

Interim Report

June 30, 2011

30 6

Key Figures

Financial Data January 1 – June 30, 2011

	1. 1. – 30. 6. 2011	1. 1. – 30. 6. 2010	Change	
			absolute	%
Performance Figures in € millions				
Net interest income	565	946	- 381	- 40
Impairment charge for credit losses	- 55	- 137	82	60
Net interest income after impairment charge for credit losses	510	809	- 299	- 37
Net fee and commission income	120	190	- 70	- 37
Net trading result	26	- 396	422	> 100
Result from financial investments	9	- 64	73	> 100
Administrative expenses	480	549	- 69	- 13
Other operating expense and income	23	154	- 131	- 85
Restructuring expenses	158	30	128	> 100
Profit/loss before income tax	50	114	- 64	- 56
Income taxes	- 14	- 47	33	70
Profit/loss after income tax	36	67	- 31	- 46

	30. 6. 2011	31. 12. 2010	Change	
			absolute	%
Balance Sheet Figures in € billions				
Total assets	160.4	191.5	- 31.1	- 16
Equity	4.2	4.1	0.1	2
Bank Regulatory Capital Ratios (SolvV)				
Core capital in € billions	4.9	5.5	- 0.6	- 11
Own funds in € billions	7.3	7.7	- 0.4	- 5
Risk-weighted assets in € billions	45.4	48.6	- 3.2	- 7
Core capital ratio in %	10.7	11.4	-	-
Overall ratio in %	16.0	15.9	-	-
Employees				
Number of employees	4,622	4,712	- 90	- 2
Full-time employees	4,376	4,473	- 97	- 2

Current Ratings	Short Term	Long Term	Public Pfandbrief
Moody's Investors Service	P-1	A3	Aaa
Fitch Ratings	F1	A-	-

Chairman's Statement

Dear partners and clients,

The second quarter of 2011 marked a milestone in the further development of WestLB. On June 23rd our owners, the Federal Agency for Financial Market Stabilisation (FMSA), Erste Abwicklungsanstalt (EAA) and WestLB reached agreement on a binding framework for the restructuring of the Bank. Under the agreement, a regionally oriented Verbundbank is to be spun off from WestLB by June 30, 2012 and capitalised by the Sparkassen-Finanzgruppe. Up to this date WestLB will resolutely press ahead with the sales process for all business areas which do not form part of the Verbundbank. Portfolios which by then have not been sold or are not part of the Verbundbank will be acquired by EAA. WestLB will continue to write new business during the transition period in accordance with its respective business and risk strategy. As of June 30, 2012 it will operate as a Service and Portfolio Management Bank, providing services for the Verbundbank and EAA but also for third parties.

The settlement provides strategic clarity for the further development of WestLB, whereby concrete measures for its implementation have still to be defined. The framework document effectively implements the political solution agreed between the EU and Germany. For customers and investors, employees and owners this solution is preferable to other scenarios. In the course of its implementation we will pay particular attention to finding acceptable solutions for preserving the maximum number of skills and jobs. A key factor in this regard will be to sell business areas in a way that maintains the value of franchises for our owners and at the same time makes good economic sense. We are well positioned in attractive business segments and are therefore a clear focus of attention in the market.

The first half of 2011 was a period of major challenges. WestLB nevertheless posted a solid profit before income tax of € 50 million. This figure already includes restructuring expenses of € 158 million and write-downs of € 29 million on the Greece exposure of our subsidiary Westdeutsche ImmobilienBank AG.

Our customer business, notably with corporate clients and in project finance as well as transaction banking, is robust, demonstrating the Bank's strong corporate finance franchise in Germany and its acknowledged international structuring expertise above all in connection with infrastructure and energy projects. The systematic implementation of the Bank's extensive restructuring programme over the past three years is likewise bearing fruit in this regard.

The dedication and commitment shown by our employees will remain a crucial factor in dealing with the challenges that lie ahead of us. The fundamental transformation process requires a closing of ranks with all our employees. We have therefore decided that there will be no forced redundancies until the end of 2012. The Managing Board is aware that the current situation involves considerable burdens for each and every employee, and therefore expresses its thanks to all employees for their unstinting efforts on behalf of the Bank.

The imminent transformation will change the Bank fundamentally from a structural point of view. We will continue to support our customers as a capable and efficient partner. WestLB has already demonstrated in the past that it can cope successfully with change. With your support this will remain the case going forward.

Sincerely yours

A handwritten signature in blue ink that reads "Dietrich Voigtländer". The signature is written in a cursive style with a prominent initial 'D' and a long, sweeping tail.

Dietrich Voigtländer
Chairman of the Managing Board

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Group Interim Statement of Financial Condition

Economic Setting

The euro area sovereign debt crisis has remained the dominant topic in the financial markets thus far in 2011. Decisions taken by government leaders of the EU member states have not alleviated matters. At their summit in March 2011, EU heads of state agreed to expand the then EFSF rescue fund (European Financial Stability Facility) from € 250 billion to the € 440 billion originally contemplated. In addition, they worked out concrete details for a permanent crisis mechanism, or ESM (European Stability Mechanism), which is due to take effect in mid-2013 and will replace the EFSF, and took steps to strengthen the Stability and Growth Pact, one of the cornerstones of the European Monetary Union (EMU). In June 2011, the Economic and Financial Affairs Council (ECOFIN Council) reached a consensus about the final draft of an international treaty to create the ESM. The ECOFIN Council formally adopted this agreement in July 2011. The decisions are subject to ratification by the national parliaments.

The sovereign debt crisis escalated further in the spring. After Ireland became the first EMU member state to have to draw on the rescue fund at the end of 2010, Portugal made its own request for financial assistance at the beginning of April 2011 following several weeks of uncertainty. Prior to the request, yields on Portuguese government bonds had skyrocketed, making it nearly impossible for the country to fund its sovereign debt on the capital market. Shortly thereafter, the markets' gaze turned back towards Greece, which was first granted aid in spring 2010 before the EFSF even existed. Firstly, it became clear that Greece was not going to achieve the ambitious consolidation targets agreed upon as part of the bailout package. Secondly, the package itself is not sufficient. When preparing the consolidation and financing plan, the EMU states assumed that Greece would be able to tap the capital market for € 27 billion as early as 2012. By today's accounts, this appears extremely unlikely.

On July 21, 2011, the EMU heads of state resolved on a second bailout package for Greece as well as additional aid for other countries. The thrust of the new aid package for Greece is private-sector participation alongside the IMF. With these decisions, Greece is likely to be funded through 2014. At the same time, its prospects for budget consolidation are improving. Nevertheless, these moves did not calm the markets for long. Just a short time later, Italy and Spain became a focal point of the crisis. This hardly came as a surprise since the EFSF's lending capacity was not raised at the most recent summit. S&P's downgrade of the U.S. credit rating further exacerbated the situation. The agency lowered its long-term rating on the United States from AAA to AA+, citing insufficient efforts on the part of U.S. policymakers to achieve fiscal consolidation at a level that would stabilise the country's debt dynamics in the medium term. Thus, the sovereign debt crisis is far from remaining a purely European problem. Whilst demand was brisk for German Bunds and even U.S. Treasuries, despite the downgrade, stock prices plummeted the world over.

The global economic upswing has continued so far this year, but at an ever more sluggish pace, allowing concerns about the economy to gradually gain the upper hand. This has been a source of additional pressure on the equity markets. The emerging countries remain at the helm of the global recovery. Their economies continue to run smoothly for the most part, but they, too, are starting to show signs of slowing. With inflation rates up sharply, several central banks in the emerging markets have begun to tighten their monetary policy. We expect the growth momentum in these markets to weaken further as a result, but do not project a significant softening.

In Japan, the triple disaster of earthquake, tsunami and radioactive contamination wrought heavy casualties and damage, the worst since World War II according to the Japanese government. Although the north-eastern part of the country was the most directly affected, temporary power cuts and interruptions in production chains did have a profound effect on the overall economy. Gross domestic product shrank 0.9% in the first quarter of 2011 compared to the previous quarter. Given that it had contracted in the fourth quarter of 2010 as well, Japan is back in recession. There have since been clear indications that the Japanese economy will rebound from this shock, with rebuilding likely to spark a sizable upturn.

In the United States, fears of a setback in the economy are growing after the release of a spate of weak economic data. Despite the very expansive economic policy, growth in the first half was much lower than originally expected. This soft growth can be partially explained by temporary negative factors. However, some of the latest indicators to be published raise the concern that the weakness may also be structural in nature. The steps required to achieve the much-needed reduction in the country's bloated debt could weaken the economy further. That being the case, we predict restrained economic growth by American standards for the time being. In response to these concerns, the U.S. Federal Reserve has signalled its willingness to initiate added support measures and also announced that it will continue to target the exceptionally low range of 0% to 0.25% for its overnight lending rate until at least the middle of 2013.

The European Central Bank, by contrast, raised its key rates by 25 basis points, both in April and July 2011. Unlike other major central banks, the ECB considers the threat of inflation to be greater at this time. Even though the substantial increase in inflation rates in the euro area is largely attributable to higher energy and food prices, which a central bank can do nothing about in principle, the ECB emphasised its responsibility to prevent any second-round effects the inflation may trigger. By the ECB's estimates, there are still upward risks for price stability. As a result, we expect the ECB to raise its reference rates once more this year despite the considerable upheaval in the financial markets. Renewed tensions in the money market – the spread between the rates for secured and unsecured three-month lending just climbed to its highest level since the beginning of the year – have prompted the central bank to resort to a six-month tender and to maintain its full allotment policy with all tender operations at least until the end of the year.

The threat of second-round effects is greater in Germany than in many other EMU member states at present. The German economy is currently experiencing its strongest growth since reunification. Capacity utilisation in the country's industrial sector is already back above the long-term average by a wide margin. This gives companies the necessary scope to pass on at least some of the higher raw material costs. On top of that, more and more businesses are having difficulty finding suitable labour on the labour market. The search for skilled labour, in particular, is becoming increasingly problematic. If the economy continues to expand – we expect annual average growth of roughly 3% in 2011 – negotiated wages may very well turn out higher this year than in previous years.

Due to the debt crisis, the governments of some EMU countries initiated broad measures to consolidate their budgets, a process which has stifled growth. The result is a splitting of the euro area: Germany, Austria, the Benelux countries and Finland are expanding rather robustly, whilst countries like Portugal, Ireland, Greece, Spain and Italy stagnate or actually linger in recession. Except for Italy, these same countries are also experiencing the EMU's highest inflation rates. To be fair, some of the high inflation rates are the product of an increase in indirect taxes and therefore the extensive austerity programmes. Little near-term change is expected in the significant economic disparities within the euro area, since the ongoing sovereign debt crisis in many countries will necessitate additional austerity measures.

Developments in the Banking Sector

After a solid start to the year, conditions in the capital market took another turn for the worse due to the tsunami disaster in Japan and escalation of the debt crisis in some EMU countries in the second quarter of 2011. The resulting volatility led to weaker results, particularly in the derivatives business.

According to the Institut der Wirtschaftsprüfer (IDW), the participation of private investors in the rescue package for Greece, which was decided by the leaders of the EMU countries on July 21, 2011, will already lead to unscheduled write-offs in the interim results of the banks affected as of June 30, 2011. This relates especially to Greek government bonds with a maturity up to the end of 2020.

There was solid fee and commission income in many areas of the equities business, but the high volatility, particularly with derivatives, also had an adverse impact. The underwriting business improved on the previous year due to the increased activity in equities. However, as the end of the reporting period drew nearer, more and more companies called off their offerings or adjusted downwards the price and volume of the new shares on offer.

Competition in the lending business for customers with higher credit quality is still fierce. Margins remained squeezed as a result. On top of that, there was no increase in volumes to offset this effect in Germany because companies are well funded.

The other side to this story is that most banks also feel pressure to deploy their scarce resource of equity effectively. The implementation at the end of this year of higher weighting factors ("Basel 2.5"), especially for certain trading exposures, will make it difficult to sustain the solid core capital ratios just achieved under Basel II. Furthermore, it appears as though the market is forcing swift compliance with the even stricter rules under Basel III. In this respect, system-relevant banks may actually face additional capital requirements.

In mid-July 2011 the European Banking Authority (EBA) published the results of its EU-wide stress test. Of the 90 banks from 21 countries which participated, eight failed to pass the test. The benchmark was a minimum Core Tier 1 ratio of 5% at the end of 2012 under the adverse scenario. The stress test was stricter than in the previous year, but failed to contribute towards a sustainable stabilisation of the capital markets.

In light of the stronger than expected growth of the German economy, risk provisioning requirements in the German lending business have eased. The reversal of loss allowances which are no longer needed is also on the rise. Improvements in the area of costs, many of which were occasioned by the restructuring measures adopted during the financial crisis, have gradually become smaller, however. Moreover, competition for qualified staff is becoming apparent in certain segments of industry. In many cases, the stricter regulatory requirements entail investments in systems and personnel.

Structural Changes in the WestLB Group

On June 23, 2011, the shareholders of WestLB reached an agreement with the Federal Agency for Financial Market Stabilisation (Bundesanstalt für Finanzmarktstabilisierung, FMSA), Erste Abwicklungsanstalt (EAA) and WestLB on a binding framework for the restructuring plan of WestLB. WestLB announced the target structure envisaged by all parties as of June 30, 2012 in an ad hoc announcement on June 24, 2011.

The business related to the savings banks (Sparkassenverbundgeschäft), including the mid-cap corporate lending business, with total assets of € 40–45 billion (risk-weighted assets of approx. € 8.3 billion) and roughly 400 employees is to be transferred as of June 30, 2012 to a new credit institution (Verbundbank) established and capitalised by the Sparkassen-Finanzgruppe. The transfer to the Verbundbank and, as the case may be, to another entity held by the Sparkassen-Finanzgruppe will be effected by way of a spin-off pursuant to the German Transformation Act (Abspaltung nach dem Umwandlungsgesetz).

WestLB is free to sell further business areas until June 30, 2012. Business activities which have not been sold by the end of this period will be transferred to EAA as of June 30, 2012. Pursuant to the framework agreement, WestLB may continue to write new business in accordance with its applicable business and risk strategy.

In the future, WestLB will operate as a Service and Portfolio Management Bank for the Verbundbank and EAA. In addition, it is the intention of the parties that WestLB should also render services relating to portfolios of third parties. A servicing agreement will be executed with the Verbundbank, initially for a period of two years, and the existing cooperation agreement with EAA, the currently agreed term of which is until 2013, will be extended for an additional three years, i.e. until 2016. The State of North Rhine-Westphalia (Land NRW) will ultimately assume sole ownership responsibility for WestLB and the ensuing Service and Portfolio Management Bank. The Savings Banks and Giro Association of the Rhineland (RSGV) and the Savings Banks Association of Westphalia-Lippe (SVWL) as well as the Regional Associations of the Rhineland and Westphalia-Lippe will cease to be shareholders of WestLB. WestLB will remain a member of the guarantee fund of the Landesbanken and central giro institutions. After closing of the transaction, the terms of this membership have to be mutually agreed between the State of North Rhine-Westphalia and the German Savings Banks and Giro Association (DSGV).

The burden of the restructuring will be covered by equity capital that remains within WestLB after the spin-off of the Verbundbank, and by the additional and, if possible, subordinated liability of the State of North Rhine-Westphalia in an amount of € 1 billion as well as by the ownership responsibility of the State of North Rhine-Westphalia. The silent contribution of the Financial Market Stabilisation Fund (FMS) to WestLB will be reduced by € 1 billion by way of partial repayment to FMS. The € 1 billion additional liability of the State of North Rhine-Westphalia obtains such rank which is at least necessary to comply with the regulatory requirements within WestLB in view of the partial repayment of the silent contribution of FMS.

WestLB, its shareholders and EAA have committed to agree on appropriate measures to ensure WestLB's liquidity during the transformation phase. The parties understand that the current liquidity extended to WestLB by savings banks, the State of North Rhine-Westphalia and EAA will remain in place during the transformation phase. In addition, WestLB, the State of North Rhine-Westphalia and EAA committed to agree on appropriate measures to ensure the continuous acceptance of WestLB as a market counterparty (within the limits of the current business volumes of WestLB), in particular with regard to derivatives.

The decision-making bodies of all parties approved this framework agreement by June 30, 2011. The Federal Republic of Germany notified the European Commission of the final restructuring plan on June 30th. The framework agreement is currently still subject to the European Commission's approval.

As early as April 2011, WestLB's owners made it clear that their focus was on the Verbundbank. A sale of the Bank as a whole took a back seat. Since that time, the Managing Board has been making preparations for the sale of business areas. Regarding the sale of readybank ag stipulated by the European Commission, WestLB filed a request for an extension on January 31, 2011, which was within the agreed timeframe. The deadline for the sale of readybank had been set at March 31, 2011. Negotiations are currently taking place concerning, among other things, the sale of various assets of readybank ag. S-Kreditpartner GmbH, Berlin, is interested in acquiring substantial loan portfolios. The ongoing discussions on the sale of Westdeutsche ImmobilienBank AG will be continued exclusively with affiliates of Apollo Global Management.

The Sparkassen-Finanzgruppe and Landesbanks have agreed on a restructuring of the ownership structure of DekaBank Deutsche Girozentrale (DekaBank). The agreements on the sale of the stakes in DekaBank owned by the Landesbanks were signed on April 7, 2011. WestLB sold its 7.61% stake in DekaBank, which it held via GLB GmbH & Co. OHG. Closing was on June 8, 2011.

The Board of Directors of WestLB New York Capital Investment Ltd. (WCIL) announced the cancellation of all of the company's preferred shares (€ 869 million) effective June 15, 2011, as continued use of the capital instrument no longer made sense from an economic point of view. The necessary board resolutions and approvals of BaFin, SoFFin and the European Commission were obtained beforehand. The capital was repaid in full.

On June 24, 2011, the Shareholders' Meeting of WestLB elected Dr. Bruno Kahl, Under-Secretary in the Federal Finance Ministry, and Uwe Schröder, Assistant Secretary in the Federal Finance Ministry, as new members of the Supervisory Board with immediate effect. As representatives of the Special Financial Market Stabilisation Fund managed by the Federal Agency for Financial Market Stabilisation (FMSA), they succeeded Hildegard Müller and Dr. Annette Messemer, who resigned from the Supervisory Board on June 9, 2011.

Business Review

Performance

The Bank's performance as of June 30, 2011 was shaped by two factors: sustainable successes in the traditional customer business and, by contrast, challenging capital market conditions compared to the first half of the previous year. Earnings were also hit by the major uncertainty related to the still ongoing EU proceedings. Against this backdrop, we also incurred significant restructuring expenses. Despite these issues, the Group achieved a profit before income tax of € 50 million in the first half of 2011 (H1 2010: € 114 million).

Group income dropped by a total of € 87 million to € 743 million in the period under review. Due to numerous one-off effects relating to the transfer of portfolios to EAA on April 30, 2010, there is only very limited comparability with the previous year's figures. Additional information is provided in the Annual Report 2010.

The impairment charge for credit losses came to € 55 million, following € 137 million the year before. This € 82 million decrease in net allocations primarily reflects the improved macroeconomic situation and conservative risk profile.

We succeeded again in keeping a tight rein on costs in the first six months of 2011, reducing our administrative expenses by € 69 million, or 13%, to € 480 million. We posted € 158 million in restructuring expenses to cover the outflow of resources we currently expect from the binding framework for our restructuring plan agreed on June 23, 2011.

Factoring in income tax expense of € 14 million, we are reporting a net profit of € 36 million (H1 2010: € 67 million).

WestLB Group Statement of Income from January 1 to June 30, 2011

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions	Change € millions	%
Net interest income	565	946	- 381	- 40
Impairment charge for credit losses	- 55	- 137	82	60
Net interest income after impairment charge for credit losses	510	809	- 299	- 37
Net fee and commission income	120	190	- 70	- 37
Net trading result	26	- 396	422	> 100
Result from financial investments	9	- 64	73	> 100
Administrative expenses	480	549	- 69	- 13
Other operating expense and income	23	154	- 131	- 85
Restructuring expenses	158	30	128	> 100
Profit/loss before income tax	50	114	- 64	- 56
Current income taxes	3	- 15	18	> 100
Deferred income taxes	- 17	- 32	15	47
Profit/loss after income tax	36	67	- 31	- 46
Attributable to:				
- Shareholders of WestLB	36	67	- 31	- 46
- Non-controlling interests	0	0	0	-

Net Interest Income

Net interest income reached € 565 million, following € 946 million in the first half of 2010. It bears noting in this regard that the portfolios transferred to EAA on April 30, 2010 still made contributions to the Group's net interest income in the first four months of 2010. Net interest income in the core bank, at € 436 million, was lower than the € 580 million generated in the previous year, chiefly due to the declining capital markets business and higher refinancing costs. A € 27 million change in cash flow projections relating to retrospective payment of the interest on our profit participation capital had a positive effect (for background information please refer to page 116 of our Annual Report 2010).

Impairment Charge for Credit Losses

Our impairment charge for credit losses for the first six months of 2011 reflects a net allocation of € 55 million versus a net allocation of € 137 million in the first half of 2010. This € 82 million decrease in net allocations primarily reflects the improved macroeconomic situation and conservative risk profile. We have taken due account of all discernible risks.

Net Fee and Commission Income

Net fee and commission income decreased by a significant € 70 million to € 120 million compared to the same period a year ago. The performance of the Unbundling segment was one factor in this decrease. In the first half of 2010 we were still recognizing net fee and commission income from the portfolios transferred to EAA as well as from our subsidiaries Banque d'Orsay S.A. and WestLB International S.A. These subsidiaries were sold in the second half of 2010. Another factor was the lower net fee and commission income posted by the core bank (€ 123 million against € 171 million in the previous year) due to a decrease in business volume.

We changed the way we report fee and commission expense on transactions involving items classified as held for trading starting with the Group financial statements prepared at December 31, 2010. The sum of € 62 million originally captured in the net trading result was added to last year's first-half net fee and commission income as a result of this.

Net Trading Result

The net trading result amounted to € 26 million, following € – 396 million in the previous year.

The government bonds and similar assets in our portfolio recovered € 2 million in value upon remeasurement in the first half 2011, after having lost € 321 million in value the year before. We recorded positive effects of € 167 million (H1 2010: € 38 million) from market-induced credit spread changes with own liabilities for which we apply the fair value

option. Measurement mismatches allocated to the core bank, which despite having positions that are economically hedged are unavoidable because of the application of IAS 39, had a negative effect of € 155 million on the net trading result (H1 2010: positive effect of € 158 million). Overall, the measurement effects mentioned added up to € 14 million (H1 2010: € – 125 million), the full amount of which was attributable to the core bank. In the comparable period a year ago, € + 181 million was attributable to the core bank and € – 306 million to the Unbundling segment. Nearly all of the amount attributable to the Unbundling segment related to exposures that were transferred to EAA.

Result from Financial Investments

The result from financial investments came to € 9 million (H1 2010: € – 64 million) and included € 29 million in impairment charges taken as of June 30, 2011 on Greek government bonds with maturities up to 2020 held by our subsidiary WestImmo, in accordance with IDW guidelines. Previously, the unrealised losses on these available-for-sale securities were reported directly in equity. Now that it was determined as of June 30, 2011 that these assets are impaired, the corresponding amount was reported in the statement of income. The result from financial investments would have been lower if not for gains realised on the sale of financial participations.

Administrative Expenses

Administrative expenses decreased by 13% to € 480 million in the first six months of the current fiscal year.

Personnel expenses fell by € 34 million, or 12%, to € 251 million from a year earlier. Further headcount reductions and the sale of subsidiaries drove this development. The number of full-time employees dropped by a further 97 to 4,376 between December 31, 2010 and the end of the first half of 2011.

We reduced our other administrative expenses by a further € 35 million, or 16%, to € 190 million compared to the first half of the previous year.

Other Operating Expense and Income

The net figure for other operating expense and income came to € 23 million, following € 154 million for the same period a year ago. Effects related to the transfer of portfolios to EAA in the previous year drove this decrease. In the period under review, modified cash flow projections relating to reinstatement of the profit participation capital produced a positive effect of € 11 million (please refer to p. 116 in our Annual Report 2010 for an explanation of the methodology behind the relevant calculations).

Restructuring Expenses

We posted € 158 million in restructuring expenses, inter alia for personnel measures, in the first half of this year (H1 2010: € 30 million) to cover the outflow of resources we currently expect from the binding framework agreed on June 23, 2011 for our restructuring plan.

Segment Results

The individual units made the following contributions to WestLB Group's result before taxes for the first half of 2011:

Verbund & Mittelstand

Formed on the basis of product stewardship, the Verbund & Mittelstand segment pools the credit business with SMEs, the savings banks and their customers, and public-sector clients. Organisationally, the sales units for the Verbund business are also assigned to this segment. However, these units' costs and the related income from the Verbund business are reported in the Capital Markets, Corporates & Structured Finance or Transaction Banking segments, depending on the nature of the sale made.

The first-half result before taxes in this segment was down € 6 million from a year earlier at € -1 million. This decrease was predominantly attributable to a higher impairment charge for credit losses resulting from a higher exposure compared to the previous year.

As explained above, this result only partially reflects the segment's sales performance.

Corporates & Structured Finance

The Corporates & Structured Finance segment captures all of the results from standard, corporate finance and structured lending to national and international corporate clients as well as the business with financial institutions.

Given the challenging framework conditions for WestLB, which resulted in a lower net volume of new business and higher refinancing costs, the segment nevertheless demonstrated its sustainable business model by generating income of € 366 million (H1 2010: € 432 million) and a profit before taxes of € 177 million (H1 2010: € 231 million). It should also be taken into account that the result of the previous year benefited from high non-recurrent income resulting from the release of a provision for litigation risks (€ 34 million). The strong market position meant that lead mandates could still be won across all product groups in Germany and abroad. In the case of financings for infrastructure projects and financial institutions, we exceeded the result for the first half of 2010.

The impairment charge for credit losses decreased by € 16 million to € 32 million, mainly due to cyclical improvement in the business with German corporate clients compared to the previous year.

Administrative expenses, at € 72 million, were € 3 million higher than the year before chiefly because of higher personnel costs.

Capital Markets

The Capital Markets segment comprises the Equity Markets, Debt Markets, Research and Treasury business units.

The segment's result before taxes came to € 13 million, which was € 50 million below the previous year's result.

The escalation of the debt crisis and volatile market climate this precipitated curbed revenue growth in the first half of 2011. Investors lost confidence, a situation only exacerbated by the uncertainty relating to the ongoing EU proceedings, and our customers were less active in the capital markets as a result.

A substantial portion of the income of the Capital Markets segment is generated by the Debt Markets unit. The Debt Markets unit pools all of the primary and secondary market activities in interest rate, currency, money market and credit products. The business with structured and non-structured interest rate products did well in the period under review. We placed our interest rate products with Verbund and institutional clients, in particular. Growth with our other products was restrained overall.

The result in the Equity Markets unit improved compared to the previous year. Because we broadened our international customer base in 2010, the cash equities result increased from the previous year despite declining primary market business. By contrast, the retail business with equity certificates has been noticeably more subdued than planned. The products most in demand in this area were certificates with interest rate components. WestLB was able to defend its lead role in this market segment.

Expenses (incl. internal charging) came to € 210 million, which was slightly lower than the previous year.

Transaction Banking

The Transaction Banking segment pools the activities in the Transaction Services business. The product portfolio consists of the full range of account maintenance services, settlement services for euro and foreign payment transactions from the savings banks and direct clients, CashManagement (liquidity management), development and marketing of customer loyalty, credit and Verbund card programmes as well as foreign exchange, precious metals and traveller's cheque services.

The transaction volume in the Transaction Services unit developed favourably compared to the previous year (+ 8%). Existing customers still exhibited strong loyalty to WestLB.

The float and demand deposit volume was nearly the same as in the previous year. The current interest rate trend had a positive effect on the usefulness of float and demand deposits. Altogether, the segment is reporting a profit before income tax of € 5 million (H1 2010: € 4 million).

Corporate Center

The Corporate Center units provide services for the front-office and sales units and carry out central management functions in the Group, including IT and Services, central staff functions, Risk Management as well as Finance & Controlling.

The various cost-cutting and restructuring programmes already introduced in previous years generated a further € 25 million of savings in the administrative expenses of the Corporate Center units, which were down to € 283 million. It is also important to note that all of EAA's reimbursements, which include reimbursements for administrative expenses incurred by the Corporate Center units, are reported in the Other segment for steering purposes.

All expenses and income of the Corporate Center units were allocated among the remaining divisions as part of the internal netting process.

Other

This segment captures consolidations, adjustments made for reconciliation to Group figures and profit contributions which do not fall within the scope of the other segments' responsibilities, such as allocations to provisions for retirees. Starting this year, the Portfolio Exit Group (PEG) unit is captured here. The PEG unit acts as a service provider to EAA and coordinates the provision of services for the Bank as a whole. The previous year's figures are shown in the Unbundling segment and also include the results of portfolios that were spun off into EAA in 2010. These effects no longer apply in 2011. PEG is treated as a cost centre. The Bank is reimbursed for its services by EAA.

The measurement mismatches related to the application of IAS 39 (€ – 155 million; H1 2010: € 158 million) and measurement results from own liabilities which are not attributable to the Capital Markets segment (€ 152 million; H1 2010: € 18 million) are captured here as well. The segment's administrative expenses include reimbursements from EAA for administrative expenses which were reported in other segments, especially in the Corporate Center.

Of the restructuring expenses that we currently expect from the framework agreement of June 23, 2011, the sum of € 128 million has been allocated to this segment. That figure was also the primary determinant of the segment's pre-tax result of € – 128 million (H1 2010: € – 22 million).

Unbundling

The Unbundling segment captures the results of major participations which the Bank has pledged to sell as part of the agreement reached with the European Commission in May 2009: WestImmo and readybank. The figures for the same period a year ago still included earnings contributions from subsidiaries which were subsequently sold in 2010.

The segment's profit before taxes, at € – 16 million, was above the € – 167 million reported a year earlier. It was mainly driven by additional restructuring expenses of € 30 million in connection with the planned sale of WestImmo, which reflect the anticipated outflow of resources generated in the Group in the first half of 2011.

WestImmo reported positive earnings, predominantly on a low impairment charge for credit losses due to the improved economic conditions. This result included € 29 million in impairment charges taken on Greek government bonds.

The operating income of readybank was below the previous year due to a decrease in fee and commission income; its administrative costs decreased because of branch closures in 2010. Earnings at readybank were likewise positive and clearly above expectations.

Financial Status

WestLB Group's total assets decreased by € 31.1 billion, or 16%, to € 160.4 billion from the end of 2010, mainly because of market value fluctuations with derivatives, a lower net exposure to EAA and a declining money market business.

Adjusted for positive fair values from derivative financial instruments which are reported as trading assets and from derivative hedging instruments, total assets amounted to approximately € 123 billion at June 30, 2011 despite the lack of a sale of WestImmo and the funding made available to EAA. The condition imposed by the European Commission provided for adjusted total assets of € 125 billion at March 31, 2011.

The decrease in subordinated debt is attributable to the cancellation of the preferred shares of WestLB New York Capital Investment Ltd. as of June 15, 2011 (€ 869 million).

The main factor affecting equity, aside from the € 36 million in positive after-tax earnings, was a € 14 million increase in the revaluation reserve and € 72 million improvement in the actuarial gains and losses from defined benefit obligations due to higher interest rates in the capital market.

As of June 30, 2011, there were € 13.6 billion in loans and advances to customers, € 0.7 billion in receivables under reverse repurchase agreements and € 2.5 billion in trading assets making up the exposure to EAA, against € 5.7 billion in deposits from EAA (liabilities to customers), € 1.7 billion in trading liabilities and € 3.5 billion in financial liabilities designated at fair value. Thus, the net exposure to EAA has decreased by around € 14.0 billion compared to December 31, 2010. The goal is to continue to scale back WestLB's refinancing of EAA once EAA begins to establish an active presence of its own on the capital market.

Risk-Weighted Assets and Capital Ratios

Pursuant to the provisions of the German Solvency Regulation (SolvV), our risk-weighted assets (RWA) totalled € 45.4 billion at June 30, 2011, which represents a decrease of € 3.2 billion from the amount reported as of December 31, 2010. The condition imposed by the European Commission provided for a reduction of RWA to € 52 billion at March 31, 2011.

Overall, our counterparty credit risks decreased by a substantial € 2.8 billion. Reductions in business and RWA optimisations (€ – 4.2 billion, mostly attributable to WestLB Group companies and to the derivatives/reverse repurchase agreements business at WestLB AG) as well as currency effects (€ – 1.0 billion) offset the improvements related to modelling changes (€ 2.4 billion). Market price risks fell by € 0.1 billion and operational risks by € 0.3 billion.

Taking into account WestLB AG's result for the year, the core capital ratio decreased from 11.4% to 10.7% compared to December 31, 2010. This is still well above the minimum capital ratios as well as the minimum ratio of 7% stipulated in the framework agreements with SoFFin. The overall ratio increased to 16.0% from 15.9%. The Core Tier 1 capital ratio, i.e. excluding the silent contribution from 2005 and WestLB New York Capital Investment Ltd. (at the end of 2010) amounted to 9.8% at the end of the reporting period (December 31, 2010: 8.7%).

WestLB Group's own funds receded compared to December 31, 2010, chiefly because of the complete redemption of the preferred shares of WestLB New York Capital Investment Ltd. The sale of the stake in DekaBank offset some of this decrease, since the deductions for unconsolidated participating interests pursuant to § 10 (6) Sentence 1 No. 1 of the German Banking Act (KWG) dropped accordingly. Decreases in the volume of deductions for capital shortfalls as well as for WestImmo's bottom line for the year produced further positive effects on capital.

Risk Report

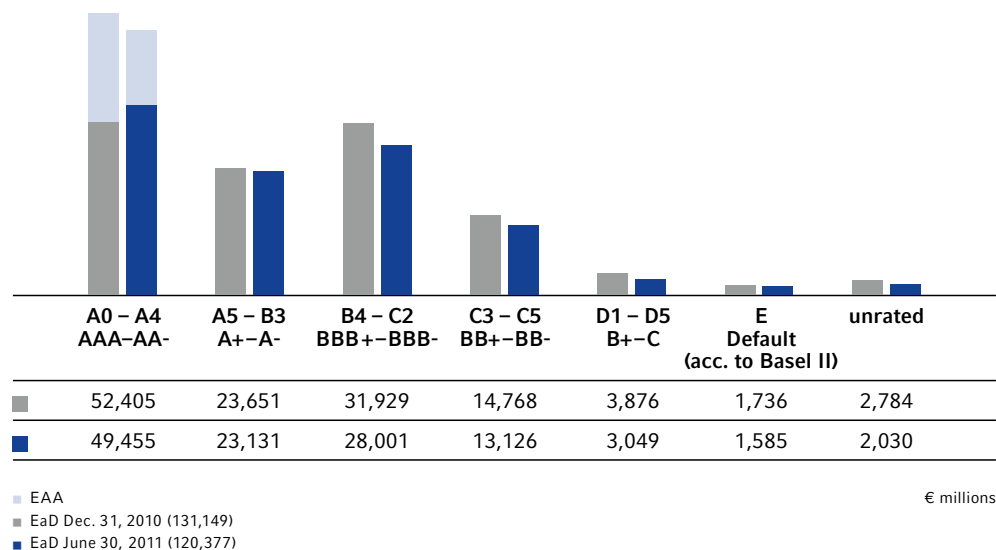
For details on the organisation of our risk management as well as an explanation of the methodology we use and description of the individual risk types, please refer to the Annual Report for the year ended December 31, 2010.

Counterparty Credit Risks

The Bank-wide exposure at default (EaD) decreased by around € 11 billion, or 8%, to € 120 billion in the first half of 2011, due to the gradual scale-back of the refinancing of EAA as well as expiration of business and selective cancellation of credit lines.

Breakdown by Rating Class in the WestLB Group (Exposure at Default)

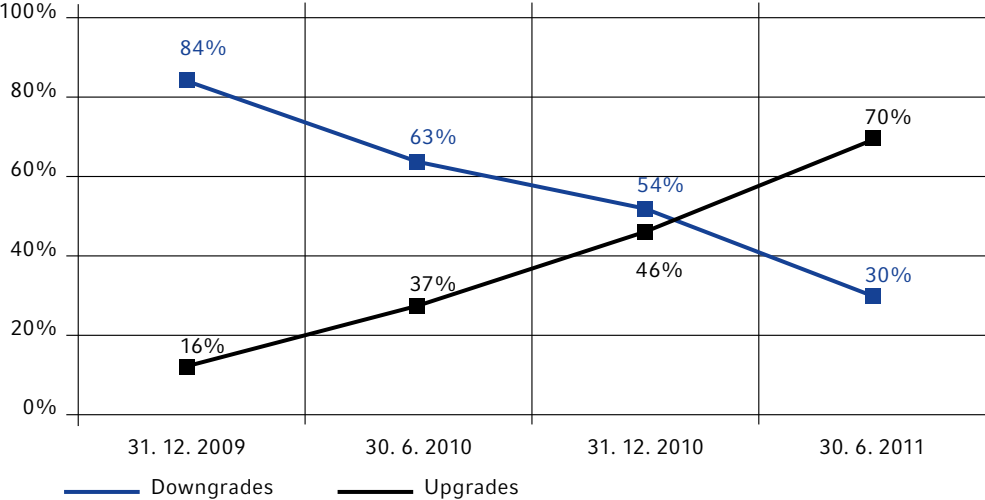
The following chart illustrates the changes in the breakdown of outstandings by internal rating class:



The share of the total rated portfolio attributable to outstandings to customers with an investment grade rating (A0 to C2) has increased from 81% to 83% (excluding the refinancing for EAA), which demonstrates the high, stable quality of the overall portfolio. The volume of exposures to customers in the sub-investment grade range decreased considerably again, down € 2.6 billion, or 13%.

The EaD-weighted probability of default of WestLB’s loan portfolio improved further, from 1.9% to 1.8%.

Breakdown of Rating Migration in the WestLB Group (Based on Exposure at Default)



Rating upgrades clearly prevailed in the first half of 2011.

At 77% of EaD (73% excluding the refinancing for EAA), our lending activities continue to focus on Germany and the other industrialised nations of Europe.

Breakdown of Sovereign and Bank Exposure in Portugal, Italy, Ireland, Greece and Spain in the WestLB Group (Exposure at Default)

The sovereign exposure (EaD) in each of these countries as of June 30, 2011 is presented in the following table:

EaD (€ millions)	WestLB AG	WestImmo ¹	WestLB Group
Portugal	169	0	169
Italy	740	724	1,464
Ireland	25	0	25
Greece	0	120	120
Spain	616	0	616
Total	1,550	844	2,394

¹ Based on nominal values, the WestImmo exposure is € 725 million in Italy and € 235 million in Greece.

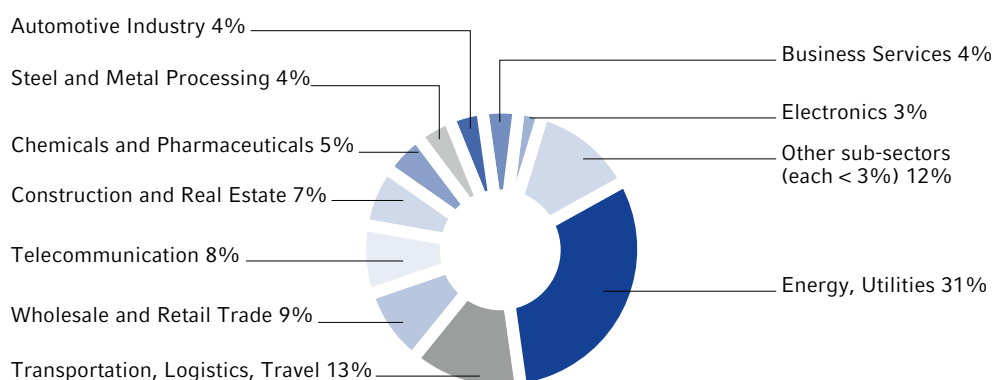
The exposure (EaD) to banks in each of these countries as of June 30, 2011 is presented in the following table:

EaD (€ millions)	WestLB AG	WestImmo ¹	WestLB Group
Portugal	18	0	18
Italy	186	267	453
Ireland ¹	57	0	57
Greece	0	0	0
Spain ²	485	0	485
Total	746	267	1,013

¹ € 47 million is attributable to EAA subsidiary EAA Covered Bond Bank

² € 453 million is attributable to short-term deposits with the German subsidiary of a Spanish bank, which are used as cash collateral for A1-/P1 rated commercial paper issued by the WestLB sponsored ABCP conduit.

Breakdown of Industry and Services by Sub-Sector (at June 30, 2011)



At 46%, Industry and Services remains the largest sector in terms of EaD (excluding the refinancing for EAA). Industry and Services is made up of 15 sub-sectors, which ensures adequate diversification. WestImmo has an EaD of € 19 billion in the service sector.

Impairment Charge for Credit Losses

Our impairment charge for credit losses for the first six months of 2011 reflects a net allocation of € 55 million versus a net allocation of € 137 million in the first half of 2010. This € 82 million decrease in net allocations reflects the improved macroeconomic situation and conservative risk profile. We have taken due account of all discernible risks.

Greece

The decision taken by European heads of state on July 21, 2011 to seek private-sector involvement to further support Greece necessitated write-downs on certain Greek government bonds at WestImmo. As a result an impairment loss was incurred on two securities in the maturity range up to 2020 with a total nominal value of € 50.0 million. The amount of the impairment is equal to the € 29.1 million in aggregate price losses captured in the revaluation reserve, which have now been charged to the statement of income under the result from financial investments. We do not currently foresee the need for additional write-downs relating to our Greek exposure. The Greek government bonds held by WestImmo as of June 30, 2011 mature no later than 2040 and are assigned to the available-for-sale category. Following redemption of the entire remaining exposure in the reporting period, WestLB AG no longer holds a position.

Market Price Risk

The VaR in the trading book decreased by 27% to € 4.5 million in the first half of 2011. This is a reflection of the much improved market risk profile. The range of variation between minimum and maximum VaR receded only slightly for the period.

The consolidated total VaR between the trading book and banking book rose slightly by about 5% to € 80.7 million in the first half of 2011. The primary reasons for this were higher market volatility and higher interest rates.

Confidence level 99%/1-day holding period	Total Utilisation		thereof Trading Book*	
	1. 1. – 30. 6. 2011 € millions	1. 1. – 31. 12. 2010 € millions	1. 1. – 30. 6. 2011 € millions	1. 1. – 31. 12. 2010 € millions
Value at risk on reporting date	81	77	5	6
Minimum value at risk	76	67	5	4
Maximum value at risk	90	143	12	13
Average value at risk	82	99	8	7

* short-term rise in the value at risk in April 2011 due to higher market volatility, higher interest rates and customer-initiated trading

Without the subsidiaries which have yet to be sold (as of the end of June 2011), the consolidated total VaR would have been about € 2.6 million lower as of the reporting date.

There were no VaR breaches in the first half of 2011. The back-testing time series (250 days) indicates only two breaches from the second half of 2010. These were within expectations and did not necessitate a change in the factor used for capital backing.

Liquidity Risk

The liquidity situation of WestLB was stable in the first half of the year. One reason was the brisk issuance of bonds; another was the robust deposit business. The structural liquidity position was consistently kept at a sufficient level.

The satisfactory liquidity situation is also borne out by our regulatory liquidity ratio, which is determined pursuant to the German Liquidity Regulation. At WestLB AG, the ratio for the first half of 2011 averaged 1.3, which is well above the minimum value of 1.0.

Usage of Economic Capital

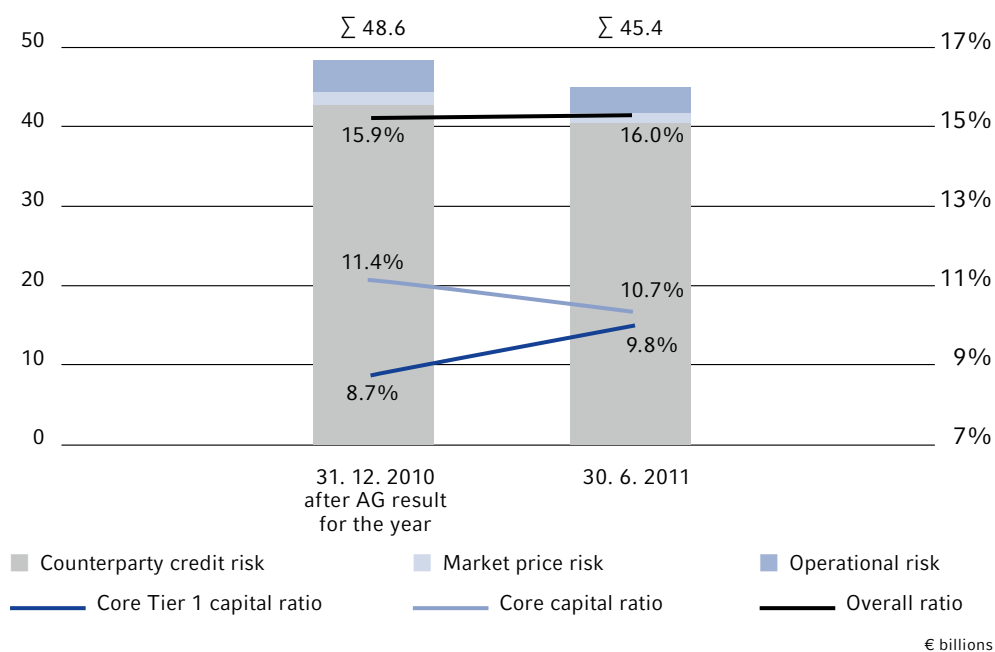
Compared to the end of last year, the usage of economic capital decreased sharply, down from 62% to 53%. The primary reason for this was the decrease in credit risk capital (by € 180 million compared to the end of 2010), itself fuelled by appreciable volume reductions and credit quality improvements. The market price risk, by contrast, rose due to higher interest rate volatility, wider credit spreads and greater volumes. The sources of risk-taking capacity increased in the first half of 2011 by € 462 million to € 4,724 million. This was due to an increase in core capital based on WestLB AG's result for the year, the sale of the stake in DekaBank and a reduction in shortfalls.

€ billions	30. 6. 2011	31. 12. 2010
Credit risk	1.745	1.925
Market price risk	0.516	0.438
Other risks	0.249	0.264
Economic capital	2.510	2.627
Risk tolerance	4.724	4.262
Usage of sources of risk-taking capacity	53%	62%

Even under stress scenarios, WestLB has adequate sources of risk-taking capacity.

Usage of Regulatory Capital in the WestLB Group

WestLB Group's core capital ratio stood at 10.7% at June 30, 2011.



EU Stress Test

WestLB, as expected, passed the EU-wide stress test coordinated this year by the newly established European Banking Authority (EBA). The stress test was carried out across 90 banks from 21 countries. To pass the test, banks' consolidated Core Tier 1 capital ratio under the adverse scenario must exceed a 5% benchmark over a two-year time horizon (2011–2012). With a ratio of 6.1% WestLB comfortably meets the capital benchmark.

Under the EBA requirements, the stress test was carried out on the basis of the portfolio of the WestLB Group as of the end of 2010 (i.e. including WestImmo and readybank). The € 3 billion silent contribution to capital made by the Federal Agency for Financial Market Stabilisation (FMSA) was counted as part of the Core Tier 1 capital.

Events Occurring after June 30, 2011

There was a slight change in WestLB AG's ownership structure as of July 7, 2011. The stakes held by the State of North Rhine-Westphalia and the savings banks associations remained unchanged. The stake of NRW.BANK was reduced to 30.51% in favour of the regional associations, each of which now holds 0.83% of the Bank.

Outlook

The framework agreement of June 23, 2011 stipulates a binding path for the future transformation and restructuring of WestLB. The Verbundbank is to be established and business areas sold by June 30, 2012. Any portfolios which are not sold or do not become part of the Verbundbank by the end of June 2012 will be transferred to EAA. In the future, WestLB will operate as a Service and Portfolio Management Bank for the Verbundbank of the Sparkassen-Finanzgruppe, for EAA and for additional third parties. Portfolios which are not transferred to EAA on legal grounds will remain in WestLB, be wound up from within WestLB and synthetically secured by EAA. It is the stated goal of all parties to achieve this target structure by June 30, 2012. Implementation of the framework agreement is still subject to approval by the European Commission. We expect the Commission to grant its approval in autumn of this year.

The further restructuring and transformation of WestLB is replete with uncertainty and significant risks, which can have additional material adverse effects on its net assets, financial condition and results of operations. The significant downsizing of the Bank which is taking shape entails drastic restructuring and reorganisation expenses. Regarding the related protection and stabilisation measures provided for if required under the framework agreement, further details are provided in the chapter Structural Changes in the WestLB Group. Whether there will be additional charges beyond the restructuring expenses already accounted for in the half-year result depends on the further course of the transformation, the decision by the European Commission, the outcome of the sale process and the servicing agreements. It is therefore not possible to make a reliable statement about the results for 2011 as a whole.

Group Statement of Income

	Notes	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions	Change € millions	%
Interest income		2,522	3,751	- 1,229	- 33
Interest expense		1,957	2,805	- 848	- 30
Net interest income	(3)	565	946	- 381	- 40
Impairment charge for credit losses	(4)	- 55	- 137	82	60
Net interest income after impairment charge for credit losses		510	809	- 299	- 37
Fee and commission income		175	277	- 102	- 37
Fee and commission expense		55	87	- 32	- 37
Net fee and commission income	(5)	120	190	- 70	- 37
Net trading result	(6)	26	- 396	422	> 100
Result from financial investments	(7)	9	- 64	73	> 100
Administrative expenses	(8)	480	549	- 69	- 13
Other operating expense and income	(9)	23	154	- 131	- 85
Restructuring expenses	(10)	158	30	128	> 100
Profit before income tax		50	114	- 64	- 56
Current income taxes		3	- 15	18	> 100
Deferred income taxes		- 17	- 32	15	47
Profit after income tax		36	67	- 31	- 46
Attributable to:					
- Shareholders of WestLB		36	67	- 31	- 46
- Non-controlling interests		0	0	0	-

Statement of Comprehensive Income

The total results of WestLB for the period comprise the income and expenses shown in the statement of income and those captured directly in equity.

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Profit after income tax	36	67
Net income and expenses recognised directly in equity	85	35
Change in revaluation reserve	- 6	158
Change in foreign currency translation reserve	- 1	26
Change in defined benefit obligations	98	- 159
Deferred taxes on items taken directly to or transferred from equity	- 6	10
Total recognised income and expense for the period	121	102
Attributable to:		
- Shareholders of WestLB	121	102
- Non-controlling interests	0	0

Group Balance Sheet

Assets

	Notes	30. 6. 2011 € millions	31. 12. 2010 € millions	Change € millions	%
Cash and balances with central banks		3,571	2,219	1,352	61
Loans and advances to banks	(11)	11,348	11,632	- 284	- 2
Loans and advances to customers	(12)	77,441	82,146	- 4,705	- 6
Allowances for losses on loans and advances	(13)	- 885	- 907	22	2
Receivables under reverse repurchase agreements		12,058	25,961	- 13,903	- 54
Trading assets	(14)	45,349	56,317	- 10,968	- 19
Positive fair values from derivative hedging instruments		765	1,237	- 472	- 38
Separate line item for hedged financial instruments resulting from portfolio hedge accounting		7	72	- 65	- 90
Financial assets designated at fair value	(15)	6,088	7,066	- 978	- 14
Financial investments	(16)	3,567	4,351	- 784	- 18
Property and equipment	(17)	402	421	- 19	- 5
Intangible assets	(18)	144	147	- 3	- 2
Current tax assets		132	437	- 305	- 70
Deferred tax assets		52	75	- 23	- 31
Other assets		342	338	4	1
Assets held for sale	(28)	0	11	- 11	- 100
Total assets		160,381	191,523	- 31,142	- 16

Liabilities and Equity

	Notes	30. 6. 2011 € millions	31. 12. 2010 € millions	Change € millions	%
Liabilities to banks	(19)	13,089	17,873	- 4,784	- 27
Liabilities to customers	(20)	25,702	23,756	1,946	8
Certificated liabilities	(21)	20,535	21,387	- 852	- 4
Liabilities under repurchase agreements		10,853	28,963	- 18,110	- 63
Trading liabilities	(22)	37,555	46,763	- 9,208	- 20
Negative fair values from derivative hedging instruments		560	798	- 238	- 30
Separate line item for hedged financial instruments resulting from portfolio hedge accounting		152	396	- 244	- 62
Financial liabilities designated at fair value	(23)	40,775	39,217	1,558	4
Provisions	(24)	1,947	1,904	43	2
Current tax liabilities		409	459	- 50	- 11
Deferred tax liabilities		18	14	4	29
Other liabilities		1,416	1,815	- 399	- 22
Liabilities held for sale	(28)	0	2	- 2	- 100
Subordinated debt	(25)	3,142	4,069	- 927	- 23
Equity		4,228	4,107	121	3
- Share capital		967	967	0	0
- Capital reserve		97	97	0	0
- Silent contributions to capital		3,441	3,441	0	0
- Retained earnings		- 69	- 105	36	34
- Foreign currency translation reserve		- 15	- 14	- 1	- 7
- Revaluation reserve		- 197	- 211	14	7
- Actuarial gains and losses from defined benefit obligations		4	- 68	72	> 100
- Minority interests		0	0	0	-
Total liabilities and equity		160,381	191,523	- 31,142	- 16

Changes in Shareholders' Equity

Statement of Changes in Shareholders' Equity

€ millions	Share capital	Capital reserve	Silent contributions to capital	Retained earnings	Foreign currency translation reserve	Revaluation reserve	Actuarial gains and losses from defined benefit obligations	Equity before minority interests	Non-controlling interests	Group equity
Balance at January 1, 2010	2,270	1,259	1,113	- 513	- 79	- 320	3	3,733	0	3,733
Distribution to shareholders										
Capital increase/reduction										
Allocations to silent contributions			2,328					2,328		2,328
Withdrawals from silent contributions										
Transfer effects recognised directly in equity	- 1,303	- 1,162		501				- 1,964		- 1,964
Other changes in shareholders' equity				34				34		34
Total recognised income and expense for the period				67	26	148	- 139	102		102
Balance at June 30, 2010	967	97	3,441	89	- 53*	- 172	- 136	4,233	0	4,233
Balance at January 1, 2011	967	97	3,441	- 105	- 14	- 211	- 68	4,107	0	4,107
Distribution to shareholders										
Capital increase/reduction										
Allocations to silent contributions										
Withdrawals from silent contributions										
Changes due to spin-off										
Other changes in shareholders' equity										
Total recognised income and expense for the period				36	- 1	14	72	121		121
Balance at June 30, 2011	967	97	3,441	- 69	- 15	- 197	4	4,228	0	4,228

* includes € 7 million from assets held for sale

Cash Flow Statement

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Cash and balances with central banks at the end of the previous period	2,219	2,048
Cash flow from operating activities	1,487	– 5,485
Cash flow from investing activities	782	3,793
Cash flow from financing activities	– 917	– 90
Changes in cash due to changes in exchange rates	0	96
 Cash and balances with central banks at the end of the period	 3,571	 362

WestLB completely revised the presentation of its cash flow statement in the 2010 fiscal year. As a result, the changes in cash due to changes in scope of consolidation, which were still reported as a separate line item in the interim reports for 2010, are now reported as part of the cash flow from investing activities.

Additional information about the liquidity management practices of WestLB Group is contained in the Risk Report of the Annual Report 2010.

Notes to the Group Financial Statements

Accounting Policies

1. Basis of Preparation

Based on Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 (the "IAS Regulation"), we have prepared the interim financial statements in accordance with the International Financial Reporting Standards (IFRS), as well as additional regulations applicable under § 315a (1) of the German Commercial Code (HGB), which we were required to apply as of the reporting date. The condensed financial statements meet in particular the requirements of IAS 34 (Interim Financial Reporting).

The information contained in these interim financial statements should be read in conjunction with the information contained in the published and certified Group financial statements as of and for the year ended December 31, 2010. We have taken account of all developments up to the Managing Board's preparation of the interim financial statements on August 23, 2011.

We used the same accounting policies to prepare the interim financial statements as were used to prepare the 2010 Group financial statements.

The use of IFRS requires that management make certain estimates and assumptions which can have a not insignificant impact on the statement of income, the recognition and carrying value of assets and liabilities as well as the disclosure of contingent assets and liabilities. Even when our estimates are based on available information, past experience and other criteria, including expectations concerning future events, actual, future results may still vary from our estimates.

The half-year report was not reviewed by our external auditors.

2. Scope of Consolidation

WestLB Group specifically includes the following companies and subgroups:

WestLB Group (companies, directly consolidated)

WestLB AG, Düsseldorf	
Bank WestLB Vostok (ZAO), Moscow, Russia	
Compass Securitisation Limited, Dublin, Ireland	
Compass Securitization LLC, Wilmington/Delaware, USA	
GOD Grundstücksverwaltungsgesellschaft & Co. KG, Mainz	
GOH Grundstücksverwaltungsgesellschaft & Co. KG, Mainz	
readybank ag, Berlin	
Universal Factoring GmbH, Essen	
WestLB Europa Holding GmbH, Düsseldorf	
WestLB Europe (UK) Holdings Ltd., London, UK	
WestLB Finance Curaçao N.V., Willemstad, Netherlands Antilles	
WestLB Mellon Asset Management Holdings Ltd., London, UK	
WestLB New York Capital Investment Ltd., Jersey, Channel Islands	
WestLB Securities Inc., Dover/Delaware, USA	
WestLB Securities Pacific Ltd., Hong Kong, People's Republic of China	
WestLB UK Ltd., London, UK	
West Merchant Ltd., London, UK	
Banco WestLB do Brasil S.A., São Paulo, Brazil	Subgroup with 2 companies
Westdeutsche ImmobilienBank AG, Mainz	Subgroup with 8 companies

WestLB Mellon Asset Management Holdings Ltd. (WMAM), London, UK, is included in the Group financial statements as a joint venture and is reported at equity.

UK subsidiary WestLB Fund Investments Ltd. was removed from the scope of consolidation once its liquidation was completed as of May 3, 2011.

The company WIRE 2008-1 GmbH, which belonged to Westdeutsche ImmobilienBank AG, was deconsolidated as of March 22, 2011 due to redemption of the corresponding securitisation transaction.

Segment Reporting

Profit is accounted for and managed within WestLB Group at business unit level on the basis of WestLB's profit centre accounting. The portfolios, results and resources of the specific business units are combined into segments which represent the businesses and areas in which WestLB Group is active.

The segment reporting is prepared in accordance with IFRS 8. The segments are formed on the basis of WestLB Group's internal management practices and reflect the focus and market presence of the business units as well as the functional synergies among organisational units.

Group Segments

<u>Verbund & Mittelstand</u>	<u>Corporates & Structured Finance</u>	<u>Capital Markets</u>	<u>Transaction Banking</u>
Verbund	Corporates Structured Finance Corporate & Structured Finance Products Asset Management	Equity Markets Debt Markets Research Treasury	Transaction Services
<u>Unbundling</u>	<u>Corporate Center</u>	<u>Other</u>	
readybank ag Westdeutsche ImmobilienBank AG	Chairman Risk Management Finance & Controlling Human Resources Information Technology Organisation & Services Group Operations	Consolidations/ Netting Portfolio Exit Group	

The Verbund & Mittelstand segment combines the business with savings banks, the public sector as well as retail clients and small and medium-sized enterprises in North Rhine-Westphalia. Organisationally, the sales units for the Verbund business are assigned to this segment. However, large portions of the income related to them are reported in the Capital Markets and Transaction Banking segments.

The Corporates & Structured Finance segment captures the results from standard and structured lending to corporate clients. The results from the joint venture in asset management are also shown here.

All of WestLB's activities in the international capital markets are pooled in the Capital Markets segment. The segment's focus is customer-based trading in Europe. The segment's Treasury business unit is responsible for the Group's capital, funding and liquidity management. The products offered by the Research business unit support our target customers.

The Transaction Banking segment combines our activities in the domestic and international payments business.

The Unbundling segment captures the results of major participations which the Bank has pledged to sell as part of the agreement reached with the European Commission (readybank and WestImmo). In addition, the prior-year figures include results from the portfolios which were identified as non-strategic and transferred to EAA. Starting this year, the PEG unit is treated as a cost centre for servicing EAA and captured in the Other segment. There are no longer any transfer results to report separately from the core bank. As a result, the PEG/Unbundling segment was renamed Unbundling.

The units grouped into the Corporate Center segment provide services for the front-office and sales units and carry out central management functions in the Group. The Corporate Center units are managed on the basis of reported expenses. An internal charging procedure attributes the units' services to the remaining divisions on the basis of actual cost, consistently with how the associated income and expenses are occasioned.

The Other segment captures consolidations, adjustments made for reconciliation to the Group result and profit contributions which do not fall within the scope of other segments' responsibilities. The PEG unit, which coordinates the services for EAA in the WestLB Group, is captured in this segment starting this year.

The PEG unit and, above all, the Corporate Center units and Treasury unit provide a comprehensive range of services to EAA, which the latter reimburses.

In order to make a distinction between the segments of the core bank as well as Unbundling segment and earnings effects from the transfer to EAA, we added a sub-total column with the heading "Core Bank" to the segment reporting table.

The following table depicts the contributions which the individual segments made to the consolidated result for the first half of fiscal years 2010 and 2011. The segment results are derived from internal management data, which can be reconciled with our financial accounting data. As part of internal management, there are internal transactions between the individual segments which serve a variety of purposes, including passing on funds internally, allocating maturity structure and net interest margin contributions and supporting risk management. As a result, determining the income each segment generates with external customers could be obtained only at high expense or effort. Any net results from internal transactions are eliminated in the Other segment.

It is important to note with respect to the previous year's figures that the segment reporting for the first half of 2010 has been adjusted to reflect changes within the Group which were captured in the annual financial statements for 2010. This is attributable, in particular, to the final selection of the items comprising the EAA portfolio and the activities transferred to the Unbundling segment as part of the realignment.

There are no measurement differences to the Group balance sheet.

€ millions	Verbund & Mittelstand	Corporates & Structured Finance	Capital Markets	Transaction Banking	Corporate Center	Other	Core Bank	Unbundling	WestLB Group
Net interest income									
1. 1. – 30. 6. 2011	9	224	170	19	- 21	35	436	129	565
1. 1. – 30. 6. 2010	10	245	264	13	- 19	67	580	366	946
Impairment charge for credit losses									
1. 1. – 30. 6. 2011	- 6	- 32	- 7	0	0	3	- 42	- 13	- 55
1. 1. – 30. 6. 2010	- 2	- 48	- 1	0	0	- 61	- 112	- 25	- 137
Net fee and commission income									
1. 1. – 30. 6. 2011	4	111	4	19	- 11	- 4	123	- 3	120
1. 1. – 30. 6. 2010	5	148	10	22	- 12	- 2	171	19	190
Net trading result									
1. 1. – 30. 6. 2011	0	4	51	0	0	- 25	30	- 4	26
1. 1. – 30. 6. 2010	0	0	- 7	0	0	31	24	- 420	- 396
Result from financial investments									
1. 1. – 30. 6. 2011	0	19	6	0	0	12	37	- 28	9
1. 1. – 30. 6. 2010	0	3	7	0	- 1	18	27	- 91	- 64
Administrative expenses									
1. 1. – 30. 6. 2011	11	72	60	12	283	- 16	422	58	480
1. 1. – 30. 6. 2010	10	69	58	10	308	- 19	436	113	549
Other operating expense and income									
1. 1. – 30. 6. 2011	0	8	- 1	0	7	10	24	- 1	23
1. 1. – 30. 6. 2010	0	36	6	- 1	- 4	- 17	20	134	154
Restructuring expenses									
1. 1. – 30. 6. 2011	0	0	0	0	0	128	128	30	158
1. 1. – 30. 6. 2010	0	0	0	0	0	25	25	5	30
Internal charging									
1. 1. – 30. 6. 2011	3	- 85	- 150	- 21	308	- 47	8	- 8	0
1. 1. – 30. 6. 2010	2	- 84	- 158	- 20	344	- 52	32	- 32	0
Profit before income tax									
1. 1. – 30. 6. 2011	- 1	177	13	5	0	- 128	66	- 16	50
1. 1. – 30. 6. 2010	5	231	63	4	0	- 22	281	- 167	114

Notes to the Group Statement of Income

3. Net Interest Income

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Interest income from		
– Loans and advances to banks and customers	1,263	1,807
– Financial assets available for sale	59	73
– Financial assets held to maturity	1	2
Current income from		
– Financial assets available for sale	42	28
– Interests in associates and joint ventures	0	– 2
Net interest and dividend income from		
– Instruments held for trading	337	550
– Instruments designated as at fair value	– 408	– 396
Interest expenses for		
– Liabilities to banks and customers	473	868
– Certificated liabilities	308	383
– Subordinated debt (excluding designated holdings)	30	112
Net income from hedging relationships	8	– 4
Net income from other transactions	74	251
Net interest income	565	946
Net interest income Core Bank	436	580
Net interest income Unbundling	129	366

The net income from other transactions primarily comprises interest income and interest expense from hedging derivatives which meet the requirements for hedge accounting under IAS 39, and from amortisation entries made in connection with the portfolio hedge accounting. It also captures tax refund interest, the interest expense from the measurement of IFRS pension obligations and the interest effect from unwinding (accrued interest on allowances and provisions for credit risks).

4. Impairment Charge for Credit Losses

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Allocations		
– to allowance for losses on loans and advances	– 137	– 257
– to provisions for lending operations	0	– 33
Write-backs		
– from allowance for losses on loans and advances	80	154
– from provisions for lending operations	1	14
Income from written-off loans and advances	17	4
Direct write-offs of loans and advances	– 16	– 19
Impairment charge for credit losses	– 55	– 137
Impairment charge for credit losses Core Bank	– 42	– 112
Impairment charge for credit losses Unbundling	– 13	– 25

5. Net Fee and Commission Income

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Lending and syndicated lending business	96	155
Securities and deposit business	– 8	8
Payment transactions	27	30
Trust activities	1	1
Other	4	– 4
Net fee and commission income	120	190
Net fee and commission income Core Bank	123	171
Net fee and commission income Unbundling	– 3	19

6. Net Trading Result

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Result from sale and measurement of trading instruments	– 4	181
Fee and commission expense from trading instruments	– 37	– 62
Fee and commission result from trading instruments/ precious metals transactions	– 153	– 42
Result from sale and measurement of financial instruments designated at fair value	220	– 473
Net trading result	26	– 396
Net trading result Core Bank	30	24
Net trading result Unbundling	– 4	– 420

7. Result from Financial Investments

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Result from sale and measurement of available-for-sale assets	11	– 61
Other result from financial investments	– 2	– 3
Result from financial investments	9	– 64
Result from financial investments Core Bank	37	27
Result from financial investments Unbundling	– 28	– 91

8. Administrative Expenses

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Personnel expenses	251	285
– Wages and salaries	203	226
– Compulsory social security contributions	24	31
– Expenses for pensions and other employee benefits	24	28
Other administrative expenses	190	225
Depreciation and amortisation	39	39
– of property and equipment	18	19
– of software and other intangible assets	21	20
Administrative expenses	480	549
Administrative expenses Core Bank	422	436
Administrative expenses Unbundling	58	113

9. Other Operating Expense and Income

	1. 1. – 30. 6. 2011 € millions	1. 1. – 30. 6. 2010 € millions
Other operating expense	34	638
Other operating income	57	792
Other operating expense and income	23	154
Other operating expense and income Core Bank	24	20
Other operating expense and income Unbundling	– 1	134

The gross amounts for the corresponding period of the previous year are high due to the fact that the income (e.g. interest income) and expenses (e.g. interest expense) attributable to EAA for the period from January 1 to April 30, 2010 because of the retroactive application of the transfer were reported as gross amounts under other operating expense and other operating income, respectively (net effect: € – 63 million).

10. Restructuring Expenses

We posted € 158 million in restructuring expenses in the first half of this year (H1 2010: € 30 million) to cover the outflow of resources we currently expect from the binding framework agreed on June 23, 2011 for the restructuring plan of WestLB.

Notes to the Group Balance Sheet

11. Loans and Advances to Banks

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Banks in Germany	3,847	2,841
Banks in other countries	7,501	8,791
Loans and advances to banks	11,348	11,632

12. Loans and Advances to Customers

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Corporate clients	52,085	53,689
Public-sector clients	19,302	22,024
Private clients	6,054	6,433
Loans and advances to customers	77,441	82,146

13. Risk Provisions in the Lending Business

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Allowances for losses on loans and advances	885	907
– Allowances for specific risks	718	725
– Portfolio allowances	167	182
Provisions for contingent liabilities	53	42
– Provisions for specific risks	52	42
– Provisions for portfolio risks	1	0
Risk provisions in the lending business	938	949

14. Trading Assets

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Bonds and other interest-bearing securities	4,839	5,288
Shares and other non-interest-bearing securities	660	991
Positive fair values from derivative financial instruments	36,826	44,948
Other trading assets	3,024	5,090
Trading assets	45,349	56,317

15. Financial Assets Designated at Fair Value

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Bonds and other interest-bearing securities	1,506	2,039
Shares and other non-interest-bearing securities	56	58
Loans and advances to banks	2,525	2,635
Loans and advances to customers	2,001	2,334
Financial assets designated at fair value	6,088	7,066

16. Financial Investments

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Financial investments available for sale	3,444	4,166
Financial investments held to maturity	66	129
Interests in companies reported at equity	54	53
Investment property	3	3
Financial investments	3,567	4,351

17. Property and Equipment

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Land and buildings	344	351
Office equipment	52	63
Other property and equipment	6	7
Property and equipment	402	421

18. Intangible Assets

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Goodwill	0	0
Software	144	147
Intangible assets	144	147

19. Liabilities to Banks

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Banks in Germany	10,004	14,546
Banks outside Germany	3,085	3,327
Liabilities to banks	13,089	17,873

20. Liabilities to Customers

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Corporate clients	18,417	18,365
Public-sector clients	7,217	5,369
Private clients	68	22
Liabilities to customers	25,702	23,756

21. Certificated Liabilities

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Bonds and notes issued	15,649	17,299
Money market instruments	4,886	4,088
Certificated liabilities	20,535	21,387

22. Trading Liabilities

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Negative fair values from derivative financial instruments	35,510	44,281
Delivery obligations on short sales of securities	1,572	1,724
Other trading liabilities	473	758
Trading liabilities	37,555	46,763

23. Financial Liabilities Designated at Fair Value

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Liabilities to banks	4,030	6,336
Liabilities to customers	22,069	17,192
Certificated liabilities	14,676	15,689
Financial liabilities designated at fair value	40,775	39,217

24. Provisions

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Provisions for pensions and similar obligations	765	806
Provisions in the lending business	53	42
Provisions for personnel expenses	289	292
Restructuring provisions	703	575
Other provisions	137	189
Provisions	1,947	1,904

Additional details of our restructuring provisions are discussed in the interim statement of financial condition in the chapters Structural Changes in the WestLB Group and Performance.

25. Subordinated Debt

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Subordinated liabilities	2,363	2,399
Profit participation capital	682	693
Hybrid capital	0	869
Deferred interest	75	86
Measurement effects (IAS 39)	22	22
Subordinated debt	3,142	4,069

The decrease in hybrid capital is attributable to the cancellation of the preferred shares of WestLB New York Capital Investment Ltd. as of June 15, 2011.

The measurement effects associated with IAS 39 pertain to changes in fair value resulting from the application of micro fair value hedge accounting and the fair value option.

Other Information

26. Derivative Financial Instruments

The breakdown of derivative financial instruments is as follows (nominal values):

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Products based on interest rates	1,712,929	1,918,323
Products based on exchange rates	221,864	269,402
Products based on share prices and other prices	44,154	43,343
Credit derivatives	44,993	53,714
Derivative transactions	2,023,940	2,284,782

27. Contingent Liabilities and Other Commitments

	June 30, 2011 € millions	Dec. 31, 2010 € millions
Contingent liabilities from guarantees and indemnity agreements	4,152	5,222
Other commitments from irrevocable loan commitments	16,084	17,660

Irrevocable credit commitments involve external credit lines which have not yet been utilised.

The credit risks associated with contingent liabilities and other commitments have been covered by forming sufficiently large provisions.

28. Assets and Liabilities Held for Sale

In October 2009, the Managing Board of WestImmo, which is now part of our Unbundling segment, decided to divest the company's agro-portfolio, which consists of loans and advances made to enterprises active in agriculture. A portion of this portfolio has since been sold. Due mainly to the changed economic conditions, a sale of the remaining holdings was not possible within the time limit stipulated in IFRS 5. Thus, the relevant loans and advances and corresponding liabilities had to be reclassified under their original balance sheet items as of June 30, 2011. This did not affect the current results or those of prior reporting periods.

The conditions for applying IFRS 5 to our subsidiaries WestImmo and readybank were not met at June 30, 2011.

29. Amendments to IAS 39 and IFRS 7 “Reclassification of Financial Assets”

In conformity with the amendments to IAS 39 and IFRS 7, we reassigned certain trading assets and available-for-sale assets to the loans and receivables category in the second half of 2008. The assets reassigned were ones which, as of their effective date of reclassification, we no longer intended to sell or trade in the short term, but to hold for the foreseeable future, due to inactive markets. The reclassifications occurred at the respective fair values determined on the reclassification date and, in the case of available-for-sale assets, increased the equity capital in the reporting period by € 18 million (H1 2010: € 12 million).

No more reclassifications were made after the fourth quarter of 2008.

The following table shows the cumulative carrying values and fair values of the reclassified assets:

	Carrying Value as of Reclassification € billions	Carrying Value		Fair Value	
		June 30, 2011 € billions	Dec. 31, 2010 € billions	June 30, 2011 € billions	Dec. 31, 2010 € billions
Trading assets reclassified as loans and receivables	1.6	0.0	0.0	0.0	0.0
Available-for-sale assets reclassified as loans and receivables	3.9	1.0	1.0	1.0	1.0
Total	5.5	1.0	1.0	1.0	1.0

At the time of reclassification, the effective interest rates on the reclassified assets were between 1.3% and 14.4%, with expected obtainable cash flows of € 8.3 billion.

The reclassified trading assets contributed € 1 million (H1 2010: € 24 million), and the reclassified available-for-sale assets € 15 million (H1 2010: € 39 million), to the profit before income tax in the period under review.

The decrease in the carrying values was largely the result of the spin-off of financial instruments into EAA as well as repayments.

30. Group Statement of Income, Quarterly Comparison

	1. 4. – 30. 6. 2011 € millions	1. 1. – 31. 3. 2011 € millions	1. 4. – 30. 6. 2010 € millions	1. 1. – 31. 3. 2010 € millions
Net interest income	298	267	435	511
Impairment charge for credit losses	- 21	- 34	5	- 142
Net interest income after impairment charge for credit losses	277	233	440	369
Net fee and commission income	62	58	94	96
Net trading result	17	9	- 233	- 163
Result from financial investments	11	- 2	- 77	13
Administrative expenses	240	240	279	270
Other operating expense and income	8	15	125	29
Restructuring expenses	126	32	28	2
Profit before income tax	9	41	42	72
Current income taxes	- 7	10	6	- 21
Deferred income taxes	- 28	11	- 20	- 12
Profit after income tax	- 26	62	28	39
Attributable to:				
- Shareholders of WestLB	- 26	62	28	39
- Non-controlling interests	0	0	0	0

31. Members of the Managing Board and Supervisory Board

WestLB Managing Board

Dietrich Voigtländer

Chairman

Hubert Beckmann

Vice Chairman

Klemens Breuer

Thomas Groß

Dr. Hans-Jürgen Niehaus (until April 30, 2011)

Werner Taiber

WestLB Supervisory Board

Michael Breuer, Chairman

President

Savings Banks and Giro Association of the Rhineland

Doris Ludwig, Vice Chairwoman

Director

WestLB AG Düsseldorf

Raimund Bär

Chairman of the Staff Council

Westdeutsche ImmobilienBank AG

Dietmar P. Binkowska

Chairman of the Managing Board

NRW.BANK

Rolf Finger

Secretary for Financial Services

ver.di Vereinte Dienstleistungsgewerkschaft

[Dietmar Fischer](#) (until May 5, 2011)

Executive Director
WestLB AG Düsseldorf

[Dr. Rolf Gerlach](#)

President
Savings Banks Association of Westphalia-Lippe

[Volker Goldmann](#)

Chairman of the Managing Board
Sparkasse Bochum

[Cornelia Hintz](#)

Secretary
ver.di Vereinte Dienstleistungsgewerkschaft

[Sigrid Janetzko](#)

Bank Director
WestLB AG Düsseldorf

[Dr. Bruno Kahl](#) (from June 24, 2011)

Under Secretary
Federal Finance Ministry

[Thomas Kreyer](#) (from May 23, 2011)

Director
WestLB AG Berlin

[Christiane Kutil-Bleibaum](#)

Director
WestLB AG Düsseldorf

[Annette Lipphaus](#)

Regional Head of Legal Protection
ver.di Vereinte Dienstleistungsgewerkschaft

[Manfred Matthewes](#)

Director
WestLB AG Düsseldorf

[Dr. Annette Messemer](#) (until June 9, 2011)

Investment Banker
Frankfurt am Main

[Hildegard Müller](#) (until June 9, 2011)

Chief Executive Officer
German Federal Energy and Water Association (BDEW)

[Heinz Paus](#)

Mayor
City of Paderborn

[Heinz-Günter Sander](#)

Director
WestLB AG Düsseldorf

[Uwe Schröder](#) (from June 24, 2011)

Assistant Secretary
Federal Finance Ministry

[Wolfgang Steller](#) (from February 24, 2011)

Former State Secretary
Düsseldorf

[Dr. Norbert Walter-Borjans](#)

Finance Minister
State of North Rhine-Westphalia

[Alexander Wüerst](#)

Chairman of the Managing Board
Kreissparkasse Köln

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the group interim statement of financial condition includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Düsseldorf, August 23, 2011

The Managing Board
WestLB AG

Dietrich Voigtländer

Hubert Beckmann

Klemens Breuer

Thomas Groß

Werner Taiber

Publications

The Interim Report and the Annual Report 2010 are also available in German. In case of doubt the German version shall be binding.

Our annual reports and interim reports as well as company presentations can be inspected and downloaded at www.westlb.com/ir.

Our Press Department and our Investor Relations Department will be pleased to answer your questions concerning the Interim Report and WestLB AG.

Our interim reports are printed on FSC-certified paper.

WestLB AG

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Disclaimer

Reservation regarding forward-looking statements

This interim report contains forward-looking statements on our business and earnings performance, estimates, forecasts and expectations. The statements entail risks and uncertainties, as there are a variety of factors which influence our business and to a great extent lie beyond our sphere of influence. Above all, these include the economic situation, the state of the financial markets worldwide and possible loan losses. Actual results and developments may, therefore, diverge considerably from our current assumptions, which, for this reason, are valid only at the time of publication. We undertake no obligation to revise our forward-looking statements in the light of either new information or unexpected events.





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