

Wüstenrot & Württembergische AG

Berenberg & Goldman Sachs 9th German Corporate Conference 2020 Investor Presentation

September 21, 2020



Agenda

W&W at a glance

6M 2020 update

Strategy

Outlook

Leading banking and insurance group in Germany

2

“Bausparen”

12

Life Insurance

9

Property &
Casualty Insurance

>6 mn

Customers


















>6,000

Sales agents

~6,500

Employees

Broad product portfolio with strong and innovative brands

Business divisions	Housing	Life & Health Insurance	Property & Casualty Insurance	brandpool
Brands				   
Product groups	 Home loan & savings	 Life & retirement	 Car & mobility	 Fintech for digital construction finance
	 Construction financing	 Health & care	 Liability & law	 Digital insurance brand of W&W
	 Home & living		 Accident etc.	 Digital financial assistant

Excellent client base with growth potential

**>6 million
customers**



Multiple contracts per customer



High client retention (low churn rate)



Solvent customer base



Increasing digital affinity

Our strong sales force is broadly positioned to capture further growth

Own sales channels

~ 3,000 tied agents
Württembergische

~ 3,000 tied agents Wüstenrot

Direct channels



Partnerships and cooperations

Banks



Insurance companies



Financial sales networks



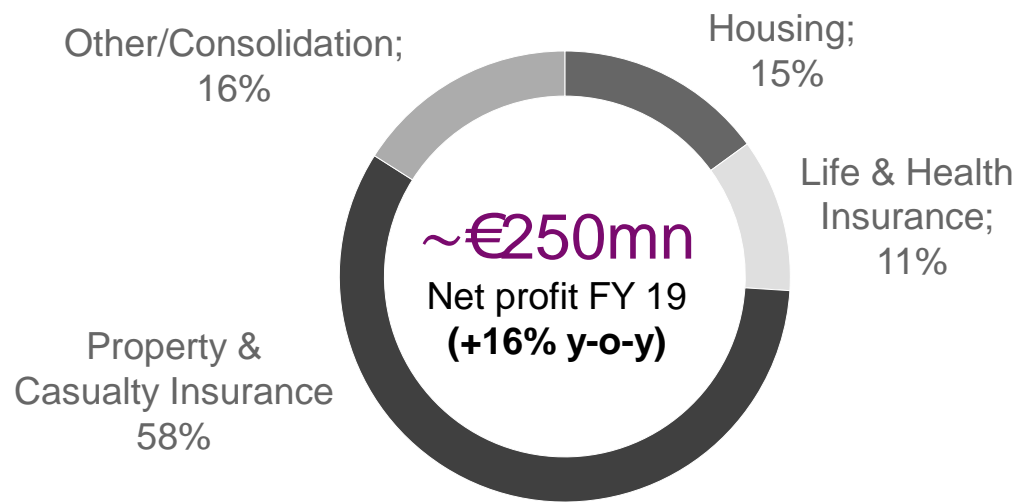
Brokers

10,000
brokers

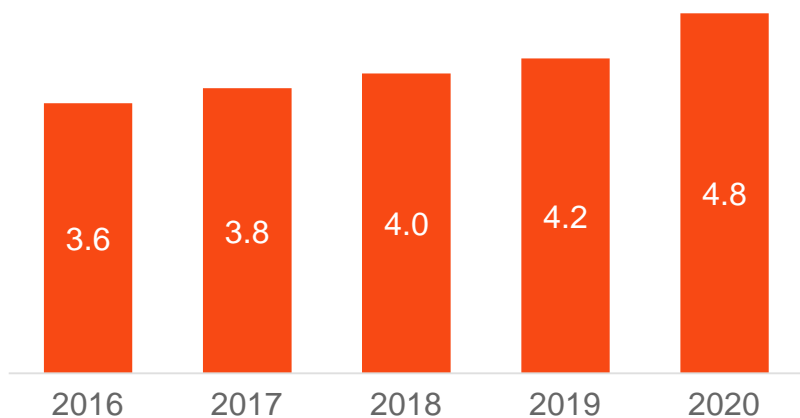
Others



Well-diversified banking & insurance business with strong earnings and solid balance sheet



Total equity
in €bn

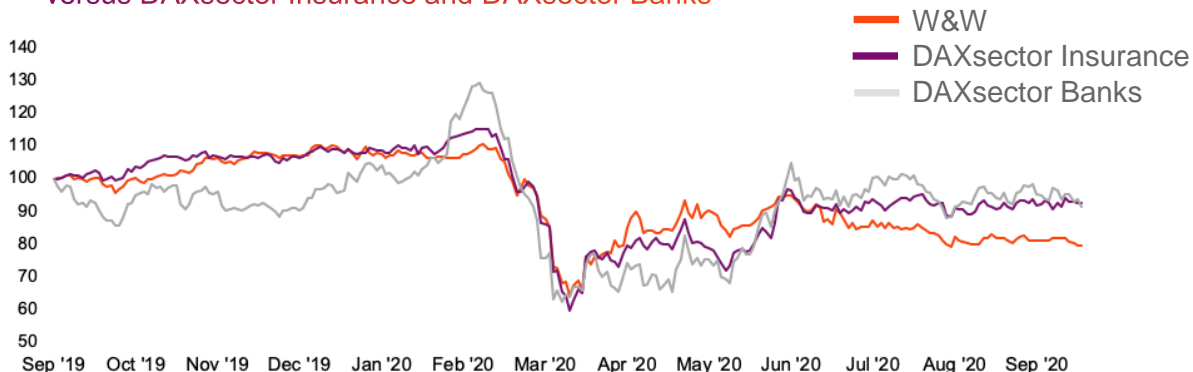


Consolidated balance sheet	31 Dec 2019 in €bn	Change in %
Total assets	75.7	+5.1
Capital investments	49.0	+6.8
Building loans	21.5	-6.5
Technical provisions	37.4	+7.8
Equity	4.8	+14.2
Equity per share (in €)	51.23	+12.5

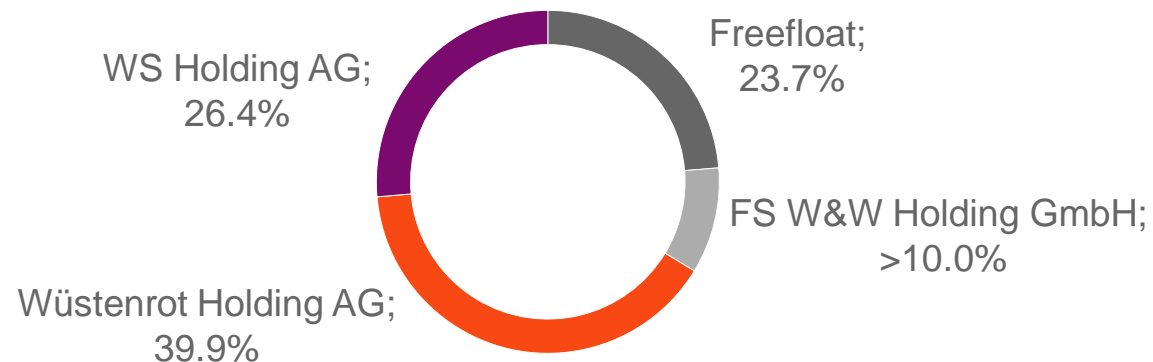
W&W share – Stable dividends and upside potential

Share price performance – 12 months

versus DAXsector Insurance and DAXsector Banks



Our shareholders in %*

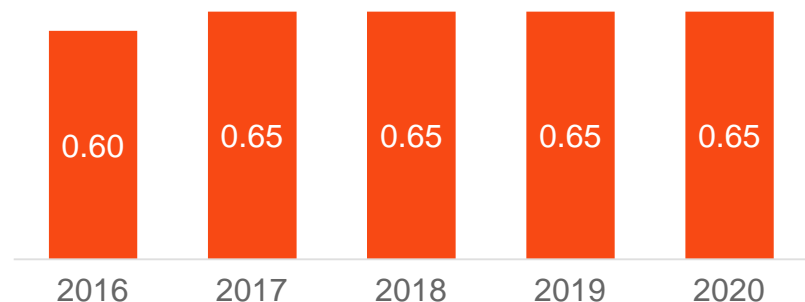


Stable dividends

€ per share

Dividend yield 2019

3.4%



Analysts' recommendations**

Upside potential

Ø46%

Montega	20/09/01	BUY / €21.00	+ 47%
Bankhaus Metzler	20/06/02	BUY / €20.00	+ 40%
Commerzbank	20/07/31	BUY / €20.00	+ 40%
LBBW	20/08/14	BUY / €20.00	+ 40%
Bankhaus Lampe	20/08/18	BUY / €23.00	+ 61%

* Indirect stake of anchor shareholder Wüstenrot Stiftung: 66.31%; of which 0.016% (15.252 treasury shares)
 ** Upside potentials based on Xetra closing price 14 Sep 2020

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Summary 6M 2020: We continue to grow despite the pandemic

W&W operations fully intact despite pandemic thanks to high digitisation standard

Strong new business in 6M 2020

COVID-19-effects: **New business (+)** **Financial result (-)** **Claims (+)** **Admin expenses (+)**

Strategic initiative “W&W besser!” on track – Digital offerings further expanded

Solid net profit and strong operative business in a challenging environment

107

€mn net profit

+3.4%*

Construction financing
y-o-y

+3.3%

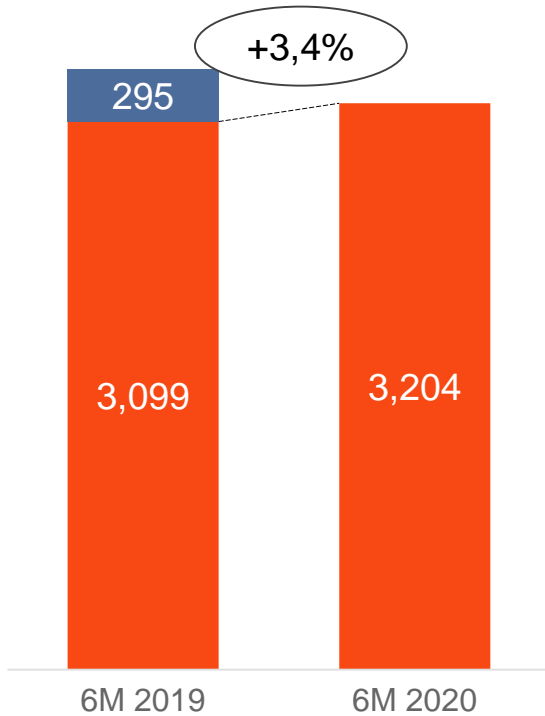
Gross premiums
y-o-y

+11%

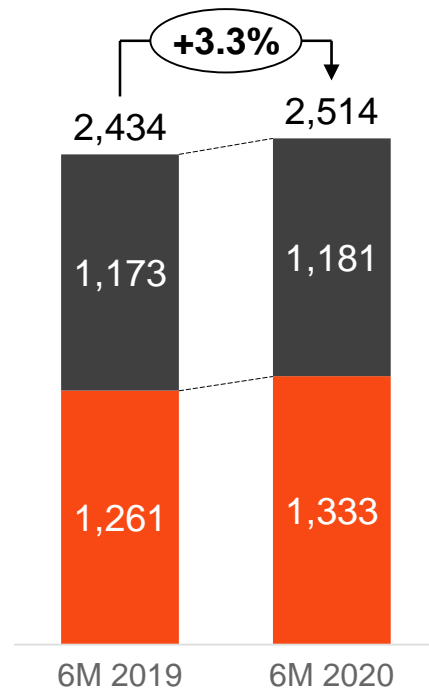
New customers
y-o-y

W&W Group – Operational business continued to grow despite pandemic

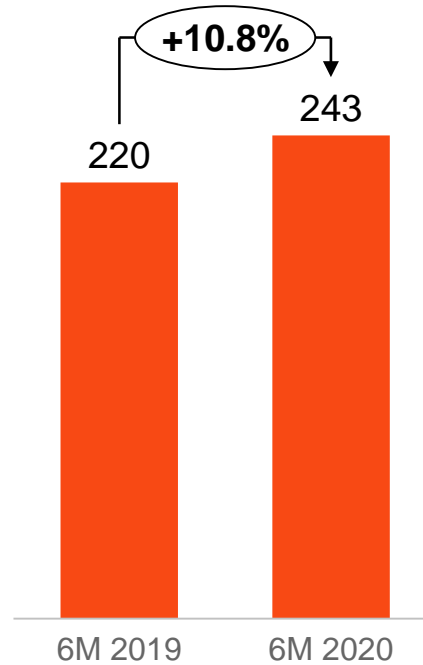
Construction financing
in €mn



Gross premiums
in €mn



New customers
in thousand



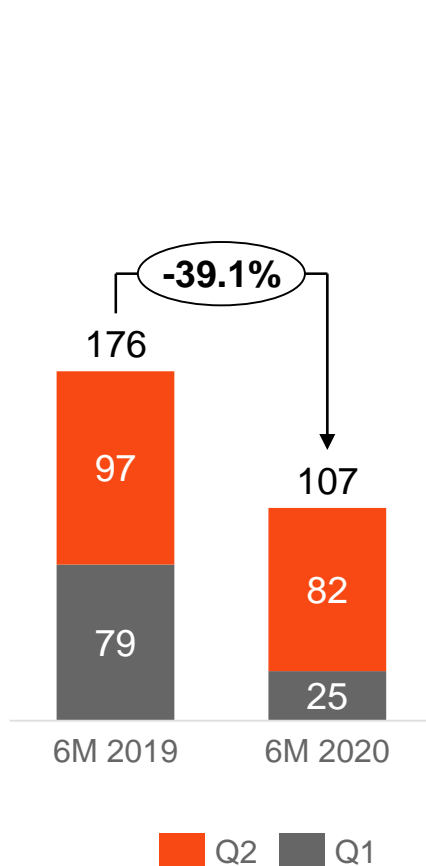
- **Construction financing +3.4% y-o-y** excluding sold Czech subsidiaries.
- Higher **net premiums** earned (+2.5% y-o-y) with increase in both P/C and Life & Health Insurance.
- Stable **customer base** of >6mn.
- **Strong pandemic resilience** thanks to high digitisation standard.

■ TCH
■ Group w/o TCH

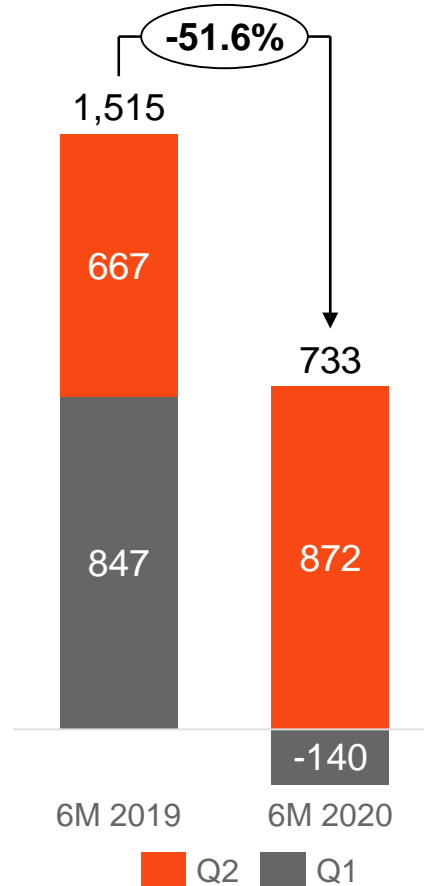
■ Life & Health ■ P/C

Profitable Q2 despite Covid-19 impact

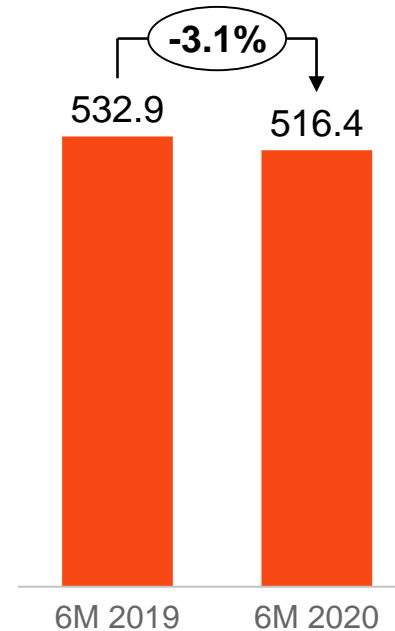
Group net profit in €mn



Financial result in €mn



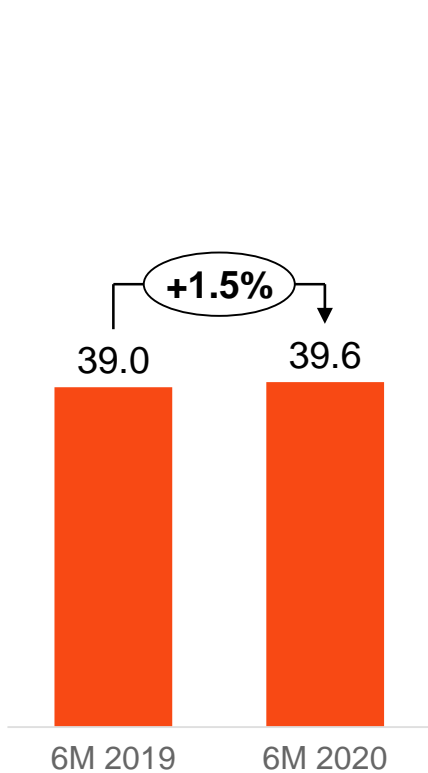
Administrative expenses in €mn



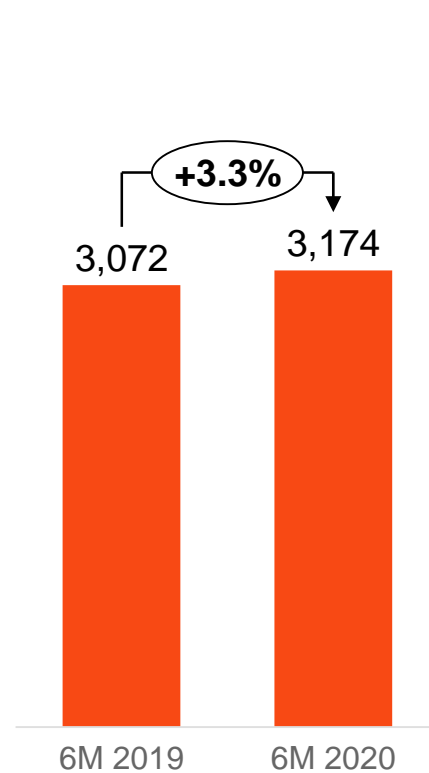
- **Solid Q2 2020:** €82.0mn net profit.
- Strong contributions from Housing and P/C Insurance divisions.
- **Lower 6M financial result** due to valuation losses in investments across all asset classes. However, Q2 financial result of W&W Group showed a marked recovery of about 30% as compared to Q1.
- Reduced **administrative expenses** driven by successful cost management (-6.7% y-o-y).
- Other **extraordinary P&L effects:** + €25mn ("Bad Will" from acquisition of Aachener Bausparkasse AG).

Housing segment generated slightly higher net profit

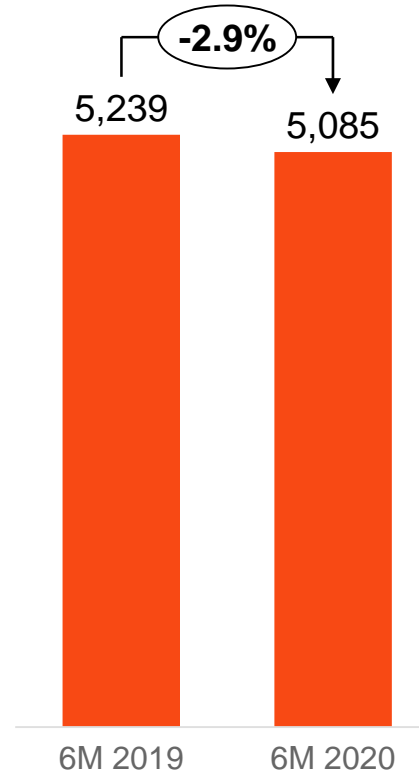
Net profit
in €mn



Construction financing
in €mn



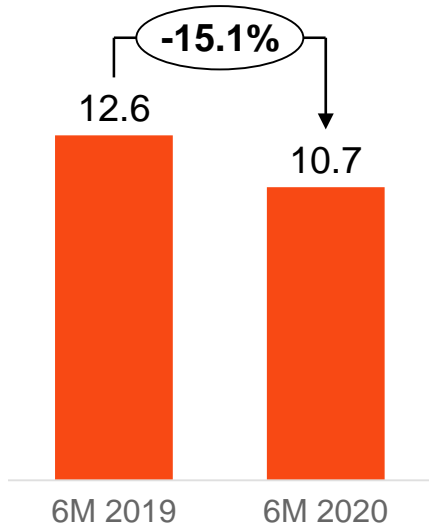
Net new business
in €mn



- **Lower financial result** due to valuation losses and higher risk provisions for building loans (€30mn).
- **Net commission income reduced slightly** by €9.3mn due to sale of Wüstenrot Bank AG Pfandbriefbank.
- **Lower administrative expenses** due to lower material costs whereas personnel costs increased.
- **Other net operating income rose** by €14.7mn and includes badwill from the sale of Aachener Bausparkasse AG.
- **Lower taxes** especially due to tax-neutral initial consolidation of Aachener Bausparkasse AG.
- **Strong core capital ratio** at 27.7% (Group Level) and 16.3% (Wüstenrot Bausparkasse AG).

Life & Health Insurance segment with strong new business and higher premiums

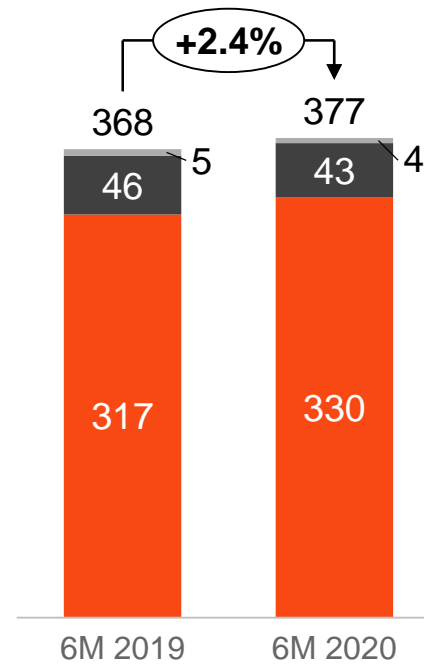
Net profit
in €mn



Gross premiums written
in €mn



Premiums new business
in €mn

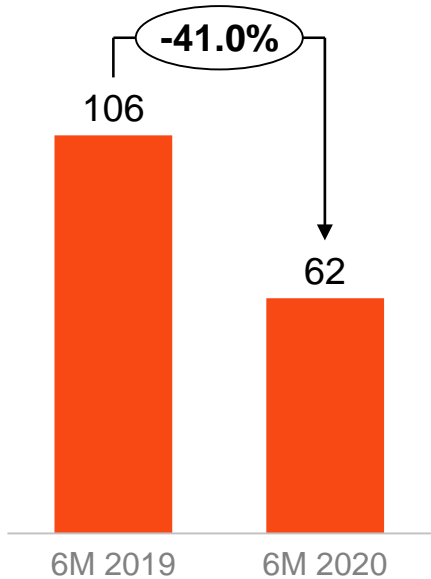


Health
 Regular Premium Life
 Single Premium Life

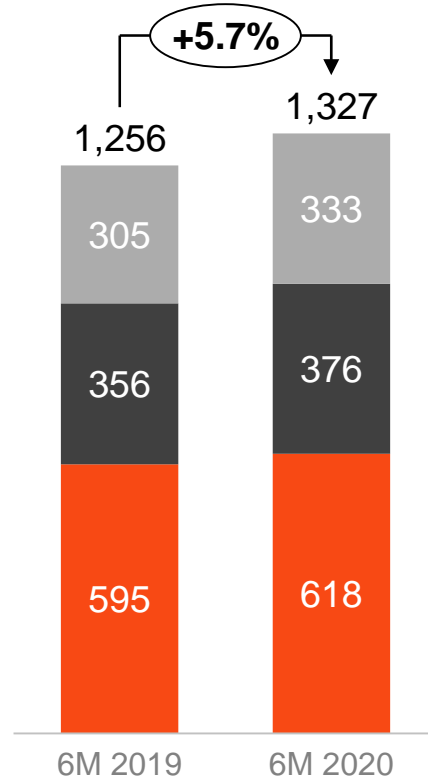
- **Reduced 6M financial result due to** valuation losses in investments across all asset classes.
- **Net premiums** earned rose due to increased single-premium income.
- **Lower net insurance benefits:**
 - Release from provision for fund-based life insurance
 - Lower additions to the provision for premium refunds
 - Increase of the additional interest reserve
- **Reduced administrative expenses** due to lower personnel expenses.
- **Solid SII-ratio** (w/trans) of 355% despite decrease in swap rate* (previous year 522%).

Property & Casualty Insurance segment records growth but weak net profit

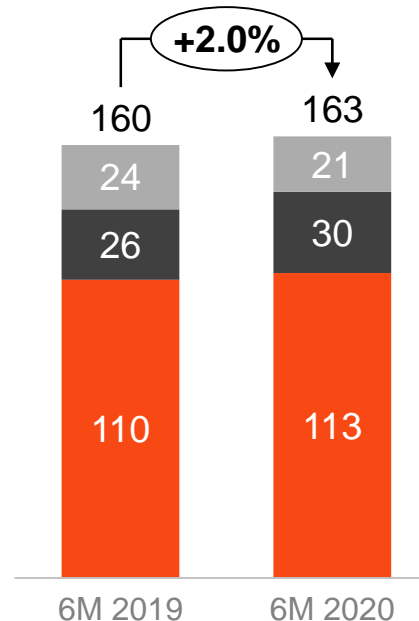
Net profit
in €mn



Gross premiums written
in €mn



New business
in €mn



■ Corporate ■ Retail ■ Motor

- **Reduced 6M financial result** due to valuation losses in investments across all asset classes.
- **Higher net premiums earned** in all business segments. As a result, net commission expense increased.
- **Increased insurance benefits**, with good overall claims experience, especially in the motor business despite burdens from business closure insurance policies (€40mn).
 - Loss ratio (gross) of 61.7% (prev. year 60.6%)
 - Cost ratio of 26.9% (prev. year 27.4%)
 - Combined ratio (gross) stable at 88.6% (prev. year 88.0%).
- **Less administrative expenses** due to lower marketing expenses and cost discipline.

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Growing above market – Taking business opportunities



Solid earnings with net profit (IFRS) of €220 - 250mn* and a reliable dividend

Stage 2 of strategic initiative 'W&W Besser!' launched to improve net profit



Service

"Inspiring customers and employees"

Growth

"Doubling market growth in profitable lines!"



Sales

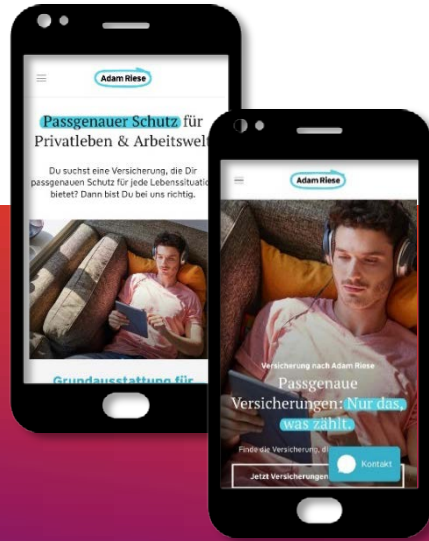
"Tapping to new customer groups and providing even better service to existing customers!"

Cost

"Lower costs to at least the market level"



We drive digital transformation in financial planning



Adam Riese

Only what counts



Rente
.de

Pension explained
simple

- <https://www.adam-riese.de>
- The digital brand of W&W continues to grow and now has more than 130,000 customers
- The portal makes it easy and inexpensive for users to take out basic insurance
- Best direct insurer in 2020 and eKomi customer Award Silver

- <https://www.rente.de>
- New rente.de app from W&W brandpool successfully launched in 2020
- The app provides an introduction to the complex topic of personal retirement planning

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W&W Group continues on a stable growth, earnings and dividend course

Still no concrete
forecast 2020 due to
uncertainties related
to COVID-19
pandemic

Growth

New business expected to grow in all core business segments

2020 earnings

Below mid-term target range of €220 to 250 million

Investments

W&W continues to invest in digitalisation and new innovative business models

Dividend

W&W remains its stable and reliable dividend policy

Reasons to invest in W&W

Stability & Sustainability

Stable and sustainable business model with strong focus on the customers' needs in life-issues such as housing, financial assets and a secure future

Profitability and efficiency

Sustainable profits at a competitive productivity and cost level

Employer attractiveness

Markedly increased recommendation rate of W&W as employer: up 5 percentage points to 81% in recent internal survey

Digital transformation

Our new digital brands show that we are succeeding in meeting changed customer needs and tapping into new customer groups with innovative products

Market potential

Broad customer coverage and attractive mix of distribution channels

Attractive shareholder value

Stable dividends and attractive upside potential



Looking forward to your
questions

Let's keep in touch

13 Nov 2020

Quarterly statement as at
30 September 2020

Nov 2020

Virtually: Eigenkapitalforum Frankfurt,
LBBW German Company Day, London

31 Mar 2021

W&W Annual Report 2020

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APPENDIX

Highly experienced Management Board with profound industry knowledge



Jürgen A. Junker
CEO W&W AG

Chairman of the Management Board and
Executive Management Board



Alexander Mayer
CFO W&W AG

Member of the W&W Executive Board



Jürgen Steffan
CRO W&W AG

Member of the W&W Executive Board



Jens Wieland
COO/CIO W&W AG

Member of the W&W Executive Board



Bernd Hertweck

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



Thomas Bischof

Head of W&W Insurance Division and
Chairman of the Executive Board of
Württembergische Versicherungen



Daniel Welzer

Business Unit Director brandpool and
Chairman W&W brandpool Board

Our new W&W-Campus



- First construction phase completed in time
- New and modern workspaces
- Located in Kornwestheim/Ludwigsburg
- Completion scheduled for 2023



Where we come from – 200 years of experience in financial issues



1828 Württembergische Privat-Feuerversicherungsgesellschaft was established, the oldest private property insurance in southern Germany

1921 Wüstenrot (Gemeinschaft der Freunde) was founded, Germany's first home loan and savings bank

1999 Merger of Wüstenrot und Württembergische

2005 Acquisition of Karlsruher Versicherungsgruppe

2010 Acquisition of Allianz Dresdner Bauspar AG

2017 Introducing new digital brand "Adam Riese"

2018 online platform Wüstenrot Wohnwelt started

1833 Allgemeine Rentenanstalt, the first pension insurance in Germany was established



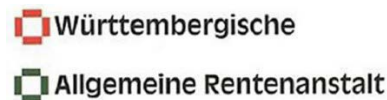
1991 Württembergische Feuerversicherung and Allgemeine Rentenanstalt merged into Württembergische Versicherung AG

2001 Acquisition of Leonberger Bausparkasse AG

2009 Acquisition of Vereinsbank Victoria Bauspar AG

2017 Participation in treefin GmbH; creating "W&W FinanzGuide-App"

2018 Acquisition of Aachener Bausparkasse AG



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- the impact of regulatory decisions and changes in the regulatory environment;
- the impact of political and economic developments in Germany and other countries in which the Group operates;
- the impact of fluctuations in currency exchange and interest rates; and
- the Group’s ability to achieve the expected return on the investments and capital expenditures it has made in Germany and in foreign countries.

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