

Interim management statement as at 31 March 2015

Wüstenrot & Württembergische AG

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



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OVERVIEW OF KEY FIGURES OF THE W&W GROUP

W&W GROUP (ACCORDING TO IFRS)			
CONSOLIDATED BALANCE SHEET		31.3.2015	31.12.2014
Total assets	€ bn	80.2	78.5
Capital investments	€ bn	51.2	49.4
Financial assets available for sale	€ bn	26.9	25.6
First tier loans and advances to institutional investors	€ bn	16.4	16.5
Building loans	€ bn	24.8	25.1
Liabilities to customers	€ bn	26.2	25.7
Technical provisions	€ bn	34.3	32.9
Equity	€ bn	3.9	3.7
Net asset value per share	€	37.11	34.49
CONSOLIDATED INCOME STATEMENT		1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
Net financial result (after credit risk adjustment)	€ mn	781.6	525.9
Premiums/contributions earned (net)	€ mn	949.7	956.8
Insurance benefits (net)	€ mn	1,239.7	1,045.9
Earnings before income taxes from continued operations	€ mn	88.7	74.2
Consolidated net profit	€ mn	54.7	54.2
Total comprehensive income	€ mn	271.9	201.3
Earnings per share	€	0.57	0.56
OTHER INFORMATION		31.3.2015	31.3.2014
Employees ¹		7,636	7,670
Employees ²		9,079	9,140
KEY SALES FIGURES			
		1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
<i>Group</i>			
Gross premiums written	€ mn	1,353.9	1,343.3
New construction financing business (including brokering for third parties)	€ mn	1,306.8	1,054.6
Sales of own and third-party investment funds	€ mn	89.6	75.8
<i>Home Loan and Savings Bank</i>			
New home loan savings business (gross)	€ mn	3,557.0	3,555.9

New home loan savings business (net)	€ mn	2,610.7	2,762.8
<i>Life and Health Insurance</i>			
Gross premiums written	€ mn	577.2	595.8
New premiums	€ mn	141.7	147.4
<i>Property/Casualty Insurance</i>			
Gross premiums written	€ mn	774.1	743.1
New premiums (measured in terms of annual contributions to the portfolio)	€ mn	78.5	77.0
<p>1 Full-time equivalent head count. 2 Number of employment contracts.</p>			

OVERVIEW OF KEY FIGURES OF W&W AG

W&W AG (ACCORDING TO THE GERMAN COMMERCIAL CODE)			
		1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
Net income for the year	€ mn	10.8	31.3
Share price as at 31 March	€	17.50	17.85
Market capitalisation as at 31 March	€ mn	1,640.6	1,642.1

This interim management statement pursuant to Section 37x of the German Securities Trading Act (WpHG) has been prepared in accordance with IFRS principles as at 31 March 2015. This interim management statement does not constitute an interim report in accordance with IAS 34 or financial statements in accordance with IAS 1.

Group interim management report

BUSINESS REPORT

Business environment

MACROECONOMIC ENVIRONMENT

According to preliminary estimates, the German economy posted surprisingly strong growth in gross domestic product in the fourth quarter of 2014, coming in at 0.7%. One reason for this gratifying development was the dynamic consumption demand from private households, which benefitted from high income growth, the continuing positive trend on the German employment market and very low inflation. Another reason is that the construction industry recorded a considerable rise in output. On the whole, the historically above-average income trends for private households and the dynamics of the construction industry thus present a pleasant macroeconomic environment for the W&W Group.

CAPITAL MARKETS

Bond markets

In January 2015, the ECB announced that it would begin buying €60 billion in bonds each month, starting in March. This gave further strong momentum to the persistent trend of falling yields on the German bond market. In addition to the expansive monetary policy, a very low, sometimes even negative inflation rate, which was attributable to oil prices, also led to the decline in yields.

In the first quarter of 2015, yields on 10-year German government bonds fell from 0.54% to a new historic low of 0.18%. The 10-year swap rate also dropped from 0.81% to 0.56%. Despite constant base rates, short-term interest rates also declined slightly once again. As a result, the negative interest rate for two-year German government bonds increased from -0.1% to -0.25% in the first quarter. The two-year swap rate declined from 0.18% to 0.08%.

Equities markets

The European equities markets had a very good start in 2015. The DAX rose by 22.0%, reaching new record highs with index values exceeding 12,000 points at times in the first quarter of 2015. The Euro STOXX 50 was up 17.5%. There are three main reasons for this price trend. First, European equities benefitted from brighter economic news. In particular, the sharp drop in oil prices and the significant devaluation of the euro resulted in higher growth forecasts for the EMU. Second, this more positive economic assessment led to improved profit outlooks for European companies, which was directly reflected in rising stock prices. Finally, the extremely expansive direction of European monetary policy, particularly the extensive bond-buying programme by the European Central Bank, had a beneficial impact on price trends. In this process, equities benefitted from the strongly declining appeal of bonds, which are becoming less significant as an alternative to investment in equities due to very low yields, and from the positive liquidity effects of this expansive monetary policy.

Performance of the W&W share price

After ending 2014 at €17.80, the W&W share price ranged from €17.00 to €17.85 during the first quarter of 2015. At the end of March, W&W shares were listed at €17.50. This meant a slight price decline of -1.7% for the first quarter of 2015.

Development of business and Group position

DEVELOPMENT OF BUSINESS

Consolidated net profit after taxes came in at €54.7 million (2014: €54.2 million), which was slightly above the proportional forecast for the first quarter. For 2015, the W&W Group continues to expect that IFRS net income for the year will amount to about €200 million.

COMPOSITION OF CONSOLIDATED NET PROFIT		
	1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
€mn		
Home Loan and Savings Bank	9.1	14.3
Life and Health Insurance	10.4	11.3
Property/Casualty Insurance	22.3	25.7
All other segments	27.5	37.9
Consolidation across segments	- 14.6	- 35.0
CONSOLIDATED NET PROFIT	54.7	54.2

Total comprehensive income

CONSOLIDATED INCOME STATEMENT

As at 31 March 2015, consolidated net profit after taxes stood at €54.7 million (previous year: €54.2 million).

The net financial result forming part of this rose to €781.6 million (previous year: €525.9 million). In this regard, the following material effects are to be considered:

- Net income from financial assets available for sale rose sharply by €571.9 million to €700.5 million (previous year: €128.6 million). This significant increase was mainly attributable to disposal gains on fixed-income securities in order to secure obligations to our customers. Moreover, it also included a strong rise in currency rate gains for capital investments in foreign currency, which was attributable to weak trends in the euro rate during the first quarter of 2015.
- Net income from financial assets at fair value through profit or loss declined to €-142.0 million (previous year: €54.1 million). Net income from derivatives used to hedge exchange rate risks was down significantly.
- Net income from receivables, liabilities and subordinated capital amounted to €204.2 million (previous year: €346.9 million). Net income from disposals was considerably lower than in the previous year. Net interest income dropped as a result of the lower discount rate for interest bonus provisions for home loan and savings plans as well as a decline in interest income from fixed-income securities caused by lower volumes and interest rates. By contrast, net currency income was higher.

Net premiums earned came in at €949.7 million (previous year: 956.8 million). A portfolio increase in Property/Casualty Insurance was offset by a decline in Life and Health Insurance due to expiring policies.

Net insurance benefits increased to €1,239.7 million (previous year: €1,045.9 million). On the one hand, the further strengthening of additional reserves for risks associated with low interest rates had an effect. On the other, provisions for unit-linked life insurance increased as a result of good performance by the equities markets.

General administrative expenses amounted to €296.7 million in the reporting quarter (previous year: €275.1 million). Despite collectively bargained salary increases, personnel expenses were able to be kept constant as a result of fewer employees. By contrast, materials costs increased significantly. This was mainly due to recognition of the full annual contribution to the resolution fund and the deposit guarantee. Without these one-off effects, general administrative expenses would have remained essentially stable.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

As at 31 March 2015, total comprehensive income stood at €271.9 million (previous year: €201.3 million). It consists of consolidated net profit and other comprehensive income (OCI).

The trend in total comprehensive income in the first quarter was decisively marked by unrealised income from assets available for sale. This showed a gain of €208.4 million (previous year: €149.4 million) after additions to the provision for deferred premium refunds and deferred taxes. The reason for the gain was the decline in interest rates since the start of the year and the associated increase in prices of bearer instruments.

These valuation gains, which are recognised directly in equity, mainly reflect the interest rate sensitivity of the assets side of the balance sheet. The effects are the opposite on the interest-rate-sensitive liabilities side of the balance sheet. However, they are not shown in total comprehensive income in keeping with IFRS.

Home Loan and Savings Bank

Net income in the Home Loan and Savings Bank segment fell to €9.1 million (previous year: €14.3 million). New business remained high in the first quarter. The segment's total assets amounted to €38.5 billion (previous year: €38.6 billion).

NEW BUSINESS

Gross new business, measured in terms of total home loan savings contracts, remained at the previous year's level of €3.6 billion (previous year: €3.6 billion). With its future-focused product offer in line with the market, Wüstenrot Bausparkasse AG succeeded in boosting its market share of gross new business. Net new business (paid-in new business) came in at €2.6 billion, slightly below the comparable quarter in the previous year (previous year: €2.8 billion).

Despite focusing on offers that generate large earnings, new construction financing business in the segment grew by 28.4% to €683.1 million (previous year: €532.0 million). The company succeeded in making strong use of the overall positive trends on the construction financing market. The follow-on lending included in this figure amounted to €169.6 million (previous year: €116.5 million). New lending business came in at €513.5 million (previous year: €415.5 million).

New construction financing business across all the segments in the entire W&W Group stood at €1,306.8 million (previous year: €1,054.6 million). This figure includes mortgage loans from Württembergische Lebensversicherung AG of €67.1 million (previous year: €69.0 million) and loan disbursements under home loan and savings contracts of €207.2 million (previous year: €243.1 million). Brokering for third parties, which includes, among other things, brokering via the construction financing portal, amounted to €258.0 million (previous year: €151.9 million). The Czech home loan and savings bank and mortgage bank, whose business activities are reported under "All other segments", placed loans totalling €91.4 million (previous year: €58.6 million).

NEW BUSINESS KEY FIGURES			
	1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014	Change
	€ mn	€ mn	%
Gross new business	3,557.0	3,555.9	0.0
Net new business	2,610.7	2,762.8	- 5.5
New construction financing business	683.1	532.0	28.4
Group construction financing business (including brokering for third parties)	1,306.8	1,054.6	23.9

FINANCIAL PERFORMANCE

The net financial result in the Home Loan and Savings Bank segment increased to €131.8 million (previous year: €114.0 million). It was mainly influenced by the following effects:

- Because of higher income from disposals, net income from financial assets available for sale trended in a predominantly positive direction, coming in at €68.1 million (previous year: €35.4 million).
- Net income from financial assets at fair value through profit or loss rose by €3.2 million to €18.6 million (previous year: €15.4 million). It primarily depicts changes in the value of derivatives that are used as hedges but do not meet the requirements for hedge accounting under IFRS. In this regard, interest rate risks are hedged as part of managing the interest book. The measurement effects stemming from the continuing decline in interest rates were lower year on year. In addition, positive measurement effects from financial instruments voluntarily measured at market value led to increased results.
- The hedge result of €23.1 million (previous year: €-1.6 million) is mainly attributable to the partial ineffectiveness of the offsetting measurement of underlying transactions and derivatives in fair value hedge relationships. In addition, the pro rata temporis release of other reserves (OCI) had an impact on the cash flow hedge relationships liquidated in the previous year.
- Net income from receivables, liabilities and subordinated capital fell by €32.7 million to €25.7 million (previous year: €67.5 million). This was mainly caused by significantly lower net interest income, since persistently low interest rates negatively affected current net interest income, the discounting of the interest bonus provision and the one-off effects as a result of portfolio measures to protect the collective.

Net commission income improved to €2.5 million (previous year: €0.3 million, since sales-dependent commission expenses for the conclusion of home loan and savings contracts declined more steeply than did the income from contract conclusion fees).

General administrative expenses increased by €15.5 million to €113.5 million (previous year: €98.0 million). Above all, materials costs rose by a significant €18.5 million. This was mainly due to recognition in full of the annual contributions to the resolution fund and the deposit guarantee in the first quarter of 2015. Personnel expenses declined by €1.1 million.

Life and Health Insurance

Net income for the Life and Health Insurance segment reached €10.4 million (previous year: €11.3 million). New premiums came in slightly below the figure for the comparable quarter in the previous year. The segment's total assets amounted to €35.0 billion (previous year: €33.9 billion).

NEW BUSINESS

As at 31 March 2015, new premiums in Life and Health Insurance Business amounted to € 141.7 million (previous year: € 147.4 million). New regular premiums rose to € 26.3 million (previous year: € 22.8 million). This was attributable to backlogs from strong final sales at the end of 2014. Single-premium income stood at € 113.5 million (previous year: € 122.5 million). In terms of single-premium business, the W&W Group continues to pursue a conservative underwriting policy.

As at the quarterly reporting date, gross premiums written fell to € 577.2 million (previous year: € 595.8 million), due to lower single premiums and as a result of a reduction in regular premiums from expiring policies.

NEW BUSINESS KEY FIGURES			
	1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014	Change
	€ mn	€ mn	%
<i>New premium</i>	141.7	147.4	- 3.9
Single premium, life insurance	113.5	122.5	- 7.3
Regular premium, life insurance	26.3	22.8	15.4
Annual new premium, health insurance	1.9	2.1	- 9.5

FINANCIAL PERFORMANCE

The net financial result in the Life and Health Insurance segment rose to € 595.6 million (previous year: € 391.8 million). This was mainly attributable to the following effects:

- Net income from financial assets available for sale increased significantly by € 495.2 million to € 583.5 million (previous year: € 88.3 million). Gains realised on fixed-income securities were also higher year on year. These activities served to secure obligations to our customers. In addition, net currency income from capital investments not denominated in euros rose significantly.
- The net result from financial assets at fair value through profit or loss fell to € -137.1 million (previous year: € 37.6 million). In view of the weak euro, a large part of this was due to a significant decline in the net result from currency derivatives obtained for hedging purposes. By contrast, net income from capital investments made for the purpose of backing unit-linked insurance products benefited from the dynamic equities markets in the first quarter of 2015.
- Net income from receivables, liabilities and subordinated capital amounted to € 149.1 million (previous year: € 264.8 million). In this regard, net income from disposals declined significantly, owing to fewer sales of securities compared to the comparable quarter in the previous year. In addition, extremely low interest rates for new investments and reinvestments and a decline in the portfolio had an impact.

Net premiums earned declined year on year, coming in at € 566.3 million (previous year: € 585.7 million). Contributing to this trend were both a lower volume of single-premium insurance policies in new business and a decline in the portfolio of regular premiums due to expiring policies.

As at 31 March 2015, net insurance benefits stood at € 1,038.6 million (previous year: € 859.6 million). Benefits to customers continued to be secured in the first quarter of 2015 through the regular increase of the additional interest reserve and interest rate reinforcement. The expense was significantly above the previous year's level, coming in at

€ 130.6 million (previous year: € 46.6 million). Consequently, the total amount of these reserves now amounts to € 1,043.8 million. In addition, the provisions for unit-linked life insurance policies increased as a result of good performance by the underlying capital investments.

General administrative expenses in the Life and Health Insurance segment were similar to the previous year's level, coming in at € 58.7 million (previous year: € 56.9 million). The comparative value benefited from a one-off effect resulting from the cross-segment transfer of provisions for pensions.

Property/Casualty Insurance segment

Segment net income fell to € 22.3 million (previous year: € 25.7 million). New business in Property/Casualty Insurance rose slightly. The segment's total assets increased to € 4.6 billion (previous year: € 4.1 billion).

PREMIUM DEVELOPMENT

New business increased to € 78.5 million (previous year: € 77.0 million), as measured in terms of the annual portfolio premium. The decline in the corporate customers business line was able to be offset by growth in the motor business line.

Quarter on quarter, the portfolio increased as a result of the gratifying overall sales performance, taking into account pure new business, replacement business and cancellation figures. Accordingly, gross premiums written increased strongly by € 31.0 million to € 774.1 million (previous year: € 743.1 million).

NEW BUSINESS KEY FIGURES			
	1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014	Change
	€ mn	€ mn	%
<i>Annual portfolio premium</i>	78.5	77.0	1.9
Motor	61.2	58.5	4.6
Corporate customers	9.5	10.7	- 11.2
Retail customers	7.8	7.8	0.0

FINANCIAL PERFORMANCE

The net financial result clearly exceeded the previous year's figure, coming in at € 30.2 million (previous year: € 9.0 million). It mainly consists of the following components:

- Net income from financial assets available for sale rose sharply to € 47.1 million (previous year: € 2.1 million). The reasons for the increase include higher net income from disposals of fixed-income securities and high measurement gains for capital investments not denominated in euros. In addition, the previous year's figure was negatively affected by impairment expenses for investments in emerging markets.
- Net income from financial assets at fair value through profit or loss amounted to € -36.5 million (previous year: € 0.7 million). This figure includes a steep decline in the net currency result from derivatives, which was unable to be offset by the measurement gains included in net income from financial assets available for sale.
- Net income from receivables, liabilities and subordinated capital increased to € 19.7 million (previous year: € 6.3 million). This item was also affected by a positive exchange rate effect from time deposits. These deposits are used to congruently cover technical provisions in foreign currency.

The positive trend continued with net premiums earned. Net premiums earned increased by € 13.4 million to € 321.9

million (previous year: € 308.5 million). Owing to the gratifying sales performance of the past 12 months, earned premiums were likewise higher year on year.

Net insurance benefits increased to € 166.6 million (previous year: € 149.3 million). The settlement result rose, but the otherwise good development in claims was impacted by the storm Niklas at the end of the quarter. Nevertheless, the segment achieved a good combined ratio of 90.7% (previous year: 87.7%), taking into consideration the storm damages.

General administrative expenses amounted to € 94.3 million (previous year: € 88.4 million). The increase is mainly attributable to higher advertising expenses to strengthen the "Württembergische" brand, as well as to increased IT investments.

The net other operating result stood at € -9.2 million (previous year: € 4.7 million). This figure includes currency rate losses under technical provisions, which were offset by gains in the net financial result.

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. All other segments posted net income after taxes of € 27.5 million (previous year: € 37.9 million). It consists mainly of the following: W&W AG € 11.3 million (previous year: € 32.2 million), W&W Asset Management € 4.7 million (previous year: € 2.6 million), Czech subsidiaries € 3.5 million (previous year: € 2.6 million). The total assets of all other segments amounted to € 6.2 billion (previous year: € 6.0 billion).

The net financial result fell year on year to € 61.8 million (previous year: € 63.2 million). This was mainly due to a decline in 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. Dividend income from fully consolidated subsidiaries is eliminated in the consolidation/reconciliation column in order to obtain values for the Group. By contrast, the trend was positive for net currency income as well as for the measurement of derivative financial instruments with regard to net income from financial assets at fair value through profit or loss.

Premiums earned remained essentially unchanged compared with the comparable quarter in the previous year, coming in at € 68.5 million (previous year: € 68.2 million). Net insurance benefits declined year on year to € 42.2 million (previous year: € 45.1 million). This was attributable to improved claims development during the reporting period.

General administrative expenses fell by € 4.5 million to € 22.0 million (previous year: € 26.5 million). This was primarily attributable to higher service income. Personnel expenses and depreciation were about the same year on year.

The net other operating result declined year on year to € -3.1 million (previous year: € 3.2 million). This was occasioned, among other things, by currency rate losses from reinsurance.

OUTLOOK

In terms of future performance, persistently low interest rates, high expenses for implementing additional statutory and regulatory requirements, and rising capital requirements continue to pose a great challenge for the entire financial services industry. With "W&W 2015", we further enhanced our stability and strengthened the competitiveness and independence of the W&W Group.

With the new programme "W&W@2020", we are gearing up for the coming financial years. The guiding principle is linking stability with customer orientation.

We continue to stand by our forecast of generating consolidated net profit of about € 200 million in 2015. This presupposes that we will not be confronted with any extraordinary encumbrances, particularly as a result of extreme damage claims or unforeseeable changes on the capital markets.

Consolidated interim financial statements

CONSOLIDATED BALANCE SHEET

ASSETS		
	31.3.2015	31.12.2014
<i>in € thousands</i>		
A. <i>Cash reserves</i>	273,026	339,053
B. <i>Non-current assets classified as held for sale and discontinued operations</i>	12,086	14,090
C. <i>Financial assets at fair value through profit or loss</i>	3,845,100	3,463,943
D. <i>Financial assets available for sale</i>	26,886,888	25,613,428
Thereof sold under repurchase agreements or lent under securities lending transactions	2,335,528	2,304,793
E. <i>Receivables</i>	44,334,437	44,316,001
I. Subordinated securities and receivables	92,211	96,354
II. First-rate receivables from institutional investors	16,443,961	16,520,286
III. Senior fixed-income securities	1	—
IV. Building loans	24,822,145	25,127,273
V. Other receivables	2,976,119	2,572,088
F. <i>Risk provision</i>	- 216,024	- 214,566
G. <i>Positive market values from hedges</i>	64,035	51,104
H. <i>Financial assets accounted for under the equity method</i>	186,452	184,192
I. <i>Investment property</i>	1,806,466	1,769,358
J. <i>Reinsurers' portion of technical provisions</i>	1,367,063	1,353,969
K. <i>Other assets</i>	1 644 827	1,645,487
I. Intangible assets	114,290	116,633
II. Property, plant and equipment	237,575	238,048
III. Inventories	65,899	67,815
IV. Current tax assets	76,908	72,835
V. Deferred tax assets	1,068,965	1,042,313
VI. Other assets	81,190	107,843
TOTAL ASSETS	80,204,356	78,536,059

LIABILITIES		
<i>in € thousands</i>	31.3.2015	31.12.2014
<i>A. Financial liabilities at fair value through profit or loss</i>	1,168,124	1,012,030
<i>B. Liabilities</i>	35,423,001	35,647,143
I. Liabilities evidenced by certificates	1,164,977	1,165,708
II. Liabilities to credit institutions	5,696,137	6,401,409
III. Liabilities to customers	26,200,071	25,710,869
IV. Finance lease liabilities	31,429	32,433
V. Miscellaneous liabilities	2,330,387	2,336,724
<i>C. Negative market values from hedges</i>	603,965	608,751
<i>D. Technical provisions</i>	34,283,827	32,908,709
<i>E. Other provisions</i>	2,972,229	2,944,398
<i>F. Other liabilities</i>	1,209,984	1,124,310
I. Current tax liabilities	162,745	199,245
II. Deferred tax liabilities	1,035,674	916,040
III. Other liabilities	11,565	9,025
<i>G. Subordinated capital</i>	622,225	616,498
<i>H. Equity</i>	3,921,001	3,674,220
I. Interests of W&W shareholders in paid-in capital	1,487,576	1,487,576
II. Interests of W&W shareholders in earned capital	2,356,126	2,072,948
Retained earnings	2,011,186	1,940,540
Other reserves (other comprehensive income)	344,940	132,408
III. Non-controlling interests in equity	77,299	113,696
TOTAL LIABILITIES	80,204,356	78,536,059

CONSOLIDATED INCOME STATEMENT

in € thousands	1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
Income from financial assets available for sale	752,052	196,450
Expenses from financial assets available for sale	51,582	67,870
<i>1. Net income from financial assets available for sale</i>	700,470	128,580
Income from financial assets accounted for under the equity method	564	1,020
Expenses from financial assets accounted for under the equity method	259	113
<i>2. Net income from financial assets accounted for under the equity method</i>	305	907
Income from financial assets/liabilities at fair value through profit or loss	738,365	359,550
Expenses from financial assets/liabilities at fair value through profit or loss	880,354	305,467
<i>3. Net income from financial assets/liabilities at fair value through profit or loss</i>	- 141,989	54,083
Income from hedges	56,194	91,367
Expenses from hedges	33,093	92,961
<i>4. Hedge result</i>	23,101	- 1,594
Income from receivables, liabilities and subordinated capital	434,767	587,730
Expenses from receivables, liabilities and subordinated capital	230,590	240,827
<i>5. Net income from receivables, liabilities and subordinated capital</i>	204,177	346,903
Income from credit risk adjustments	30,744	40,044
Expenses for credit risk adjustments	35,165	43,038
<i>6. Net income from risk provision</i>	- 4,421	- 2,994
7. NET FINANCIAL RESULT	781,643	525,885
Income from investment property	30,669	31,985
Expenses from investment property	15,923	14,371
<i>8. Net income from investment property</i>	14,746	17,614
Commission income	53,634	53,725
Commission expenses	150,879	148,751
<i>9. Net commission income</i>	- 97,245	- 95,026
Earned premiums (gross)	988,229	996,264
Premiums ceded to reinsurers	- 38,560	- 39,449
<i>10. Premiums/contributions earned (net)</i>	949,669	956,815

Insurance benefits (gross)	1,269,775	1,088,640
Received reinsurance premiums	- 30,105	- 42,773
<i>11. Insurance benefits (net)</i>	1,239,670	1,045,867
Personnel expenses	158,570	158,553
Materials costs	121,911	99,386
Depreciation	16,248	17,116
<i>12. General administrative expenses</i>	296,729	275,055
Other operating income	55,236	48,061
Other operating expenses	78,949	58,240
<i>13. Net other operating income</i>	- 23,713	- 10,179
14. EARNINGS BEFORE INCOME TAXES FROM CONTINUED OPERATIONS	88,701	74,187
<i>15. Income taxes</i>	34,040	19,982
16. CONSOLIDATED NET PROFIT	54,661	54,205
Result attributable to shareholders of W&W AG	53,459	51,920
Result attributable to non-controlling interests	1,202	2,285
17. BASIC (= DILUTED) EARNINGS PER SHARE, IN €	0.57	0.56
thereof from continued operations, in €	0.57	0.56

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in € thousands		1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
<i>Consolidated net profit</i>		54,661	54,205
<i>Other comprehensive income</i>			
<i>Elements not reclassified to the consolidated income statement:</i>			
Actuarial gains and losses from defined-benefit plans (gross)		3,004	1,678
Provision for deferred premium refunds		– 1,106	– 1,067
Deferred taxes		– 580	268
<i>Actuarial gains and losses from defined-benefit plans (net)</i>		1,318	879
<i>Elements subsequently reclassified to the consolidated income statement:</i>			
Unrealised gains/losses (-) from financial assets available for sale (gross)		817,378	513,740
Provision for deferred premium refunds		– 520,961	– 299,254
Deferred taxes		– 88,017	– 65,122
<i>Unrealised gains/losses (-) from financial assets available for sale (net)</i>		208,400	149,364
Unrealised gains/losses (-) from financial assets accounted for using the equity method (gross)		499	– 394
Provision for deferred premium refunds		—	—
Deferred taxes		– 8	6
<i>Unrealised gains/losses (-) from financial assets accounted for using the equity method (net)</i>		491	– 388
in € thousands		1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
Unrealised gains/losses (-) from cash flow hedges (gross)		7,856	– 2,827
Provision for deferred premium refunds		—	—
Deferred taxes		– 2,402	283
<i>Unrealised gains/losses (-) from cash flow hedges (net)</i>		5,454	– 2,544

Currency translation differences of economically independent foreign units		1,530	- 225
Total other comprehensive income, gross		830,267	511,972
Total provision for deferred premium refunds		- 522,067	- 300,321
Total deferred taxes		- 91,007	- 64,565
<i>Total other comprehensive income, net</i>		217,193	147,086
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		271,854	201,291
Attributable to shareholders of W&W AG		265,992	192,962
Attributable to non-controlling interests		5,862	8,329

SEGMENT INCOME STATEMENT

	HOME LOAN AND SAVINGS BANK		LIFE AND HEALTH INSURANCE	
	1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014	1.1.2015 to 31.3.2015	1.1.2014 to 31.3.2014
<i>in € thousands</i>				
1. Net income from financial assets available for sale	68,087	35,381	583,506	88,320
2. Net income from financial assets accounted for using the equity method	—	—	– 23	602
3. Net income from financial assets/liabilities at fair value through profit or loss	18,584	15,359	– 137,064	37,607
4. Hedge result	23,101	– 1,594	—	—
5. Net income from receivables, liabilities and subordinated capital	25,664	67,464	149,052	264,829
6. Net income from risk provision	– 3,608	– 2,621	110	435
7. NET FINANCIAL RESULT	131,828	113,989	595,581	391,793
8. NET INCOME FROM INVESTMENT PROPERTY	—	—	13,711	16,460
9. NET COMMISSION INCOME	2,457	337	– 40,742	– 37,257
10. PREMIUMS EARNED (NET)	—	—	566,315	585,654
11. INSURANCE BENEFITS (NET)	—	—	1,038,647	859,582
12. GENERAL ADMINISTRATIVE EXPENSES ³	113,459	98,011	58,696	56,900
13. NET OTHER OPERATING INCOME	2,939	2,672	– 27,196	– 23,345
14. NET SEGMENT INCOME FROM CONTINUED OPERATIONS BEFORE INCOME TAXES	23,765	18,987	10,326	16,823
15. INCOME TAXES	14,653	4,721	– 123	5,493
16. NET SEGMENT INCOME AFTER TAXES	9,112	14,266	10,449	11,330
<p>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.</p>				

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INVESTOR RELATIONS

This interim management statement and other financial reports of the W&W Group are available at www.ww-ag.com/finanzberichte.

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