available for sale	– 398,204	– 341,186
<b>1. Net income from financial assets available for sale</b>	<b>466,263</b>	<b>677,307</b>
Income from financial assets accounted for using the equity method	28,871	7,668
Expenses from financial assets accounted for using the equity method	–	–
<b>2. Net income from financial assets accounted for using the equity method</b>	<b>28,871</b>	<b>7,668</b>
Income from financial assets/liabilities at fair value through profit or loss	1,049,568	1,075,685
Expenses from financial assets/liabilities at fair value through profit or loss	– 667,384	– 1,019,603
<b>3. Net income from financial assets/liabilities at fair value through profit or loss</b>	<b>382,184</b>	<b>56,082</b>
Income from hedges	35,643	220,820
Expense from hedges	– 18,918	– 141,530
<b>4. Net income from hedges</b>	<b>16,725</b>	<b>79,290</b>
Income from receivables, liabilities and subordinated capital	1,082,382	1,256,543
Expense from receivables, liabilities and subordinated capital	– 510,775	– 659,264
<b>5. Net income from receivables, liabilities and subordinated capital</b>	<b>571,607</b>	<b>597,279</b>
Income from risk provision	60,822	77,699
Expense from risk provision	– 60,456	– 74,458
<b>6. Net income from risk provision</b>	<b>366</b>	<b>3,241</b>
<b>7. Net financial result</b>	<b>1,466,016</b>	<b>1,420,867</b>
Income from investment property	106,217	99,658
Expense from investment property	– 48,288	– 48,165
<b>8. Net income from investment property</b>	<b>57,929</b>	<b>51,493</b>
Commission income	191,055	182,065
Commission expense	– 483,970	– 466,661
<b>9. Net commission expense</b>	<b>– 292,915</b>	<b>– 284,596</b>
Earned premiums (gross)	2,926,964	3,010,525
Premiums ceded to reinsurers	– 86,334	– 77,324
<b>10. Earned premiums (net)</b>	<b>2,840,630</b>	<b>2,933,201</b>
Insurance benefits (gross)	– 3,115,448	– 3,086,999
Received reinsurance premiums	42,200	48,127
<b>11. Insurance benefits (net)</b>	<b>– 3,073,248</b>	<b>– 3,038,872</b>
<b>Carry over</b>	<b>998,412</b>	<b>1,082,093</b>

in € thousands	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016
<b>Carryover</b>	<b>998,412</b>	<b>1,082,093</b>
Personnel expenses	– 439,814	– 435,599
Materials costs	– 304,108	– 302,797
Depreciation/amortisation	– 44,323	– 48,084
<b>12. General administrative expenses</b>	<b>– 788,245</b>	<b>– 786,480</b>
Other operating income	166,078	157,817
Other operating expense	– 116,688	– 183,435
<b>13. Net other operating expense</b>	<b>49,390</b>	<b>– 25,618</b>
<b>14. Consolidated earnings before income taxes from continued operations</b>	<b>259,557</b>	<b>269,995</b>
<b>15. Income taxes</b>	<b>– 44,869</b>	<b>– 90,190</b>
<b>16. Consolidated net profit</b>	<b>214,688</b>	<b>179,805</b>
Result attributable to shareholders of W&W AG	213,737	178,103
Result attributable to non-controlling interests	951	1,702
<b>17. Basic (= diluted) earnings per share, in €</b>	<b>2.29</b>	<b>1.90</b>
Thereof from continued operations, in €	2.29	1.90

# Consolidated statement of comprehensive income

in € thousands	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016
<b>Consolidated net profit</b>	<b>214,688</b>	<b>179,805</b>
<b>Other comprehensive income</b>		
<b>Elements not reclassified to the consolidated income statement:</b>		
Actuarial gains/losses (-) from defined-benefit plans (gross)	79,805	- 255,644
Provision for deferred premium refunds	- 6,446	20,955
Deferred taxes	- 22,431	71,762
<b>Actuarial gains/losses (-) from defined-benefit plans (net)</b>	<b>50,928</b>	<b>- 162,927</b>
<b>Elements subsequently reclassified to the consolidated income statement:</b>		
Unrealised gains/losses (-) from financial assets available for sale (gross)	- 303,482	1,291,306
Provision for deferred premium refunds	183,242	- 789,703
Deferred taxes	37,984	- 153,459
<b>Unrealised gains/losses (-) from financial assets available for sale (net)</b>	<b>- 82,256</b>	<b>348,144</b>
Unrealised gains/losses (-) from financial assets accounted for using the equity method (gross)	- 97	- 92
Provision for deferred premium refunds	-	-
Deferred taxes	1	1
<b>Unrealised gains/losses (-) from financial assets accounted for using the equity method (net)</b>	<b>- 96</b>	<b>- 91</b>

in € thousands	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016
Unrealised gains/losses (-) from cash flow hedges (gross)	- 20,851	- 19,366
Provision for deferred premium refunds	-	-
Deferred taxes	6,377	5,922
<b>Unrealised gains/losses (-) from cash flow hedges (net)</b>	<b>- 14,474</b>	<b>- 13,444</b>
<b>Currency translation differences of economically independent foreign units</b>	<b>8,835</b>	<b>1,319</b>
Total other comprehensive income, gross	- 235,789	1,017,523
Total provision for deferred premium refunds	176,796	- 768,748
Total deferred taxes	21,931	- 75,774
<b>Total other comprehensive income, net</b>	<b>- 37,062</b>	<b>173,001</b>
<b>Total comprehensive income for the period</b>	<b>177,626</b>	<b>352,806</b>
Attributable to shareholders of W&W AG	177,704	346,695
Attributable to non-controlling interests	- 78	6,111

# Segment income statement

in € thousands	Home Loan and Savings Bank		Life and Health Insurance	
	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016
1. Net income from financial assets available for sale	140,029	132,243	309,952	515,528
2. Net income from financial assets accounted for using the equity method	—	—	951	3,295
3. Net income from financial assets/liabilities at fair value through profit or loss	- 44,928	7,696	375,279	47,552
4. Net income from hedges	16,725	79,290	—	—
5. Net income from receivables, liabilities and subordinated capital	182,457	123,430	382,355	430,453
6. Net income from risk provision	2,494	7,665	1,012	859
<b>7. Net financial result</b>	<b>296,777</b>	<b>350,324</b>	<b>1,069,549</b>	<b>997,687</b>
8. Net income from investment property	—	—	54,153	47,901
9. Net commission income	3,154	- 4,826	- 93,953	- 98,322
10. Earned premiums (net)	—	—	1,605,563	1,742,166
11. Insurance benefits (net)	—	—	- 2,416,546	- 2,395,455
12. General administrative expenses <sup>3</sup>	- 259,553	- 269,618	- 188,366	- 190,483
13. Net other operating income	21,701	- 6,047	- 19,275	- 53,286
<b>14. Segment net income before income taxes from continued operations</b>	<b>62,079</b>	<b>69,833</b>	<b>11,125</b>	<b>50,208</b>
15. Income taxes	- 19,507	- 21,976	10,321	- 16,203
<b>16. Segment net income after taxes</b>	<b>42,572</b>	<b>47,857</b>	<b>21,446</b>	<b>34,005</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	
	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016	1/1/2017 to 30/9/2017	1/1/2016 to 30/9/2016
	12,543	17,276	462,524	665,047	154,993	151,674	- 151,254	- 139,414	466,263	677,307
	951	3,295	1,902	6,590	26,969	1,078	—	—	28,871	7,668
	45,034	- 849	375,385	54,399	6,799	- 1,888	—	3,571	382,184	56,082
	—	—	16,725	79,290	—	—	—	—	16,725	79,290
	- 12,389	13,069	552,423	566,952	7,345	18,873	11,839	11,454	571,607	597,279
	- 414	- 509	3,092	8,015	- 2,726	- 4,774	—	—	366	3,241
	<b>45,725</b>	<b>32,282</b>	<b>1,412,051</b>	<b>1,380,293</b>	<b>193,380</b>	<b>164,963</b>	<b>- 139,415</b>	<b>- 124,389</b>	<b>1,466,016</b>	<b>1,420,867</b>
	1,381	1,399	55,534	49,300	487	254	1,908	1,939	57,929	51,493
	- 167,885	- 156,758	- 258,684	- 259,906	- 36,113	- 31,271	1,882	6,581	- 292,915	- 284,596
	1,054,817	1,014,427	2,660,380	2,756,593	191,402	185,628	- 11,152	- 9,020	2,840,630	2,933,201
	- 553,228	- 533,851	- 2,969,774	- 2,929,306	- 117,868	- 118,689	14,394	9,123	- 3,073,248	- 3,038,872
	- 269,289	- 249,124	- 717,208	- 709,225	- 64,860	- 68,567	- 6,177	- 8,688	- 788,245	- 786,480
	30,115	21,627	32,541	- 37,706	18,339	13,917	- 1,490	- 1,829	49,390	- 25,618
	<b>141,636</b>	<b>130,002</b>	<b>214,840</b>	<b>250,043</b>	<b>184,767</b>	<b>146,235</b>	<b>- 140,050</b>	<b>- 126,283</b>	<b>259,557</b>	<b>269,995</b>
	- 32,406	- 45,804	- 41,592	- 83,983	- 55,262	- 46,401	51,985	40,194	- 44,869	- 90,190
	<b>109,230</b>	<b>84,198</b>	<b>173,248</b>	<b>166,060</b>	<b>129,505</b>	<b>99,834</b>	<b>- 88,065</b>	<b>- 86,089</b>	<b>214,688</b>	<b>179,805</b>



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