

Investor Information

Change in Issuer to Erste Abwicklungsanstalt

What is Erste Abwicklungsanstalt?

WestLB AG and a number of its subsidiaries (collectively “WestLB”) have spin off or otherwise transferred certain business activities (so-called risk positions as well as non-essential business areas) to Erste Abwicklungsanstalt, an organizationally and economically independent public-law entity, partly vested with legal capacity, within Bundesanstalt für Finanzmarktstabilisierung (FMSA), the German federal office for the stabilization of the financial markets. Erste Abwicklungsanstalt (EAA) is registered with the Düsseldorf local court’s commercial register and supervised by FMSA as well as Bundesanstalt für Finanzdienstleistungsaufsicht, the German federal financial supervisory authority.

Its bylaws and additional information may be viewed on EEA’s homepage (www.aa1.de).

Why have securities issued by WestLB been transferred?

As part of the transfer of business activities, some of the securities issued by WestLB (including certificates and bonds) as well as Schuldscheindarlehen (collectively “liabilities”) have been spun off to Erste Abwicklungsanstalt in order to refinance transferred assets. For this purpose, liabilities were selected that still governed by guarantor liability (Gewährträgerhaftung) of WestLB’s owners. These liabilities will be honoured by Erste Abwicklungsanstalt in the future. A full list of all spun-off liabilities is published under www.westlb.com/InvestorRelations/changeofissuer.

What does the change in issuer mean for the investor?

The guarantor liability remains in place: Pursuant to the bylaws of Erste Abwicklungsanstalt, even after the spin-off the liabilities in question will continue to be guaranteed by the State of North Rhine-Westphalia, the savings bank associations of North Rhine-Westphalia and the regional associations of the Rhineland and Westphalia. The ability to trade of listed instruments is not affected. Upon effectiveness of the transfer, Erste Abwicklungsanstalt has entered into WestLB’s obligations to honour the liabilities. At the present time, Erste Abwicklungsanstalt’s ratings are as follows: Aa1 (Moody’s), AA- (S&P) and AAA (Fitch). These ratings correspond with those of the State of North Rhine-Westphalia. Erste Abwicklungsanstalt’s debt is risk-weighted at zero percent under German regulatory law (so-called “Solva Zero”).

Are certificates affected as well?

The transfer also affects certain certificates issued before 17 July 2005, which fall under the guarantor liability. A full list of these certificates is likewise published under www.westlb.com/InvestorRelations/changeofissuer.

Does the change in issuer affect the ratings of the securities transferred?

No, the ratings remain unchanged: Aa1 (Moody’s), AA- (S&P) and AAA (Fitch).

Will the securities in question continue to be updated on WestLB's web/extranet pages?

WestLB remains responsible for quoting any listed security affected by the change in issuer and will continue to publish price information using the known online platforms.

Which securities have been spun off?

Securities were spun off that were issued prior to 17 July 2005 and fall under the guarantor liability (Gewährträgerhaftung) of WestLB's owners.

Are investors being informed of the change in issuer on an individual basis?

Most of the liabilities affected are freely transferable bearer instruments. WestLB has no proof of investor identities for these securities. However, holders of registered securities are generally informed individually.

What is Erste Abwicklungsanstalt's risk weighting?

Erste Abwicklungsanstalt has a "Solva Zero" status, which means that its debt is risk-weighted at zero percent under German regulatory law. Pursuant to German solvability regulations, therefore, claims against Erste Abwicklungsanstalt are subject to an "address weight" of zero. For this reason credit institutions do not need to allocate equity capital with respect to these claims for regulatory purposes.

Is a separate line of credit needed?

Erste Abwicklungsanstalt is not part of the WestLB Group. It is therefore incumbent on the investor to check whether a separate line of credit is to be established for the new issuer.

On which regulations is the change in issuer based?

The transfer of securities to Erste Abwicklungsanstalt has been transacted as part of a spin-off for absorption (Abspaltung zur Aufnahme) pursuant to the German Transformation Act (Umwandlungsgesetz) in conjunction with § 8a of the German Financial Market Stabilization Fund Act (FMStFG).



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