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Press Release

WestLB Posts Best First-Quarter Result since 2002

- Group profit before income tax of € 250 million in the first quarter
- Costs reduced by 23%
- Second quarter off to a solid start

WestLB Group posted the best result for a first quarter since the division of the Bank in 2002 in spite of persisting challenging market conditions. Group profit before income tax at March 31, 2009 amounted to € 250 million, an increase of € 176 million compared with the adjusted result for the same period of the previous year. Twelve months ago the Bank reported a one-time ring-fence gain of € 947 million from the sale of structured securities portfolios to the Phoenix special purpose vehicle (risk shield). The current result for the first quarter does not include any effects from the transfer of risks from the balance sheet.

The positive result in the first quarter of 2009 is primarily attributable to significantly higher net interest income and to the net trading result. In addition, the Bank reduced administrative expenses by roughly one quarter, marking a further sustainable improvement in the cost basis.

Heinz Hilgert, Chairman of the Managing Board, said: "This is the best start to the year in the Bank's history. WestLB is profitable in its core businesses and the restructuring measures are bearing fruit. By strengthening the customer business we have set the Bank on the right course. Moreover, the end of the state aid proceedings with the European Commission and the approval of the restructuring plan give us the planning and legal certainty we need to press ahead along the path we have chosen. The Commission has confirmed the Managing Board's assessment that the core bank is structured for long-term profitability."

Sharp Rise in Net Interest Income

Net interest income rose by € 154 million in the first quarter of 2009, up 64% to € 394 million from the same period of the previous year. The increase resulted mainly from the positive development of money market business as well as higher margins in new business with real estate and corporate clients. As a consequence of the global recession, the impairment charge for credit losses rose to € -174 million (Q1 2008: € -120 million after adjustment). The Bank made adequate provisions for all discernible risks.

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Net fee and commission income decreased slightly compared with the year-earlier period from € 83 million to € 73 million. Income from the lending and syndicated lending business and from payment transactions was stable; there were decreases in the securities and custody business due to weak equity markets and sluggish certificates business, reflecting the special impact of the financial market crisis on the securities business.

The net trading result of € 212 million was influenced especially by the successful business with interest rate products, above all by the very successful start in issuing business with a large number of mandates in the corporate and banking sector and lively placement business. This was offset by market value losses of € 260 million on top-rated securities (essentially bonds issued by European governments and municipal bonds), which continue to be reported in the fair value option (no reclassification). There were positive effects from spread changes on own liabilities amounting to approximately € 290 million. In the year-earlier period the net trading result stood at € -41 million after adjustment for the Phoenix effect. The result from financial investments in the first quarter of 2009 of € 10 million (Q1 2008: € -4 million after adjustment) was mainly accounted for by the sale of participations.

Sustainable Improvement in Cost Basis

The measures taken to reduce personnel and operating costs continued to bite: In the first three months of 2009, administrative expenses declined by € 83 million (-23%) to € 280 million compared with the same quarter of the previous year. A crucial contribution here was made by personnel expenses, which fell by € 64 million (-33%) to € 131 million. Changed remuneration structures involving lower non-linear salary components and the scheduled headcount reductions played a major role in this regard. In the first three months of 2009 the number of full-time employees fell by a further 131 to 5,532 compared to the end of 2008, 578 fewer than at the end of the first quarter of last year. Thanks to the systematic management of operating costs, other administrative expenses decreased by € 20 million (-13%) to € 130 million. IT and advisory costs, in particular, declined.

Core Segments on Target

Profit before taxes in the **Verbund & Real Estate** segment rose by € 20 million to € 31 million compared to the year-earlier period. The successful money market and real estate business, in particular, contributed to a € 19 million increase in net interest income.

Despite challenging market conditions, there was a sharp increase in operating income in the **Corporates and Structured Finance** segment in the first quarter. The strong position in the promissory note business, in acquisition finance and in international project finance business (No. 7 worldwide) deserves special mention in this regard. The segment result was

adversely affected, however, by an impairment charge for credit losses of € 63 million and amounted to € 40 million (Q1 2008: € 58 million).

In the **Capital Markets** segment, the strong start to the year in issuing business, together with successes in the money market business and with structured interest rate products, were the main factors influencing the result for the first quarter. At € 271 million, profit was substantially higher than in the previous year (€ -43 million), demonstrating the proven strength of the Bank in this field.

In **Transaction Banking**, growth in domestic and international payment transactions, card business and new business of readybank ag resulted in higher net interest income and net fee and commission income. The sharp drop in money market interest rates, on the other hand, had an adverse impact on profit in the payments field.

In the context of the scheduled reduction of risk-weighted assets, the total assets of the WestLB Group decreased by € 15.0 billion to € 273.1 billion compared to the end of 2008. Equity capital rose by € 0.2 billion to € 4.0 billion.

Foundations Laid for Future Viability

The encouraging start to the year confirms that WestLB remains on course in the financial market crisis. In operating and strategic terms it is in a much stronger position than a year ago. The restructuring plan agreed with the European Commission secures the future viability of the profitable core bank, also from the point of view of the Commission. According to Competition Commissioner Neelie Kroes, the decision also opens up "possibilities for a more comprehensive restructuring of the German Landesbanks". Going forward WestLB will focus on three segments: Verbund/Mid-Caps, Transaction Banking, and Capital Markets/Corporates/Structured Finance.

Heinz Hilgert added: "The promising development of our business has continued into the second quarter, and in April there was a further marked improvement in our profits."

It is, however, not yet possible to make a forecast for the full year owing to the considerable uncertainty about future economic development.

Enclosures

Group Statement of Income January 1 – March 31, 2009
Group Balance Sheet as at March 31, 2009

The full Interim Report will be published as planned on May 28, 2009.

Statement of Income for the Period January 1 – March 31, 2009 for the WestLB Group

€ millions	1.1 – 31.03.2009	1.1. - 31.03.2008	Change
GROUP STATEMENT OF INCOME			
Net interest income	394	240	154
Impairment charge for credit losses	-174	-57 (-120*)	-117 (-54*)
Net interest income after impairment charge for credit losses	220	183 (120*)	37 (100*)
Net fee and commission income	73	83	-10
Net trading result	212	733 (-41*)	-521 (253*)
Result from financial investments	10	106 (-4*)	-96 (14*)
Administrative expenses	280	363	-83
Other operating income and expense	15	279	-264
Profit before income tax	250	1,021 (74*)	-771 (176*)
Income taxes	-38	25	-63
Profit after income tax	212	1,046	-834

*Adjusted for effects of the one-time ring-fence gain of € 947 million from the sale of structured securities portfolios to the Phoenix independent special purpose vehicle

Balance Sheet as at March 31, 2009 for the WestLB Group

€ billions	31.03.2009	31.12.2008	Change
ASSETS			
Cash and balances with central banks	0.5	2.1	-1.6
Loans and advances to banks	11.5	11.8	-0.3
Loans and advances to customers	112.2	112.2	0
Allowances for losses on loans and receivables	-1.4	-1.2	-0.2
Receivables under reverse repo transactions	25.8	30.0	-4.2
Trading assets	79.8	88.2	-8.4
Financial assets designated at fair value	24.9	26.2	-1.3
Financial investments	11.0	11.3	-0.3
Other assets	8.8	7.5	1.3
Total assets	273.1	288.1	-15.0

LIABILITIES AND EQUITY			
Liabilities to banks	23.6	35.6	-12.0
Liabilities to customers	25.6	29.7	-4.1
Certificated liabilities	36.2	35.2	1.0
Liabilities under repurchase agreements	44.7	41.4	3.3
Trading liabilities	65.2	67.9	-2.7
Financial liabilities designated at fair value	60.4	62.3	-1.9
Subordinated debt	5.7	6.3	-0.6
Equity	4.0	3.8	0.2
Other liabilities	7.7	5.9	1.8
Total liabilities and equity	273.1	288.1	-15.0