WestLB

30.09

January 1 – September 30, 2004

Interim Report

Overview of the WestLB Group

RATIOS*

	1. 1.–30. 9. 2004 %	1. 1.–30. 9. 2003 %	Change %
Return on equity before taxes	13.8	– 12.9	n. a.
Cost-income ratio**	77.7	74.2	n. a.

* measured against the operating results (marked-to-market)
** without result of provisions for credit risks

PERFORMANCE FIGURES

	1. 1.–30. 9. 2004 € millions	1. 1.–30. 9. 2003 € millions	Change € millions
Operating result	190.1	– 426.6	616.7
Profit/loss for the year before taxes	247.0	– 636.2	883.2
Profit/loss for the year after taxes	192.6	– 681.1	873.7

BALANCE SHEET FIGURES

	30. 9. 2004 € billions	31. 12. 2003 € billions	Change € billions
Total assets	270.9	256.2	14.7
Business volume	367.5	365.2	2.3
Credit volume	247.0	234.4	12.6
Borrowed refinancing funds	254.1	231.3	22.8
Capital and reserves	12.2	11.0	1.2

BANK REGULATORY CAPITAL RATIOS (BIS)

	30. 9. 2004 before capital increase	after capital increase	31. 12. 2003	Change
Core capital (€ billions)	6.7	8.2	6.7	1.5
Total capital (€ billions)*	14.4	16.1	14.4	1.7
Core capital ratio (%)	6.1	7.5	5.7	n. a.
Total capital ratio (%)	10.8	12.0	10.3	n. a.

* after deduction of unused Tier III capital eligible for inclusion
** after capital increase became legally effective on October 20, 2004

STAFF

	30. 9. 2004	31. 12. 2003	Change
Staff*	6,991	7,467	– 476

* Full Time Equivalent

RATINGS

	Short Term	Long Term
Moody’s	P-1	Aa2
Standard & Poor’s	A-1+	AA
Fitch Ratings	F1+	AAA

Chairman's Statement

Dear shareholders and clients,

Despite difficult market conditions WestLB made good progress in the third quarter with the restructuring of its business operations. The centrepiece of our strategy, the close alliance with the savings banks in North Rhine-Westphalia and Brandenburg, is providing an increasing stimulus to our operating business. We are detecting a growing confidence on the part of our clients and owners in WestLB's innovative power and its ability to deliver, reflecting the strict realignment of the business to the needs of clients and business partners.

Only a few months ago the Managing Board and shareholders reached agreement on the fundamental change of policy and a new business model for WestLB. In October the capital increase which defines the new shareholder structure of the Bank became legally effective. Under this new structure the savings banks associations in the Rhineland and Westphalia-Lippe together own a majority of the Bank's capital. As a result of the capital increase, WestLB's core capital ratio now stands at roughly 7.5%, a level considered by the financial markets to be solid and sustainable.

In line with the short period of restructuring, WestLB remains today a company in transition, one which is only just beginning to fully exploit its enormous market potential. Against this background, and given the persisting sluggishness of the economy in Germany, we are satisfied with our results for the first nine months of 2004. The Bank is on course to achieve its targeted profit for the year. If market value reserves in the trading portfolios not yet credited to earnings are included, we are ahead of our target after nine months. Cost reductions are progressing well, although WestLB has deliberately begun to take on additional staff in strategically important areas of business. The careful elimination of risk from the balance sheet in 2003, together with the marked improvement in the quality of our risk management, has had a positive impact on the risk result.

The approaching end of the state aid proceedings with the European Union will enable WestLB to put the past behind it and to focus even more closely on the business challenges of the future. However, the implementation of the Brussels resolutions in the Wfa proceedings has still to be agreed between the European Commission and the shareholders. The Bank and its owners knew from the outset that this issue, which has weighed heavily on WestLB for a number of years, could not be settled conclusively without a major effort on the part of all involved. Accordingly, the Bank's owners have undertaken to ensure that WestLB is adequately capitalised irrespective of the final outcome of the Wfa proceedings. It is still too early at the end of the third quarter to assess the impact on the Bank's results.

In the joint budget planning with the savings banks, and above all internally, WestLB is preparing for the first time to test the value of its new business model for 2005 over a full financial year. The willingness of our employees in Germany and internationally to embrace change and tackle the tasks at hand are essential prerequisites for success.

At the same time WestLB has noticed in recent weeks that it has gained considerably in attractiveness not only in its business with customers but also as an employer for talented young specialists both within the Bank and from the market more broadly. The trust our clients and partners place in our financial alliance with the savings banks, and the efforts and commitment shown by our employees, make me optimistic that WestLB will compete successfully as a profitable European commercial bank with firm roots in Germany and North Rhine-Westphalia after the elimination of the state guarantees in 2005.

Sincerely yours,

Thomas Fischer

Dr. Thomas R. Fischer
Chairman of the Managing Board

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Milestones Reached

In the first nine months of 2004, WestLB and its owners reached a number of important milestones. These include the adoption of a new business model, which focuses on a close business partnership with the savings banks in North Rhine-Westphalia (NRW) and Brandenburg, the € 1.5 billion capital increase, the establishment of the reserve funds as well as a comprehensive reorganisation of the risk management and monitoring systems. Other strategic measures in the context of WestLB's transformation from a wholesale bank to a customer-oriented universal bank are in the process of being implemented.

Legal Basis for Financial Partnership with Savings Banks Established

The financial partnership between WestLB and the savings banks (Sparkassen-Finanzverbund) has been established in the form of a framework agreement and bilateral agreements between WestLB and the North Rhine-Westphalian savings banks. The bilateral agreements focus on annual business plans, which are established jointly by the savings banks and WestLB in their agreed joint business fields. It will be important for this cooperation that WestLB and the savings banks act as a unified organisation, albeit legally and economically independent companies.

The savings banks benefit from the innovative financial products and services provided by WestLB. WestLB, in turn, will use the savings banks' unique distribution capability and local market experience. The result is a symbiotic network which combines the savings banks' client access with WestLB's product know-how.

The success factors for the joint business approach are plain to see: the savings banks' closely knit sales network will facilitate an efficient marketing approach designed to tap unused market potential in the region, especially in the mid-cap market. This will increase WestLB's profitability on a sustained basis.

Reserve Funds Set Up

With effect from October 1, 2004, each of the two North Rhine-Westphalian savings banks associations, Rheinischer Sparkassen- und Giroverband (RSGV) and Westfälisch-Lippischer Sparkassen- und Giroverband (WLSGV), and WestLB established a joint reserve fund of € 500 million each. Each reserve fund consists of € 250 million in cash and an obligation to make a further contribution in the same amount. The two associations and WestLB have already paid the first annual instalments of € 12.5 million.

Risk Management Optimised Further

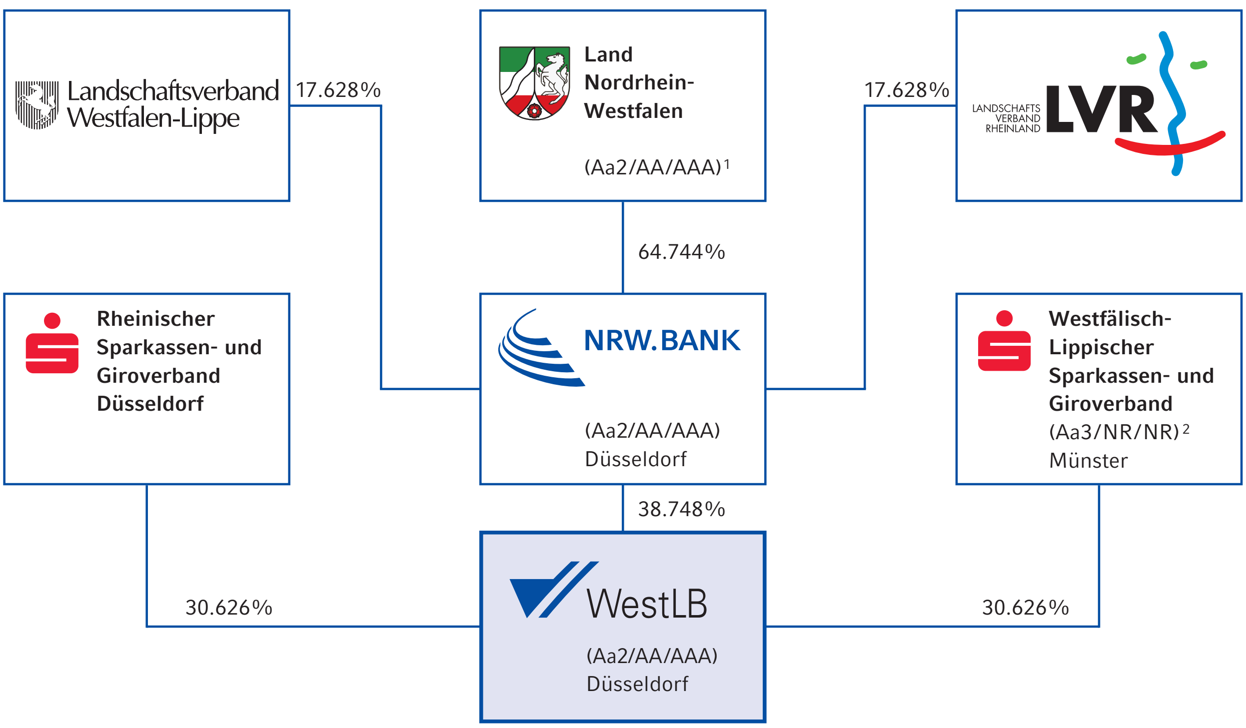
WestLB has conducted a thorough review of its risk management system. In addition to extensive organisational measures, especially the installation of a Credit Committee and an Asset Liability Committee, the Bank has closely reviewed its portfolio, eliminated risks and reduced risk concentrations. In this context, certain business activities, e.g. Principal Finance, have now been discontinued. Going forward, the Bank will become more of a risk intermediary than a risk taker. Active portfolio management will be a crucial part of the new business strategy.

Capital Increase Completed – New Shareholder Structure Legally Effective

According to a resolution passed by the Shareholders' Meeting on June 29, 2004, the two savings banks associations , RSGV and WLSGV, paid up their respective € 750 million shares on September 30, 2004. The capital increase became legally effective upon its entry in the Münster and Düsseldorf Commercial Registers on October 20, 2004.

The entry in the Commercial Registers means that the new shareholder structure has also become legally effective. The two savings banks associations, RSGV and WLSGV, now each hold 30.626% of the shares, while NRW.BANK holds 38.748%. NRW.BANK is owned by the State of North Rhine-Westphalia (64.744%) and the two Regional Associations of the Rhineland and Westphalia-Lippe (17.628% each). This means that the parent-subsidiary structure between NRW.BANK and WestLB has been replaced.

THE NEW SHAREHOLDER STRUCTURE



[1] Order of ratings: Moody's/Standard & Poor's/Fitch Ratings

[2] NR: not rated

Business Review

Basis of the Interim Reporting

The Interim Report at September 30, 2004 was prepared in accordance with the provisions of the German Commercial Code (HGB), the Ordinance Regarding Accounting for Banks and Financial Services Institutions (RechKredV) and the relevant provisions of the German Stock Corporation Act (AktG). The scope of consolidation includes 71 companies.

Profit Trend Continues

WestLB returned to profitability in the first six months of 2004, and this trend continued in the third quarter. Before taxes the Group earned € 247 million. Although net interest income and net commission income decreased vis-à-vis the previous year, on the cost side administrative expenses were reduced by € 152 million. An additional positive stimulus came from the result of provisions/evaluation. The decrease in operating income in the first three quarters of 2004 reflects the weak economy in Germany and makes it clear that WestLB's new business model will not result in sustainable earnings increases until 2005. At € 190.1 million in the first nine months of 2004, the operating result was up € 616.7 million over the year-earlier figure.

Earnings Still Mixed

At € 1,287.4 million, **net interest income** in the first nine months of 2004 was € 40.3 million below the figure for the first nine months of 2003. In particular, the results from money market activities, foreign exchange trading and interest arbitrage transactions from trading activities were not up to last year's levels. Net interest income includes € 652.7 million in interest income from trading operations (same period in 2003: € 589.9 million).
The **result of provisions for credit risks** stood at € 25.5 million. This improvement is attributable to the substantial streamlining of our credit portfolio last year, which meant that, in net terms, no additional write-downs were necessary in 2004. **Interest income after the result of provisions for credit risks** increased by € 818.6 million to € 1,312.9 million.

Net commission income fell € 128.2 million year on year to close the first nine months of 2004 at € 250.1 million. This drop reflects the restraint on the part of our customers given the continuing weak economy in Germany and the selective granting of loans in structured financing transactions.

Net income from trading operations stood at € –312.5 million. This negative trend from the year-earlier period is primarily attributable to capital market conditions, which worsened in the third quarter. The marked-to-market result stood at € –118 million. The two figures differ because the former is based on the principle of prudence stipulated in the German Commercial Code, according to which realised gains and losses on trading portfolio holdings and derivative financial instruments are recognised in full, but unrealised gains are recognised only to the extent that they can be netted against realised losses within the macro portfolios. The difference of € 194.5 million is accounted for by the increase in market value reserves, which stood at € 429 million at September 30, 2004 (December 31, 2003: € 234.6 million). If the interest income from trading operations is included, the trading result for the first nine months of 2004 is positive at € 340.2 million (same period of 2003: € 500.8 million).

Administrative Expenses Reduced by € 152 Million

Administrative expenses were reduced by € 152 million versus the first three quarters of 2003, to € 1,252.9 million. At € 653 million, **personnel expenses** were down € 67.8 million year on year. This is primarily attributable to the decrease in salary expenses and to an adjustment in the performance-related salary components. Savings in the IT area resulting from improvements in process and systems architecture lowered the **other administrative expenses** by € 84.2 million to € 599.9 million. At € 192.5 million, **other operating income and expenses** are almost flat with the first three quarters of 2003.

The **extraordinary result** improved by € 56.7 million over the year-earlier period primarily because of lower restructuring expenses.

RESULT OF SECURITIES AND PARTICIPATIONS

	30. 9. 2004 € millions	30. 9. 2003 € millions	Change € millions
Result of participations	42.9	– 161.3	204.2
Result of securities	60.8	55.2	5.6
Result of securities and participations	**103.7**	**– 106.1**	**209.8**

Result of Securities and Participations Positive

The **result of securities and participations** stood at € 103.7 million and is attributable to gains on the sale of investments and an improved result of securities.

Segment Results

The following is a comparison of the segment results for the first nine months of 2004 and the first nine months of 2003 on the basis of profit before income taxes.

Considerably fewer additions to credit risk provisions were made in the **Lending** segment because of the streamlining of the loan portfolio in 2003. The improved segment result of € 101.2 million reflects this positive trend (same period last year: € – 86.1 million).

In the **Special Finance** segment, WestLB posted a result of € 238.2 million (same period last year: € 32.1 million). Contributing factors included the good operating result in Europe and positive, stable risk trends.

The **Trading** segment reported a result (marked-to-market) of € 142.7 million (same period last year: € 237.8 million). This lower segment result should be viewed in the context of the market environment, which was difficult for all companies, including WestLB.

The **Services** segment includes the Global Asset Management, Banque d'Orsay and Transaction Services business units. The segment posted a pre-tax profit of € 3.8 million (same period last year: € – 21.6 million). Global Asset Management and Transaction Services had a particularly positive impact on the improved results.

The **Equity Investments** segment captures the results of the Equity Investments and Principal Finance units, the equity results of Landesbank Rheinland-Pfalz Girozentrale and HSH Nordbank AG and the results of other Group companies. Because of the improved earnings situation coupled with reduced expenditures, the pre-tax earnings of this segment increased to € 218.1 million (same period last year: € – 551 million). Higher investment income contributed to the improvement, as did income from disposals, which included the sale of Odeon Limited, the UK's largest cinema chain.

Total Assets and Credit Volume Increased

WestLB Group's total assets stood at € 270.9 billion on September 30, 2004, having increased by 5.7% since December 31, 2003. Cash and debt instruments issued by public institutions decreased vis-à-vis December 31, 2003 by 12.4 billion. The credit volume carried on WestLB's balance sheet stood at € 247 billion at September 30, 2004, which marks a € 12.6 billion increase over year-end 2003. The increase was fuelled chiefly by growth in claims on banks (up € 19.6 billion to € 89.9 billion). These claims primarily include repo transactions and overnight and term money borrowings allocated to the trading portfolio. By contrast, irrevocable credit commitments decreased significantly by € 8.2 billion to € 56.8 billion.

Equity investments in associated, affiliated and non-affiliated companies fell by a total of € 0.4 billion to € 5.1 billion due to partial sales and restructurings within the Group.

At € 115.8 billion (€ + 9.7 billion), liabilities to banks remained WestLB's largest source of refinancing. Liabilities to customers stood at € 74.4 billion (€ + 4.3 billion). The reasons for the growth in both cases were an increase in repo transactions and overnight and term money borrowings. Certificated liabilities increased in the Group by approximately € 1.7 billion to € 56.8 billion.

Core Capital Ratio of 7.5% Following Capital Increase

The reporting of capital and reserves (see the table below) in the amount of € 12.2 billion takes into account the capital increase of € 1.5 billion that occurred on September 30, 2004 but did not take effect until October 20, 2004. After the capital increase, the core capital ratio stood at 7.5%.

WESTLB AG GROUP: CAPITAL AND RESERVES

	After entry of capital increase in commercial registers € millions	30. 9. 2004 Before entry of capital increase in commercial registers € millions	31. 12. 2003 € millions
Subscribed capital	1,794.6	983.8	950.5
Capital reserves	2,416.7	1,727.6	1,510.9
Asset contributions of silent partners	587.1	587.1	837.1
Group reserves	148.4	148.4	287.2
Equalising items for shares of other shareholders	0.0	0.0	5.9
Equity capital pursuant to the German Commercial Code (HGB)	**4,946.8**	**3,446.9**	**3,591.6**
Fund for general bank risks	259.4	259.4	260.9
Subordinated liabilities	4,387.5	4,387.5	4,506.7
Profit participation capital	2,638.6	2,638.6	2,644.9
Other capital and reserves	**7,285.5**	**7,285.5**	**7,412.5**
Total capital and reserves	**12,232.3**	**10,732.4**	**11,004.1**

Risk Management Further Enhanced

In the third quarter of 2004, WestLB continued to work intensively on refocusing its risk management system. A new Group Risk unit was established, which among other things will manage the risk-bearing potential and ensure that methods of calculating risk are compatible with each other. By year-end, effective risk measurement tools will have been completely implemented, so that WestLB will start 2005 with an enhanced risk management and monitoring system.

The Bank also pushed ahead with implementing Basle II, creating new and completing its improvement of existing internal rating procedures. The Basle-II-compliant default probabilities determined in accordance with this new methodology were integrated into the overall bank management. Work will now focus on further developing methods for determining the loss given default and exposure at default risk parameters.

WestLB has created a new organisational unit to monitor and manage operational risk. It will ensure that regulatory requirements are met and that operational risks are managed effectively. The Bank has set up a database that includes losses from operational risks. This database can be used to determine what steps for improvement are needed. Self-assessments will also be used to identify and reduce the risks in work flows.

In addition to the regulatory requirements under Basle II, WestLB has also met the Minimum Requirements for the Lending Activities of Banks (MaK) in a timely manner.

Outlook

WestLB’s new business model is beginning to bear fruit. The Bank is increasingly positioning itself as a competent business partner to customers especially in the mid-cap market in North Rhine-Westphalia. The close alliance with the savings banks is generating additional business for both sides. Thanks to our management and product expertise, our domestic and international business partners are increasingly viewing WestLB as a competent international expert for innovative, customised product and financing solutions.

These positive trends should be reflected in the Bank’s earnings from 2005. The domestic economy is, however, for the most part still challenging at the present time. WestLB cannot isolate itself from the difficult situation in the financial markets. We are therefore pushing ahead with the new strategy mix of higher earnings, further cost reductions and stricter risk management. We are constantly reviewing our equity participations for strategically reasonable and profit-enhancing options that allow the Bank to focus on its core business. In the investment banking segment, we are focusing on improving the result from trading operations within the limits of what is possible under current capital market conditions.

What effect the implementation of WestLB’s € 1.4 billion payment obligations in the Wfa proceedings – which has still to be agreed with the European Commission and our owners – will have on our results remains to be seen. It is therefore not possible at this juncture to issue a reliable forecast for the 2004 Group results. In operational terms, and without taking into account the possible consequences of the Wfa proceedings, the figures available as of the date of this Interim Report give cause for optimism that our earnings targets for 2004 can be achieved.

Group Statement of Income

GROUP STATEMENT OF INCOME

JANUARY 1 – SEPTEMBER 30, 2004

	1.1.–30.9.2004 € millions	1.1.–30.9.2003 € millions	Change € millions
Net interest income	1,287.4[1]	1,327.7[2]	– 40.3
Result of provisions for credit risks	25.5	– 833.4	858.9
Net interest income after result of provisions for credit risks	**1,312.9**	**494.3**	**818.6**
Net commission income	250.1	378.3	– 128.2
Net result from trading operations	– 312.5	– 89.1	– 223.4
Other operating result	192.5	194.8	– 2.3
Personnel expenses	– 653.0	– 720.8	67.8
Other administrative expenses	– 599.9	– 684.1	84.2
Operating result	**190.1**	**– 426.6**	**616.7**
Result of securities and participations	103.7	– 106.1	209.8
Extraordinary result	– 46.8	– 103.5	56.7
Profit/loss for the year before taxes	**247.0**	**– 636.2**	**883.2**
Taxes on income and revenues	– 54.4	– 44.9	– 9.5
Profit/loss for the year after taxes	**192.6**	**– 681.1**	**873.7**
For information:			
"Increase in market value reserves in the trading portfolios not yet included in income"	**194.5**	**81.3**	**113.2**
Profit/loss for the year after taxes (marked to market)	**387.1**	**– 599.8**	**986.9**

[1] Net interest income includes interest income of € 652.7 million from portfolios of the trading book.

[2] Net interest income includes interest income of € 589.9 million from portfolios of the trading book.

GROUP STATEMENT OF INCOME

QUARTERLY COMPARISON

	3rd Quarter 2004 € millions	2nd Quarter 2004 € millions	1st Quarter 2004 € millions	30. 9. 2004 € millions
Net interest income	409.6[1]	427.6[2]	450.2[3]	1,287.4
Result of provisions for credit risks	23.3	30.8	– 28.6	25.5
Net interest income after result of provisions for credit risks	**432.9**	**458.4**	**421.6**	**1,312.9**
Net commission income	80.3	79.4	90.4	250.1
Net result from trading operations	– 171.7	– 24.9	– 115.9	– 312.5
Other operating result	74.7	70.5	47.3	192.5
Personnel expenses	– 149.0	– 266.6	– 237.4	– 653.0
Other administrative expenses	– 207.3	– 197.9	– 194.7	– 599.9
Operating result	**59.9**	**118.9**	**11.3**	**190.1**
Result of securities and participations	– 7.2	60.5	50.4	103.7
Extraordinary result	– 15.4	– 15.6	– 15.8	– 46.8
Profit/loss for the year before taxes	**37.3**	**163.8**	**45.9**	**247.0**
Taxes on income and revenues	– 12.1	– 21.2	– 21.1	– 54.4
Profit/loss for the year after taxes	**25.2**	**142.6**	**24.8**	**192.6**

[1] Net interest income includes interest income of € 176.6 million from portfolios of the trading book.

[2] Net interest income includes interest income of € 238.6 million from portfolios of the trading book.

[3] Net interest income includes interest income of € 237.5 million from portfolios of the trading book.

Details of Group Statement of Income

NET INTEREST INCOME

	1. 1.–30. 9. 2004 € millions	1. 1.–30. 9. 2003 € millions
Lending	209.5	208.4
Special finance	200.0	195.9
Trading	646.9	746.6
Other	231.0	176.8
Net interest income*	**1,287.4**	**1,327.7**

* Net interest income at September 30, 2004 includes € 652.7 million from portfolios of the trading book. At September 30, 2003, it included € 589.9 million from portfolios of the trading book.

INTEREST MARGIN

	1. 1.–30. 9. 2004 %	1. 1.–30. 9. 2003 %
Based on the average risk-weighted assets (BIS)	1.26	1.17
Based on the average business volume	0.46	0.46

NET COMMISSION INCOME

	1. 1.–30. 9. 2004 € millions	1. 1.–30. 9. 2003 € millions
Lending business	106.8	198.5
Securities business	95.1	119.3
Other business	48.2	60.5
Net commission income	**250.1**	**378.3**

TRADING RESULT

	1. 1.–30. 9. 2004 € millions	1. 1.–30. 9. 2003 € millions
Foreign currency business	28.3	44.6
Interest rate business	– 233.5	– 139.6
Equities business	75.4	112.6
Other business	11.8	– 25.4
Net income from trading operations (marked to market)	**– 118.0**	**– 7.8**
Change in unutilised market value reserves	– 194.5	– 81.3
Net income from trading operations (HGB)	**– 312.5**	**– 89.1**

OTHER OPERATING RESULT

	1. 1.–30. 9. 2004 € millions	1. 1.–30. 9. 2003 € millions
Other operating income	404.4	436.6
Other operating expenses	– 204.9	– 228.7
Other taxes	– 7.0	– 13.1
Other operating result	**192.5**	**194.8**

ADMINISTRATIVE EXPENSES

	1. 1.–30. 9. 2004 € millions	1. 1.–30. 9. 2003 € millions
Personnel expenses	– 653.0	– 720.8
Other administrative expenses	– 527.7	– 591.2
Depreciation and value adjustments on tangible fixed assets	– 72.2	– 92.9
Administrative expenses	**– 1,252.9**	**– 1,404.9**

EXTRAORDINARY RESULT

	1. 1.–30. 9. 2004 € millions	1. 1.–30. 9. 2003 € millions
Extraordinary income	0.3	3.9
Restructuring expenses	– 47.1	– 107.4
Extraordinary result	**– 46.8**	**– 103.5**

Segment Reporting

The contribution of the individual segments to consolidated earnings for the first nine months of 2004 and 2003 is shown in the table on page 14 under primary segment reporting. Net income from trading operations is marked to market; the reconciliation of this figure to the figure as defined under the German Commercial Code is captured as a correction in the "Other Units/Consolidations" segment. Income and expense from internal netting between the segments is shown separately.

The secondary segment reporting (see table on page 15) shows the regional distribution of the key balance sheet items and results of the WestLB Group in the first three quarters of 2004. The allocation to specific regions was determined on the basis of the domicile of the branch or subsidiary on whose account the relevant transaction was carried.

PRIMARY SEGMENT REPORT

€ millions	Lending	Special Finance	Trading	Services	Equity Invest-ments	Internal Service Units	Other Units	WestLB AG Group
Net interest income								
1.–3. Quarter 2004	209.5	200.0	646.9	13.5	124.5	– 15.8	108.8	1,287.4
1.–3. Quarter 2003	208.4	195.9	746.6	– 22.7	6.5	32.5	160.5	1,327.7
Result of provisions for credit risks								
1.–3. Quarter 2004	– 35.2	21.2	– 10.3	6.8	39.1	0.0	3.9	25.5
1.–3. Quarter 2003	– 224.4	– 215.1	– 21.8	0.1	– 395.1	0.0	22.9	– 833.4
Net interest income after result of provisions for credit risks								
1.–3. Quarter 2004	**174.3**	**221.2**	**636.6**	**20.3**	**163.6**	**– 15.8**	**112.7**	**1,312.9**
1.–3. Quarter 2003	**– 16.0**	**– 19.2**	**724.8**	**– 22.6**	**– 388.6**	**32.5**	**183.4**	**494.3**
Net commission income								
1.–3. Quarter 2004	37.8	64.4	78.9	66.7	5.5	2.4	– 5.6	250.1
1.–3. Quarter 2003	66.3	123.2	118.7	63.9	13.0	2.0	– 8.8	378.3
Net result from trading operations								
1.–3. Quarter 2004	0.1	21.7	– 98.3	7.7	– 1.7	– 0.3	– 241.7	– 312.5
1.–3. Quarter 2003	2.8	6.8	5.1	9.1	– 4.6	0.0	– 108.3	– 89.1
Other operating result								
1.–3. Quarter 2004	48.5	36.2	13.5	0.8	5.0	81.3	7.2	192.5
1.–3. Quarter 2003	25.4	63.4	0.7	– 7.4	17.1	85.0	10.6	194.8
Personnel expenses								
1.–3. Quarter 2004	– 75.6	– 52.2	– 183.3	– 55.0	– 9.4	– 158.5	– 119.0	– 653.0
1.–3. Quarter 2003	– 79.1	– 63.3	– 231.3	– 51.8	– 12.7	– 173.9	– 108.7	– 720.8
Other administrative expenses								
1.–3. Quarter 2004	– 64.4	– 29.3	– 138.7	– 29.9	– 17.6	– 338.6	18.6	– 599.9
1.–3. Quarter 2003	– 48.1	– 44.0	– 138.6	– 16.6	– 17.0	– 361.5	– 58.3	– 684.1
Operating result								
1.–3. Quarter 2004	**120.7**	**262.0**	**308.7**	**10.6**	**145.4**	**– 429.5**	**– 227.8**	**190.1**
1.–3. Quarter 2003	**– 48.7**	**66.9**	**479.4**	**– 25.4**	**– 392.8**	**– 415.9**	**– 90.1**	**– 426.6**
Result of securities and participations								
1.–3. Quarter 2004	– 2.3	11.6	– 26.8	25.2	78.1	– 1.5	19.4	103.7
1.–3. Quarter 2003	7.0	– 3.6	– 31.6	54.6	– 188.6	1.7	54.4	– 106.1
Extraordinary result								
1.–3. Quarter 2004	– 1.0	– 2.8	– 7.9	– 6.1	– 0.8	– 14.4	– 13.8	– 46.8
1.–3. Quarter 2003	– 21.3	– 2.6	– 43.9	– 14.5	0.4	– 12.8	– 8.8	– 103.5
Internally generated income (ILV)								
1.–3. Quarter 2004	17.9	0.7	176.4	1.2	2.0	444.2	– 642.4	0.0
1.–3. Quarter 2003	21.8	0.4	173.7	1.2	1.3	475.8	– 674.2	0.0
Internally generated expenses (ILV)								
1.–3. Quarter 2004	– 34.1	– 33.3	– 311.5	– 27.1	– 6.6	– 121.1	533.7	0.0
1.–3. Quarter 2003	– 45.2	– 35.9	– 344.1	– 37.5	– 6.5	– 127.5	596.7	0.0
Other netting								
1.–3. Quarter 2004	0.0	0.0	3.8	0.0	0.0	0.0	– 3.8	0.0
1.–3. Quarter 2003	0.3	6.9	4.3	0.0	35.2	0.0	– 46.7	0.0
Profit/loss for the year before taxes								
1.–3. Quarter 2004	**101.2**	**238.2**	**142.7**	**3.8**	**218.1**	**– 122.3**	**– 334.7**	**247.0**
1.–3. Quarter 2003	**– 86.1**	**32.1**	**237.8**	**– 21.6**	**– 551.0**	**– 78.7**	**– 168.7**	**– 636.2**
Segment assets	**39,268.3**	**18,590.8**	**189,865.4**	**1,595.7**	**8,574.2**	**1,264.2**	**11,784.9**	**270,943.5**
Segment liabilities	**21,328.8**	**2,377.5**	**219,814.6**	**2,475.1**	**62.4**	**1,016.9**	**18,921.4**	**265,996.7**

SECONDARY SEGMENT REPORT

€ millions	Germany	Europe	North America	South America	Asia/ Australia	Adjustment	WestLB AG Group
Net interest income							
1.–3. Quarter 2004	650.4	628.1	114.8	25.6	71.5	– 203.0	1,287.4
1.–3. Quarter 2003	470.3	789.3	98.2	59.6	90.9	– 180.6	1,327.7
Result of provisions for credit risks							
1.–3. Quarter 2004	– 80.1	61.4	26.4	– 0.1	19.7	– 1.8	25.5
1.–3. Quarter 2003	– 102.6	– 570.6	– 167.5	2.1	– 24.3	29.5	– 833.4
Net interest income after result of provisions for credit risks							
1.–3. Quarter 2004	**570.3**	**689.5**	**141.2**	**25.5**	**91.2**	**– 204.8**	**1,312.9**
1.–3. Quarter 2003	**367.7**	**218.7**	**– 69.3**	**61.7**	**66.6**	**– 151.1**	**494.3**
Net commission income							
1.–3. Quarter 2004	86.8	52.2	100.0	0.1	11.0	0.0	250.1
1.–3. Quarter 2003	120.7	113.0	123.0	0.7	21.0	– 0.1	378.3
Net result from trading operations							
1.–3. Quarter 2004	12.7	– 150.6	41.9	– 13.8	– 8.3	– 194.4	– 312.5
1.–3. Quarter 2003	93.7	– 82.8	34.7	– 37.3	– 20.1	– 77.3	– 89.1
Other operating result							
1.–3. Quarter 2004	236.2	27.5	55.9	– 3.2	7.4	– 131.3	192.5
1.–3. Quarter 2003	323.9	90.3	53.7	2.3	12.0	– 287.4	194.8
Personnel expenses							
1.–3. Quarter 2004	– 371.2	– 170.4	– 75.5	– 9.0	– 26.9	0.0	– 653.0
1.–3. Quarter 2003	– 402.0	– 175.7	– 97.5	– 9.7	– 34.6	– 1.3	– 720.8
Other administrative expenses							
1.–3. Quarter 2004	– 437.0	– 191.2	– 69.0	– 4.3	– 29.2	130.8	– 599.9
1.–3. Quarter 2003	– 488.4	– 301.7	– 71.1	– 4.7	– 25.1	206.9	– 684.1
Operating result							
1.–3. Quarter 2004	**97.8**	**257.0**	**194.5**	**– 4.7**	**45.2**	**– 399.7**	**190.1**
1.–3. Quarter 2003	**15.6**	**– 138.2**	**– 26.5**	**13.0**	**19.8**	**– 310.3**	**– 426.6**
Result of securities and participations							
1.–3. Quarter 2004	80.1	49.1	– 46.3	0.0	0.4	20.4	103.7
1.–3. Quarter 2003	– 135.9	6.2	– 33.7	0.0	– 1.4	58.7	– 106.1
Extraordinary result							
1.–3. Quarter 2004	– 9.6	– 23.9	– 10.1	– 0.4	– 2.8	0.0	– 46.8
1.–3. Quarter 2003	– 66.6	– 23.8	– 1.1	0.0	– 12.1	0.1	– 103.5
Profit/loss for the year before taxes							
1.–3. Quarter 2004	**168.3**	**282.2**	**138.1**	**– 5.1**	**42.8**	**– 379.3**	**247.0**
1.–3. Quarter 2003	**– 186.9**	**– 155.8**	**– 61.3**	**13.0**	**6.3**	**– 251.5**	**– 636.2**

Group Balance Sheet
as at September 30, 2004

ASSETS

	30. 9. 2004 € billions	31. 12. 2003 € billions	Change € billions
Cash/liquid debt issues	4.8	17.2	– 12.4
Claims on banks	89.9	70.3	19.6
Claims on customers	83.6	84.9	– 1.3
Securities/equalisation claims	74.0	68.4	5.6
Equity intestments in associated, affiliated and non-affiliated companies	5.1	5.5	– 0.4
Trust assets	0.5	0.5	0.0
Fixed assets	2.4	2.1	0.3
Other assets	10.6	7.3	3.3
Total assets	**270.9**	**256.2**	**14.7**

LIABILITIES

	30. 9. 2004 € billions	31. 12. 2003 € billions	Change € billions
Liabilities to banks	115.8	106.1	9.7
Liabilities to customers	74.4	70.1	4.3
Certificated liabilities	56.8	55.1	1.7
Trust liabilities	0.5	0.5	0.0
Other liabilities	11.2	13.4	– 2.2
Subordinated liabilities/ Profit participation capital	7.0	7.1	– 0.1
Equity capital/Fund for general bank risks	5.2	3.9	1.3
Total liabilities	**270.9**	**256.2**	**14.7**
Contingent liabilities	16.7	14.2	2.5
Other commitments/Credit commitments	56.8	65.0	– 8.2
Administered funds	23.1	29.8	– 6.7
Business volume	**367.5**	**365.2**	**2.3**

Details of Group Balance Sheet

BUSINESS VOLUME

	30. 9. 2004 € billions	31. 12. 2003 € billions	Change € billions
Total assets	270.9	256.2	14.7
Contingent liabilities	16.7	14.2	2.5
Other commitments/Credit commitments	56.8	65.0	– 8.2
Administered funds	23.1	29.8	– 6.7
Business volume	**367.5**	**365.2**	**2.3**

CREDIT VOLUME

	30. 9. 2004 € billions	31. 12. 2003 € billions	Change € billions
Claims on banks	89.9	70.3	19.6
Claims on customers	83.6	84.9	– 1.3
Contingent liabilities	16.7	14.2	2.5
Other commitments/ Irrevocable credit commitments	56.8	65.0	– 8.2
Credit volume carried on the balance sheet	**247.0**	**234.4**	**12.6**
Derivatives (credit risk equivalents)	6.8	6.5	0.3
Total credit volume	**253.8**	**240.9**	**12.9**

PROVISIONS FOR CREDIT RISKS

	1. 1.–30. 9. 2004 € millions	1. 1.–30. 9. 2003 € millions	Change € millions
Allocations	– 254.0	– 945.1	691.1
Write-backs	236.2	112.5	123.7
Bad debts recovered	43.3	– 0.8	44.1
Provisions for credit risks	**25.5**	**– 833.4**	**858.9**

Details of Derivatives Business

DERIVATIVES

AS AT SEPTEMBER 30, 2004

		Interest-Rate Risks € millions	Currency Risks € millions	Other Risks € millions	Netting Effect[1] € millions	Total[2] € millions
1. Total volume		**2,262,258.1**	**272,775.9**	**82,052.6**		**2,617,086.6**
of which	swaps	1,398,318.7	184,595.7			1,582,914.4
	FRAs	141,660.0				141,660.0
	interest-rate forward contracts	177,956.2				177,956.2
	forward exchange transactions		72,799.8			72,799.8
	credit derivatives			62,204.3		62,204.3
2. Credit equivalents according to Principle I		**39,614.1**	**14,296.1**	**2,341.1**	**– 32,547.5**	**23,703.8**
3. Credit risk equivalents according to Principle I (counterparty-weighted)		**10,231.9**	**3,987.4**	**644.9**	**– 8,048.0**	**6,816.2**
of which	OECD banks	6,370.1	2,092.0	512.0	– 5,483.8	3,490.3
	customers	3,824.5	1,837.7	293.5	– 2,564.2	3,391.5
	public-sector entities	13.4	5.0	0.0	0.0	18.4
4. Share of total risk-weighted assets according to Principle I		**7.9%**	**3.1%**	**0.5%**	**– 6.2%**	**5.3%**

[1] Netting by individual products not possible

[2] Items 2, 3 and 4 after netting

Governing Bodies of WestLB AG

Members of the Supervisory Board

Dr. Rolf Gerlach
Chairman of the Supervisory Board
President
Savings Banks and Giro
Association of Westphalia-Lippe
Münster

Gerd-Uwe Löschmann
Deputy Chairman
Director
WestLB AG, Düsseldorf

Dr. Karlheinz Bentele
President
Savings Banks and Giro
Association of the Rhineland
Düsseldorf

Jochen Dieckmann
Finance Minister
Ministry of Finance of
North Rhine-Westphalia
Düsseldorf

Thorsten Ellwanger
Prokurist
WestLB AG, Hamburg

Bernd Fiegler
Deputy State Director
ver.di Vereinte
Dienstleistungsgewerkschaft
Regional District of
North Rhine-Westphalia
Düsseldorf

Horst-Wolfgang Klophaus
Manager
WestLB AG, Düsseldorf

Hans-Peter Krämer
Chairman of the Managing Board
Kreissparkasse Köln, Cologne

Joachim Krämer
Bank Director
WestLB AG, Düsseldorf

Manfred Matthewes
Prokurist
WestLB AG, Düsseldorf

Udo Molsberger
Regional Director
Regional Association of
the Rhineland, Cologne

Hans Pixa
District Administrator (ret.)
Coesfeld

Dr. Hans-Ulrich Predeick
Regional Councillor
Regional Association of
Westphalia-Lippe, Münster

Dr. Dietrich Rümker
Former Chairman of the
Managing Board of Landesbank
Schleswig-Holstein, Kiel

Heinz-Günter Sander
Bank Employee
WestLB AG, Düsseldorf

Gustav Adolf Schröder
Chairman of the Managing Board
Stadtsparkasse Köln, Cologne

Franz-Georg Schröermeyer
Secretary, Financial Services
ver.di Vereinte
Dienstleistungsgewerkschaft
Münster Regional Office, Münster

Christiane Staschelt
Deputy Director for the
Düsseldorf Region
ver.di Vereinte
Dienstleistungsgewerkschaft
Düsseldorf Regional Office,
Düsseldorf

Hans-Georg Vogt
Chairman of the Managing Board
Sparkasse Bielefeld, Bielefeld

Elisabeth Weber
Prokuristin
WestLB AG, Düsseldorf

Members of the Managing Board

Dr. Thomas R. Fischer
Chairman

Dr. Matthijs van den Adel

Dr. Norbert Emmerich

Klaus-Michael Geiger

Dr. Hans-Jürgen Niehaus
– from November 15, 2004

Dr. Manfred Puffer

Rainer Schmitz
Deputy Member

Robert M. Stein
– since July 1, 2004

Financial Calendar 2005

FINANCIAL CALENDAR	
February 26, 2005	Publication of WestLB AG individual accounts for 2004
May 19, 2005	Publication of consolidated accounts for 2004 and Interim Report for 1st quarter of 2005
August 11, 2005	Publication of Interim Report for first half of 2005
November 10, 2005	Publication of Interim Report for first nine months of 2005

Publications

The Interim Reports and the Annual Report 2003 are also available in German.

Our Annual and Interim Reports as well as company presentations can be inspected and downloaded at www.westlb.com/ir.

If you have any questions on the Annual Report and WestLB AG, our Press Department and Investor Relations Department will be pleased to help you.

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