

Interim Report as at 30 June 2009

in accordance with International Financial Reporting Standards (IFRSs)

Key Figures for the Group

English translation

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million	Change € million	%
Income Statement				
Net interest income	86.9	84.4	2.5	3.0
Allowance for losses on loans and advances	- 18.3	- 10.0	- 8.3	83.0
Net interest income after allowance for losses on loans and advances	68.6	74.4	- 5.8	- 7.8
Net fee and commission income	15.9	18.8	- 2.9	- 15.4
Net trading income	11.0	9.5	1.5	15.8
Net income from non-current financial assets	- 11.0	1.5	- 12.5	< 100.0
Administrative expenses	41.5	40.9	0.6	1.5
Profit before tax	42.8	60.6	- 17.8	- 29.4
Income taxes	0.1	0.1	0.0	0.0
Profit/loss from discontinued operations and non-current assets held for sale, net of tax	1.3	0.5	0.8	> 100.0
Consolidated profit for the period	30.8	51.0	- 20.2	- 39.6

	30 June 2009 € million	31 Dec. 2008 € million	Change € million	%
Balance Sheet				
Total assets	27,249.4	26,170.9	1,078.5	4.1
Equity	904.2	861.0	43.2	5.0

	30 June 2009 %	31 Dec. 2008 %	Change percentage points
Key Figures			
Tier 1 ratio (Basel II)	8.3	8.4	- 0.1
Cost/income ratio*	36.5	35.5	1.0
Return on equity before taxes*/**	9.1	13.5	- 4.4

	30 June 2009 absolute	31 Dec. 2008 absolute	Change absolute	%
Employees				
Total***	487	515	28	- 5.4

Rating***

Standard & Poor's rating for Westdeutsche ImmobilienBank AG

- long-term BBB+

- short-term A-2

Mortgage Pfandbriefe AAA

Public-sector Pfandbriefe AAA

* The cost/income ratio and return on equity figures were calculated excluding discontinued operations.

** Extrapolated for the year as a whole

*** Annual average, excluding staff on parental leave

**** Status May 2009

Dear Clients,

Trust, reliability and stability are of pivotal importance for banks in their relationships with customers and must therefore be firmly anchored in their business models. The financial market and economic crisis is a trial that will show how resilient these business models actually are.

WestImmo is a reliable partner to its customers and attaches great importance to a business policy that is focused on long-term stability. Our core business is and will remain national and international commercial real estate financing.

We successfully lived up to this goal despite the challenges we faced in the first half of 2009.

Despite the tough market environment, WestImmo recorded healthy results in the first six months. We increased our operating income year-on-year and with consolidated profit before tax of €42.8 million, we beat the target we had set ourselves. This demonstrates that our business model is sustainable and resilient in the long term.

As expected, risk costs rose year-on-year to €29.3 million. Compared with the rest of the market, however, they remained at a low level. A partial amount of €11 million was reported in net income from non-current financial assets in connection with the restructuring of loan-equivalent equity investments.

At €3.1 billion, the volume of new commercial real estate business was up slightly by 3.3% on the previous year, reflecting our success in the first six months of the year. The severe distortions that occurred in some cases in the international arena were not seen on the German market. Our domestic market has proven to be one of the most stable real estate markets in this environment.

The increase in our commercial real estate business is a combination of two main factors:

Firstly, we have significantly extended our market penetration. Whereas many competitors have withdrawn from markets, WestImmo maintained a constant presence. This should have a positive long-term effect on the Company and its markets. We remain committed to our objectives of further diversifying and internationalising our business.



Peter Knopp
Chairman of the Managing Board

Secondly, WestImmo has again demonstrated that it is a reliable partner. Even at the height of the financial market crisis, we were willing and able to respond to financing inquiries from our customers. In doing so, we have remained true to our principles: we enter into transactions that offer a healthy balance of risks and returns. Our continuous presence in the new business segment has helped WestImmo enhance its reputation in all of the markets in which it is represented.

A significant factor in the success of our operating activities was the ongoing expansion of our role as an arranger and agent for club deals. The decision to grow our business model in this direction has proved to be the right one.

A good example of this is the financing for the “Trois Quartiers” retail and office complex in Paris. Together with two partners, WestImmo – acting as agent and co-arranger – provided a €140 million loan in June 2009 to purchase the property. This transaction was one of the largest seen in the European markets in the first half of the year. In the USA, WestImmo participated in the financing of the Bank of America Towers – One Bryant Park. This transaction had a total financing volume of around \$1.3 billion, and was the largest real estate financing deal in the USA since the collapse of investment bank Lehman Brothers Inc. in September 2008. The good start we have made to the second half of the year can be seen among other things from our participation as co-arranger in the financing of Galeria Mokotów in Warsaw. With a credit volume of €205 million, this was the largest real estate financing completed in Central and Eastern Europe to date in 2009.

Our cooperation with the savings banks also continues to record encouraging growth. The volume of loans syndicated to savings bank group partners in the first six months of 2009 has already exceeded the figure for full-year 2008 by 17.5%. The number of savings banks with which WestImmo cooperates also grew.

For WestImmo, our partners in the savings bank group are also our first port of call when it comes to the planned transfer of our existing private construction finance portfolio. Our plan is to transfer the loans, which have a total volume of €4.3 billion, in stages to the savings banks in the relevant regions. This demands thorough advance preparation, and we plan to start the first transactions in the course of this year.

We can also point to successful transactions on the refinancing side. The issuance of a large Pfandbrief was a particular highlight: with a volume of €500 million, it represents WestImmo's return as a benchmark issuer. The rapid placement of the entire instrument at acceptable terms underscores the confidence the capital markets place in us.

The condition imposed by the European Commission on WestLB to sell its 100% interest in WestImmo will not directly affect our operating business. WestImmo can successfully implement its business model independently of the ownership structure.

The main focus for us is to continue along the path we have chosen and to position WestImmo for the long term as a strong partner for commercial real estate financing transactions.

As the situation on the global economy and the capital markets remains uncertain, we are unable at the present time to provide concrete guidance for our 2009 results. However, we are convinced that the Bank will be able to demonstrate its profitability. We remain committed to our goal of writing new business worth around €6.0 billion this year, thus matching the level achieved in 2008 (€6.0 billion).

We would like to thank you for the confidence you have placed in us and for our successful cooperation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Peter Knopp'.

Peter Knopp

Chairman of the Managing Board

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At a Glance

Westdeutsche ImmobilienBank AG (WestImmo) can look back on a successful first six months of 2009. The Bank significantly increased its operating profitability compared with the prior-year period and further improved its cost/income ratio on the back of stronger income and strict cost management. Consolidated profit before tax of €42.8 million was ahead of the Bank's own target.

This positive development is due in particular to a further increase in net interest income. WestImmo wrote new business throughout the first six months of 2009, acting as a reliable financing partner for its customers. The Bank further improved its reputation and expanded its customer base thanks to its active presence on the markets.

WestImmo's business model has thus proved to be sustainable even in a difficult market environment.

Corporate Strategy and Implementation

WestImmo specialises in commercial real estate finance and structured real estate transactions in Germany and abroad. As a member of the savings bank group, it is also intensifying cooperation with partners in the group. The core elements of its strategy for sustainable, value-driven growth are its proactive, risk-driven loan portfolio management and the expansion of its portfolio and exit management.

Continued internationalisation, increased agent and arranger activities

WestImmo continued to internationalise its business activities in the first six months of 2009.

The market for syndicated loans remained dominated by club deals. WestImmo further expanded its activities as an agent and arranger for large-scale transactions and is firmly established in the market as a reliable financing partner.

The Group is mainly active in the banking business, and the streamlining of non-strategic investments streamlined.

Sale of the private construction finance portfolio

Following the decision in 2008 to discontinue new private construction financing business at the beginning of 2009, WestImmo prepared the ground for selling the existing portfolio, which amounts to €4.2 billion. WestImmo plans to transfer the portfolio in tranches, primarily to the savings banks active in the relevant regions.

Market Environment

Economic Environment

The global economy continued to slide in the first half of 2009, although signs that it was gradually bottoming out increased towards the end of the reporting period. Overall, however, the situation continues to be marked by uncertainty.

The Federal Republic of Germany recorded the sharpest decline in economic output in its history. Export-driven industries such as engineering, plant manufacturers and the automobile industry were hit particularly hard. Following a sharp fall in real gross domestic product (GDP) in the first quarter of 2009 (– 6.9% year-on-year), signs of stabilisation increasingly emerged towards the end of the first half of 2009.

In the European Union as a whole (EU 27), GDP declined by around 4.7% year-on-year in the first quarter of 2009. The United Kingdom recorded negative growth of 4.9% during this period, while GDP contracted by 3.2% in France and 3.0% in Spain. In these markets, too, the downward trend eased off towards the end of the first half of 2009. Poland was the only EU economy to record slight economic growth, at 1.8%.

The recession also continued in the United States, where economic output fell by 2.5% in the first three months of 2009. However, the downward trend also slackened here towards the end of the reporting period.

The Japanese economy suffered a particularly sharp collapse in economic output in the first quarter of 2009. GDP retreated by 8.4% year-on-year. Here, too, there were the first signs towards the end of the second quarter of 2009 that the most severe recession since the end of World War Two was slowly coming to an end, as industrial output and consumer spending picked up.

The Commercial Real Estate Markets

The commercial real estate market experienced a decline in the number of transactions in the first six months of 2009, accompanied by a decrease in the average volume per transaction. In Germany, for example, the trading volume recorded for commercial real estate dropped by more than 70% year-on-year.

Real estate valuations declined in almost all the markets that are relevant for WestImmo in the reporting period. The recession had a negative effect on the market for office and retail properties, although there were in some cases significant differences in the intensity of the downward trend.

The German real estate market was relatively robust by international standards. Occupancy rates for offices and retail properties were largely stable. Estate agents reported no more than slight decreases for prime office rents; no significant decline in rents or increase in vacancy rates was evident in the case of retail properties. The picture was similar in France.

By contrast, real estate asset values declined substantially in other European markets, such as the United Kingdom and Spain (especially in the investment centres of London and Madrid). The same applies to the rents obtainable there. Office vacancy rates increased, while occupancy rates for retail properties remained stable.

Real estate market trends in Central and Eastern Europe were also impacted by the economic downturn. Vacancy rates in Poland and the Czech Republic in the first half of 2009 were higher year-on-year. Prime rents displayed diverging trends: while rents in the Czech office markets remained stable, they declined in Poland.

Continuing price corrections were recorded for commercial real estate in the United States. Locations in both core and peripheral markets were affected equally by growing vacancy rates. The picture in Japan differed from region to region: although rents declined in Tokyo, they remained largely stable in Osaka.

In markets that suffered particularly sharp falls in prices – such as London – attractive investment opportunities started emerging again, especially in the second quarter. This prompted a revival in activity on the transaction market at the end of the second quarter, with increasing signs that real estate asset values were bottoming out. This positive trend gathered pace in the first few weeks of the second half of the year.

The markets for real estate financing

The trend – already evident in 2008 – for a growing number of exit-oriented players to withdraw from the market continued in the first half of 2009. Many institutions focused increasingly on their domestic markets and either considerably reduced their international presence or announced that they would be doing so.

As a rule, expiring financing arrangements were prolonged by the banks, although the conditions were adjusted. According to market observations, lenders generally took a flexible approach if individual covenants were breached.

Real estate finance providers increased their new business activities in the second quarter in line with the gradual improvement in refinancing conditions. However, new lending commitments remained well below the level seen before the crisis. The focus was on high-quality real estate in central locations (core properties). Higher-volume loans continued to be structured almost exclusively as club deals.

In the securitisation market, increased demand for high-quality securitisation transactions, primarily in the AAA segment, resulted in a slight recovery.

Refinancing Markets

Following the collapse of US investment bank Lehman Brothers Inc. in September 2008, activity on the refinancing markets continued to suffer from a lack of trust in the first six months of 2009. To provide the banks with sufficient liquidity, central banks the world over made drastic cuts in their key lending rates. Over the course of the first six months of 2009, the European Central Bank cut its key rate in several stages to the current level of 1.0%.

Because of the high level of security it offers, the Pfandbrief market was the first to regain interest and investor confidence. Smaller issues had already started to be placed on the market since the beginning of the year, and the market gradually opened again for larger volumes in the second quarter. Spreads narrowed over the first half of 2009, but were still well ahead of the levels seen before the financial market crisis escalated. Compared with foreign covered bond markets, spreads on German Pfandbriefe were significantly lower because of their security structure.

To pump further liquidity into the markets, the ECB announced a programme in May 2009 to buy covered bonds, which include Pfandbriefe. The programme volume is €60 billion, and it will run over twelve months from July 2009.

Changes in the Central Savings Bank Environment

Political pressure to consolidate the central savings banks increased in light of European state aid proceedings, triggered by individual support measures by German states for central savings banks. Rating agency Standard & Poor's cut its long-term ratings for most central savings banks on 6 May 2009.

On 12 May 2009, the European Commission approved the €5 billion guarantees for WestLB by its owners. The approval is subject to a number of conditions, including that WestLB must sell its interest in WestImmo by way of a non-discriminatory bidding procedure. WestLB holds all shares of WestImmo.

This condition does not directly affect WestImmo's continued existence and its operating business. WestImmo will successfully continue its business model independently of its ownership structure.

Business Position

In the first six months of 2009, WestImmo increased the volume of new commercial real estate financing business by 3.3% to €3,121.1 million (first six months of 2008: €3,022.8 million). The high and improved quality of the new business helped ensure the further optimisation of the portfolio's risk/return profile.

WestImmo increasingly took the role of lead agent and arranger, bolstered by its stronger market reputation.

The breakdown of the volume of new commercial business reflects the high standards that the Bank imposes on its risk/return profile, which aim to further optimise its portfolio of new business.

New private construction financing business amounted to €19.9 million (first six months of 2008: €305.6 million) in the first six months of 2009 because of the strategic focus on commercial real estate financing and transactions.

Breakdown of new business by location of properties as at 30 June 2009



The increase in the volume of new commercial business is due primarily to an expansion of business in Germany, which was mainly transacted with institutional investors. In light of the financial market crisis, Germany has proven to be the most stable real estate market in comparative terms.

The projects implemented as part of real estate joint ventures progressed according to schedule. In the other European markets, WestImmo was active in new business to a varying extent, depending on the relevant market situation. While new business in France was stable compared with the first six months of 2008, the volume acquired in the United Kingdom, Spain and Central and Eastern Europe declined significantly.

New business overseas dropped back slightly because of the difficult market situation. In the United States, WestImmo increased its fee and commission income significantly above the projection because it increasingly acted as agent and arranger, although the lending volume was lower. In its Asia-Pacific target markets, the Bank responded to the market situation by cutting the volume of new business. It focused on increasing the visibility of its WIB Real Estate Finance Japan K.K. subsidiary, opened in 2007, and on higher market penetration.

Savings Banks

Cooperation with savings bank group partners recorded positive growth. Both the number of savings banks that collaborate with WestImmo and the volume generated increased significantly compared with the first six months of 2008. WestImmo participates in commercial real estate financing transactions arranged by savings banks that they cannot manage themselves because of the size or for risk management reasons. The corresponding lending volume grew by 17.5% year-on-year in the first half of 2009.

WestImmo also offers these institutions an opportunity to participate in its financing transactions and thus to optimise their own portfolios. In the first half of 2009, the volume of commercial real estate loans syndicated to savings banks already exceeded the volume for full-year 2008 by 39.4%.

Exit and Portfolio Management

The Bank successfully structured financing transactions as lead manager in the first half of 2009 and placed them in the market, thereby extending its position as arranger and agent. In the first six months, €458 million was placed in the bank and savings bank market out of a total arrangement volume of €1.06 billion. At the same time, the management tools for both new business and portfolio optimisation were enhanced. The Bank entered into a €550 million true sale securitisation in the first half of 2009 as a refinancing instrument.

Results of Operations

WestImmo generated profit before tax (EBT) of €42.8 million in the first six months of 2009. The difference to the previous year's pre-tax profit of €60.6 million is due primarily to the planned higher allowance for losses on loans and advances, which was nevertheless below the market average. This underscores the high quality of WestImmo's loan portfolio.

In light of the difficult market environment, the Bank believes that its reported EBT confirms its earnings power. It was also slightly ahead of the Bank's own projections.

The Bank's net interest income increased by 2.9% as against the first half of 2008 to a total of €86.9 million. Net fee and commission income declined by €2.9 million year-on-year to €15.9 million, although it beat the Bank's own target by more than 15%. The net loss from non-current financial assets was €11.0 million, following net income of €1.5 million in the prior-year period. The change is due largely to the restructuring of loan exposures.

Administrative expenses remained almost unchanged year-on-year at €41.5 million (first six months of 2008: €40.9 million). At €-0.2 million, net other income and expenses was slightly negative, although it improved significantly compared with the figure for the first six months of 2008 (€-2.6 million).

Specific loan loss allowances of €18.3 million (previous year: €10.0 million) were recognised in the first six months of 2009. Including write-downs on loans and – in connection with the restructuring of two loan exposures – on loan-equivalent equity investments, portfolio-based valuation allowances and recoveries on loans previously written off, the net allowance for losses on loans and advances amounted to a total of €31.4 million, which is within the range of projections.

Driven by rising income and strict cost management, WestImmo cut its cost/income ratio (CIR) by 0.1 percentage points compared with year-end 2008 to 36.5%, and thus in excess of projections. The return on equity (RoE) amounts to 9.1%, which is also significantly higher than projected (first six months of 2008: 13.5%). The Bank changed its calculation of RoE last year. RoE is now calculated by taking the ratio of EBT to the annual average of the components of equity, comprising subscribed capital, capital reserves and retained earnings.

Since the decision to sell the Private Customers segment, this has been presented separately as a discontinued operation. WestImmo presents the amounts generated in this segment cumulatively in a separate item. The RoE including the discontinued segment is 9.3% (previous year: 12.2%), and the cost/income ratio is 36.6% (previous year: 41.4%).

Consolidated profit for the first six months of 2009 amounts to €30.8 million, following €51.4 million in the previous year.

Financial Position and Net Assets

WestImmo's total assets as at 30 June 2009 amounted to €27,249 million; this represents growth of 4.1% compared with the figure as at 31 December 2008. €15,499 million of this total is attributable to loans and advances to customers, corresponding to a 3.8% increase as against the figure at the end of 2008.

The amount reported as "Discontinued operations and non-current assets held for sale" (mainly private customer business) remained almost constant as against the 2008 year-end, at €4,294 million.

The tier 1 ratio rose by 0.9 percentage points as against 30 June 2008 to 8.3%, thus confirming the figure as at 31 December 2008 (8.4%).

Refinancing

WestImmo issued Pfandbriefe and unsecured debt instruments with a volume of €2,230 million in the first six months of 2009. This represents a rise of almost 50% compared with the figure for the previous year (€1,492 million). The volume was in line with projections, and the refinancing costs were acceptable.

In June 2009, WestImmo placed one of the larger issues on the Pfandbrief market since the beginning of the year in the shape of a €500 million mortgage Pfandbrief with a term of three and a half years. This saw WestImmo return to the market as a benchmark issuer after a break of five years.

The downgrade of central savings bank ratings by Standard & Poor's (S&P) also affected WestImmo. The cut in WestLB's long-term rating from A- to BBB+ also lowered WestImmo's long-term rating to BBB+.

WestImmo's short-term rating (A-2) and the rating for WestImmo Pfandbriefe (prime-rated at AAA) were confirmed by S&P. No material deterioration in funding costs was evident as a result in the downgrade in the Bank's long-term rating.

Human Resources

The WestImmo Group had 511 employees at the end of the first six months of 2009, of whom 492 were employees of the Bank. Compared this represents a slight decline in the number of employees compared with 31 December 2008. At 224.5 female employees and 267.5 male employees, the Group has a balanced workforce in terms of gender.

Risk Report

Risk management is a core function of the lending and other processes in the WestImmo Group and a significant component of its end-to-end strategic and operational management. The Bank's risk management and monitoring processes are based on concrete risk/return targets, and focus on early risk identification and far-reaching risk mitigation. Implementation takes the form of appropriately designed risk management structures and processes at the Bank and in the Group.

In order to measure the risk associated with all exposures and to determine regulatory capital requirements, the Bank has implemented the Advanced Internal Rating Based Approach in accordance with the *Solvabilitätsverordnung* (SolvV – German Solvency Regulation). Before being approved, the processes were subjected to extensive examination by the *Bundesanstalt für Finanzdienstleistungsaufsicht* (BaFin – Federal Financial Supervisory Authority) and the Deutsche Bundesbank. The Bank uses internally developed credit quality and transaction rating procedures for real estate financing in all customer and product segments; these are continually reviewed to ensure their suitability and compliance with regulatory standards, and are adjusted if required.

The loan losses to be expected in light of a deteriorating macroeconomic environment were reflected in an almost 100% increase in the projected net expenses for credit risks as part of the budget defined for fiscal year 2009. In the course of the current fiscal year, the Bank provided for acute default risks by increasing the volume of specific valuation allowances and provisions for the Bank's loans and advances to customers from €214.4 million as at 1 January 2009 to €236.5 million as at 30 June 2009.

WestImmo uses the economic capital concept to measure its risk-bearing capacity and for internal management purposes. This allows it to capture the risks and rewards of its business activities.

At the end of the first six months of 2009, the economic capital used by WestImmo amounted to €337.3 million, or €86.1 million lower than the limit specified by the Bank itself (€423.4 million). 65% or €274.9 million of the capital utilised relates to credit risk (counterparty credit risk).

Report on Post-balance Sheet Date Events

Between the reporting date of 30 June 2009 and the date of preparation of this management report, there were no significant events that could affect WestImmo's business, results of operations, financial position, or net assets.

Outlook

To counteract the effects of a prolonged recession and support economic growth, individual countries have launched comprehensive economic stimulus packages. These measures were accompanied by the expansionary monetary policy adopted by the central banks. However, these efforts had barely any impact on the economic data for the first six months of 2009, and their initial effects are expected for the second half of 2009. Slight economic growth in the second half of the year is forecast for many industrial countries.

Given these factors, a general revival in the investment markets can be presumed, and current price levels offer good opportunities for this.

However, growth trends are likely to vary in the rental markets of the individual countries, depending on the extent of the adjustments that have already occurred. While this process could well already have been completed to a significant extent in traditionally volatile markets such as the United Kingdom or the United States, some other markets are only at the beginning of this trend. Retail properties are likely to experience comparatively stable growth in 2009.

The stabilisation of the banking sector that began in the second quarter of 2009 will continue – provided that there are no further shocks to the financial system. Pfandbrief banks in particular will again transact more new business because of the improved refinancing opportunities. This will also see increased competition for loans with a good risk structure. This applies to all of WestImmo's markets.

Going forward, the banks will probably continue to structure high-volume loans exclusively as club deals. However, there are signs that institutions are occasionally again taking larger tranches entirely onto their own books.

The Pfandbrief market will continue to recover and spreads will continue to move away over the next few months from the peaks seen at the beginning of the crisis.

Expected Developments at WestImmo

In the second half of 2009, the Bank will further extend its strategic focus as a specialist in commercial real estate financing and structuring transactions in Germany and abroad, and as a partner in the savings bank group, and will drive forward the optimisation of its own structures.

A high priority for management is to further intensify the Bank's activities in portfolio and exit management and thus optimise the structure of its new business and loan portfolio.

The first transaction are expected to be initiated this year as part of the planned transfer of the private construction finance portfolio to partners in the savings bank group.

Building on the progress achieved in the first six months, the volume of the joint commercial real estate financing and syndication business with savings banks will further increase.

WestImmo's good positioning in its foreign markets will form the basis for further selective expansion of its international business.

WestImmo will continue to write new business in all of its target markets provided that the transaction in question meets its risk requirements and matches the loan portfolio. The Bank continues to assume that it will reach a volume of new business in the current year that corresponds to the level recorded in 2008 (€6.0 billion).

Mainz, 13 August 2009



Dr. Peter Knopp



Claus-Jürgen Cohausz



Rainer Spielmann

Interim Condensed Consolidated Financial Statements

English translation

Income Statement

	Note	1 Jan.–30 June 2009 €	1 Jan.–30 June 2008 €	Change €	%
Interest (and similar income)		855,502,957.93	1,072,136,713.79	- 216,633,755.86	- 20.2
Interest (and similar expense)		768,641,488.22	987,733,429.30	- 219,091,941.08	- 22.2
Net interest income	(8)	86,861,469.71	84,403,284.49	2,458,185.22	2.9
Allowance for losses on loans and advances	(9)	- 18,285,286.63	- 9,989,978.59	- 8,295,308.04	83.0
Net interest income after allowance for losses on loans and advances		68,576,183.08	74,413,305.90	- 5,837,122.82	- 7.8
Fee and commission income		18,825,497.07	21,239,153.23	- 2,413,656.16	- 11.4
Fee and commission expense		2,880,233.11	2,420,166.11	460,067.00	19.0
Net fee and commission income	(10)	15,945,263.96	18,818,987.12	- 2,873,723.16	- 15.3
Net trading income	(11)	10,956,464.34	9,467,359.26	1,489,105.08	15.7
Net income from non-current financial assets	(12)	- 10,956,191.94	1,496,177.88	- 12,452,369.82	< 100.0
Administrative expenses	(13)	41,484,261.66	40,941,480.84	542,780.82	1.3
Net other operating income and expenses	(14)	- 226,206.00	- 2,644,677.79	2,418,471.79	- 91.4
Profit before tax		42,811,251.78	60,609,671.53	- 17,798,419.75	- 29.4
Current income taxes		112,897.22	139,367.96	- 26,470.74	- 19.0
Deferred taxes		13,176,731.59	9,909,694.83	3,267,036.76	33.0
Profit/loss from continuing operations		29,521,622.97	50,560,608.74	- 21,038,985.77	- 41.6
Profit/loss from discontinued operations and non-current assets held for sale, net of tax	(35)	1,301,476.28	482,047.64	819,428.64	> 100.0
Consolidated profit for the period		30,823,099.25	51,042,656.38	- 20,219,557.13	- 39.6
of which:					
- attributable to WIB shareholders		30,440,621.95	51,448,761.58	- 21,008,139.63	- 40.8
- losses attributable to minority interest		382,477.30	- 406,105.20	788,582.50	< 100.0

Balance Sheet

English translation

Assets

	Note	30 June 2009 €	31 Dec. 2008 €	Change €	%
Cash and balances with central banks		10,185,890.84	30,200,251.87	- 20,014,361.03	- 66.3
Loans and advances to banks	(15)	1,799,311,143.46	1,364,042,939.30	435,268,204.16	31.9
Loans and advances to customers	(16)	15,499,869,300.79	14,933,208,909.89	566,660,390.90	3.8
Allowance for losses on loans and advances	(18)	- 232,650,625.97	- 217,538,714.05	- 15,111,911.92	6.9
Financial assets held for trading	(19)	743,108,551.88	861,845,315.99	- 118,736,764.11	- 13.8
Positive fair values of derivative hedging instruments	(20)	141,067,776.98	118,560,232.89	22,507,544.09	19.0
Financial assets designated at fair value through profit or loss	(21)	672,725,971.93	830,082,835.27	- 157,356,863.34	- 19.0
Non-current financial assets	(22)	3,802,252,379.24	3,437,097,927.64	365,154,451.60	10.6
Property and equipment	(23)	3,730,082.99	4,072,341.53	- 342,258.54	- 8.4
Intangible assets	(24)	5,036,240.12	5,913,698.86	- 877,458.74	- 14.8
Tax receivables	(25)	401,556,766.92	420,807,748.75	- 19,250,981.83	- 4.6
Other assets		108,692,762.66	88,781,796.77	19,910,965.89	22.4
Discontinued operations and non-current assets held for sale	(36)	4,294,562,540.16	4,293,871,262.56	691,277.60	0.0
Total assets		27,249,448,782.00	26,170,946,547.27	1,078,502,234.73	4.1

Equity and Liabilities

	Note	30 June 2009 €	31 Dec. 2008 €	Change €	%
Deposits from banks	(26)	7,035,785,252.66	6,825,826,390.13	209,958,862.53	3.1
Deposits from customers	(27)	6,177,471,693.05	5,756,043,582.30	421,428,110.75	7.3
Securitised liabilities	(28)	8,609,662,303.43	8,306,744,971.29	302,917,332.14	3.6
Financial liabilities held for trading	(29)	777,025,639.74	896,798,867.55	- 119,773,227.81	- 13.4
Negative fair values of derivative hedging instruments	(20)	222,043,794.98	264,510,033.14	- 42,466,238.16	- 16.1
Liability recognised for fair value changes of hedged items in portfolio hedge of interest rate risk	(30)	1,150,007.42	1,243,168.04	- 93,160.62	- 7.5
Financial liabilities designated at fair value through profit or loss	(31)	2,301,085,217.51	2,005,473,145.01	295,612,072.50	14.7
Provisions	(32)	57,868,937.95	57,876,013.49	- 7,075.54	0.0
Tax liabilities	(33)	380,716,377.94	379,696,777.54	1,019,600.40	0.3
Other liabilities		46,539,351.62	96,231,957.64	- 49,692,606.02	- 51.6
Subordinated capital	(34)	574,730,262.37	563,030,347.42	11,699,914.95	2.1
Non-current liabilities associated with discontinued operations and non-current assets held for sale	(36)	161,187,232.89	156,439,664.31	4,747,568.58	3.0
Equity		904,182,710.44	861,031,629.41	43,151,081.03	5.0
- Subscribed capital		400,000,000.00	400,000,000.00	0.00	0.0
- Capital reserves		443,370,114.07	443,370,114.07	0.00	0.0
- Retained earnings		121,539,162.54	83,200,670.25	38,338,492.29	46.1
- Revaluation reserve		- 93,639,731.59	- 108,299,403.72	14,659,672.13	- 13.5
- Actuarial gains and losses on pension obligations		5,343,301.77	3,642,505.89	1,700,795.88	46.7
- Currency translation reserve		323,133.56	2,064,995.73	- 1,741,862.17	- 84.4
- Gains and losses on non-current assets held for sale recognised directly in equity		0.00	0.00	0.00	0.0
- Distribution to owner		0.00	- 56,801,163.32	56,801,163.32	< 100.0
- Consolidated profit for the period		30,823,099.25	96,735,502.76	- 65,912,403.51	- 68.1
Total before minority interest		907,759,079.60	863,913,221.66	43,845,857.94	5.1
- Minority interest		- 3,576,369.16	- 2,881,592.25	- 694,776.91	24.1
Total equity and liabilities		27,249,448,782.00	26,170,946,547.27	1,078,502,234.73	4.1

1. Condensed statement of changes in equity

	2009 € million	2008 € million
Equity at 1 January	861.0	915.9
Changes		
– Retained earnings	36.4	47.3
– Revaluation reserve (change in AfS financial instruments)	– 20.4	– 36.8
– Actuarial gains and losses on pension obligations	1.7	2.3
– Currency translation reserve	– 1.7	0.0
– Gains and losses on non-current assets held for sale and non-current liabilities associated with non-current assets held for sale recognised directly in equity	0.0	0.0
– Deferred taxes on items recognised directly in equity	– 4.8	11.0
– Appropriation of net retained profits/retention	– 54.9	– 92.1
– Distribution to owner	56.8	43.7
– Consolidated profit for the period*	30.8	51.0
– Minority interest**	– 0.7	– 0.4
Equity at 30 June	904.2	941.9

* Based on Westdeutsche ImmobilienBank AG's share capital of €400 million, which is composed of 4.0 million registered no-par value shares, notional earnings per share amounted to €7.71. All shares are held by WestLB AG. In accordance with the provisions of an existing profit/loss transfer agreement, WestImmo AG's profit for the period is transferred to WestLB AG.

** Changes in minority interest relate to subsidiaries of WestImmo AG. The attribution of profit for the period to minority interest is included in consolidated profit for the period.

2. Condensed statement of recognised income and expense

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Consolidated profit for the period	30.8	51.0
Net income and expense recognised directly in equity*	– 31.8	– 23.5
Change in the revaluation reserve (change in AfS financial instruments)	– 28.7	– 36.8
Change in actuarial gains and losses on pension obligations	1.7	2.3
Change in deferred taxes on items recognised directly in equity	– 4.8	11.0
Income and expense recognised for the period	– 1.0	27.5
of which:		
– attributable to WestImmo shareholders	– 0.3	27.9
– losses attributable to minority interest	– 0.7	– 0.4

* The change in the revaluation reserve (change in AfS financial instruments) is due primarily to the adverse situation on the capital markets at the balance sheet date and its effect on the securities portfolio. The negative changes in securities valuations are not considered to be permanent. The changes in securities valuations are partly counteracted by offsetting effects from deferred taxes.

Condensed Cash Flow Statement

Continuing operations

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Cash and cash equivalents at 1 January	30.2	29.0
Cash flows from operating activities	83.2	133.7
Cash flows from investing activities	- 51.5	- 28.1
Cash flows from financing activities	- 56.8	- 55.8
Change in cash and cash equivalents from exchange rate movements, changes in Group structure and remeasurement	- 1.6	- 1.8
Cash and cash equivalents at 30 June	3.5	77.0

Discontinued operations

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Cash flows from operating activities	6.7	- 74.3
Cash flows from investing activities	0.0	0.0
Cash flows from financing activities	0.0	0.0
Changes in cash and cash equivalents	6.7	- 74.3

In the presentation of the cash flow statement as at 30 June 2009, amounts were subdivided on the basis of IFRS 5 (continuing operations and discontinued operations, including non-current assets held for sale).

The cash flow statement shows the composition of and changes in cash and cash equivalents during the first half of 2009. Cash flows are classified by operating, investing and financing activities. The reported cash and cash equivalents correspond to the "cash and balances with central banks" balance sheet item and comprise the "cash" and "balances with central banks" balance sheet accounts. The cash and cash equivalents of €10.2 million in the balance sheet as at 30 June 2009 are broken down between continuing operations (€3.5 million) and discontinued operations (€6.7 million).

The decision-usefulness of cash flow statements for banks must be regarded as low. The cash flow statement does not replace liquidity or financial planning for us and is not used as a management instrument.

Accounting Policies

3. Basis of preparation

We prepared this condensed interim financial report as at 30 June 2009 in accordance with the *Transparenzrichtlinie-Umsetzungsgesetz* (TUG – Transparency Directive Implementing Act) that entered into force in Germany on 20 January 2007, and in accordance with Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002 (IAS Regulation) on the basis of the International Financial Reporting Standards (IFRSs) adopted and published by the International Accounting Standards Board (IASB). In accordance with section 37w(2) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act) governing half-yearly financial reports, a half-yearly financial report must at a minimum contain condensed financial statements, an interim management report and a responsibility statement in accordance with section 264(2) sentence 3 and section 289(1) sentence 5 of the *Handelsgesetzbuch* (HGB – German Commercial Code). The report complies with the requirements of IAS 34 for interim reports. The condensed interim financial report has been prepared in euros (€). In accordance with section 37w(5) of the WpHG, WestImmo has not had the condensed financial statements and the interim management report as at 30 June 2009 either reviewed or audited by an auditor. They should be read in conjunction with WestImmo's audited consolidated financial statements financial for fiscal year 2008.

Preparation of IFRS financial statements requires management to make estimates and assumptions relating to the measurement of assets and liabilities. Actual results may differ from management's estimates. The published results are not necessarily to be seen as an indication of the expected results of the Group for fiscal year 2009.

4. Changes in presentation and accounting policies

The same accounting policies were applied in preparing the interim consolidated financial statements and comparative figures for the prior-year period as were applied in the consolidated financial statements as at 31 December 2008.

First-time application of IFRIC 9, *Reassessment of Embedded Derivatives*, the revised IAS 39, *Financial Instruments: Recognition and Measurement*, the revised IAS 32, *Financial Instruments: Presentation*, the revision to IAS 1 entitled *Puttable Financial Instruments and Obligations Arising on Liquidation*, IFRIC 15, *Agreements for the Construction of Real Estate*, the revised IAS 23, *Borrowing Costs*, and IFRS 8, *Operating Segments*, had no material effect on the accompanying interim consolidated financial statements. We did not apply new accounting pronouncements that will become effective in 2009 prior to their effective date.

For the first time, the Bank exercised the option in fiscal year 2009 to amortise to profit or loss hedge adjustments attributable to financial assets and liabilities included in hedging relationships, in accordance with IAS 39.

5. Presentation in accordance with IFRS 5

Discontinued operations, non-current assets held for sale and non-current liabilities associated with non-current assets held for sale are presented separately in the balance sheet in accordance with IFRS 5. The income and expenses relating to those items are presented separately in the income statement as “profit/loss from discontinued operations and non-current assets held for sale, net of tax”.

The decision to sell and present WestImmo’s private customer business in accordance with IFRS 5 has now exceeded the one-year limit. This is due in particular to the deterioration of the economic environment (financial market crisis). The reasons for the delay in the planned sale are therefore outside WestImmo’s control in this respect. We remain committed to our plan to sell the private customer business, and it is merely the substance of the planning for the sale that has been adjusted.

WestImmo has taken account of the change in the economic environment by modifying its strategy for disposing of the Private Customers segment to reflect the market situation so as to sell the portfolio of the now discontinued Private Customers segment.

The relevant balance sheet and income statement items are explained in further detail in notes 35 and 36.

6. Consolidated Group

The following subsidiaries, joint ventures and associates were included in WestImmo's interim consolidated financial statements as at 30 June 2009:

Subsidiaries

Germany

Westdeutsche ImmobilienHolding GmbH, Mainz

WestGkA Management Gesellschaft für kommunale Anlagen mbH, Düsseldorf

WestProject & Consult Gesellschaft für Projektentwicklung und Consulting mbH, Düsseldorf

WMO Erste Entwicklungsgesellschaft mbH & Co. KG, Bonn

WIRE 2008-1 GmbH, Frankfurt am Main

Other countries

WIB Real Estate Finance Japan K. K., Tokio, Japan

Joint ventures accounted for using the equity method*

EMG Zweite Projektgesellschaft Ludwigsfelde/Löwenbruch GmbH, Berlin (EMG Zweite GmbH)

FEN Fachmarktzentrum ehem. Eisstadion Nürnberg GmbH & Co. KG, Berlin (FEN GmbH & Co. KG)

Associates accounted for using the equity method

EMG Projekt Gewerbepark Ludwigsfelde/Löwenbruch GmbH, Berlin (EMG GmbH)

EPM Assetis GmbH, Frankfurt am Main (EPM Assetis GmbH)

* Joint ventures accounted for using the equity method in accordance with IAS 31.38 in conjunction with IAS 28.

Compared with 31 December 2008, WIRE 2008-1 GmbH, Frankfurt am Main, has been added to the consolidated Group. This company is required to be consolidated in accordance with IAS 27.12 in conjunction with SIC 12.

7. Issuing activities

In the period under review, WestImmo performed issuing activities for mortgage Pfandbriefe, borrower's note loans and bearer debt securities worth €2,174 million.

Income Statement Disclosures

The following explanatory notes on the income statement and balance sheet refer to WestImmo's continuing operations. The discontinued operations, non-current assets held for sale and non-current liabilities associated with non-current assets held for sale that are required to be presented in accordance with IFRS 5 are presented separately in notes 35 and 36.

8. Net interest income

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Interest income from		
– Lending and money market operations	320.4	405.1
– Bonds and other fixed-income securities	70.2	74.8
– Shares and other non-fixed-income securities	0.1	0.0
– Other transactions	0.4	2.7
– Derivative financial instruments in the trading portfolio	460.9	588.5
Interest income	852.0	1,071.1
Current income from		
– Other investees	0.3	0.2
– Investments in associates	– 0.2	0.8
Current income	0.1	1.0
Interest expense from		
– Deposits	194.7	204.9
– Securitised liabilities	110.5	172.6
– Subordinated capital	16.2	16.3
– Other transactions	0.6	2.6
– Derivative financial instruments in the trading portfolio	446.7	591.3
Interest expense	768.6	987.7
Loss from hedges (hedge accounting)	3.4	0.0
Total	86.9	84.4

The profit/loss from hedges (IAS 39) is composed of the following items:

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Profit/loss from hedging derivatives from	18.8	– 12.0
– of which: micro fair value hedge accounting	18.8	– 10.0
– of which: portfolio (macro) fair value hedge accounting	0.0	– 2.0
Profit/loss from hedged items from	– 15.4	12.0
– of which: micro fair value hedge accounting	– 15.4	9.9
– of which: portfolio (macro) fair value hedge accounting	0.0	2.1
Total	3.4	0.0

9. Allowance for losses on loans and advances

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Additions		
– Write-downs of receivables	– 46.7	– 37.0
– Provisions for credit risks	– 2.6	– 0.2
Reversals		
– Write-downs of receivables	28.9	25.7
– Provisions for credit risks	0.2	0.2
Recoveries on loans previously written off	2.3	1.3
Direct write-downs of receivables	– 0.3	0.0
Total	– 18.3	– 10.0

10. Net fee and commission income

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Lending business	12.2	14.4
Securities and custody business	0.6	– 0.3
Guarantees	3.6	4.2
Trust activities	0.0	0.0
Other	– 0.5	0.5
Total	15.9	18.8

11. Net trading income

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Net loss from sale of trading portfolios	0.5	– 1.1
Net loss from remeasurement of trading portfolios	43.8	– 15.9
Foreign exchange gain/loss	– 1.7	1.7
Net income from sale of financial instruments designated at fair value through profit or loss	0.0	– 3.0
Net income on remeasurement of financial instruments designated at fair value through profit or loss	– 31.7	27.8
Total	11.0	9.5

12. Net income/net loss from non-current financial assets

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Net income from sale of AfS financial assets	0.2	0.8
Net loss from remeasurement of AfS financial assets	– 11.9	– 0.2
Net income from financial investments	0.7	0.0
Net income from investment property	0.0	0.9
Total	– 11.0	1.5

13. Administrative expenses

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Employee expenses		
– Wages and salaries	19.5	21.9
– Social security contributions	2.4	2.2
– Expenses for pensions and other employee benefits	2.8	0.2
Other administrative expenses	14.9	14.7
Depreciation and amortisation of property and equipment, software and intangible assets	2.0	1.9
Total	41.5	40.9

14. Net other operating income and expenses

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Other operating income	6.4	6.3
Other operating expenses	6.6	8.9
Total	– 0.2	– 2.6

Segment Reporting

The WestImmo Group forecasts and manages its results on the basis of profit centre accounting at departmental level. The portfolios, results and resources of the individual departments or profit centres are combined into the segments that represent the WestImmo Group's areas of business and activity.

The following segment reporting is based on the management approach in accordance with IFRS 8. The segments are recognised on the basis of the WestImmo Group's internal management system and reflect the business strategy and market presence of the departments and the functional cooperation between the organisational units, as evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

Segments

Investors

National/international loans
Real estate joint ventures

Discontinued operations

Private customers

Services

Treasury
Income and expenses not directly attributable

Investments/Consolidation

Equity Investments department
Reconciliation of internal performance indicators to external financial reporting data

The following table (primary segment reporting) shows the contribution by the individual segments to consolidated profit (profit before tax) for the first six months of fiscal years 2009 and 2008. The segment results are based on internal management data that can be reconciled with data from financial accounting.

In accordance with the requirements of IFRS 5, the discontinued operations comprising the Private Customers segment are presented in the segment report separately from continuing operations.

Consolidated income statement (IFRSs) in € million	Investors	Services	Investments/Consolidation	Profit/loss from continuing operations	Profit/loss from discontinued operations	Group
Net interest income						
1 Jan.–30 June 2009	73.9	14.3	- 1.3	86.9	8.3	95.2
1 Jan.–30 June 2008	66.5	18.2	- 0.3	84.4	9.1	93.5
Allowance for losses on loans and advances						
1 Jan.–30 June 2009	- 18.7	0.0	0.4	- 18.3	- 2.7	- 21.0
1 Jan.–30 June 2008	- 12.1	0.0	2.1	- 10.0	- 0.2	- 10.2
Net fee and commission income						
1 Jan.–30 June 2009	15.0	0.8	0.1	15.9	- 2.0	13.9
1 Jan.–30 June 2008	18.6	0.0	0.2	18.8	- 2.6	16.2
Net trading income						
1 Jan.–30 June 2009	2.1	8.9	0.0	11.0	0.0	11.0
1 Jan.–30 June 2008	0.0	9.5	0.0	9.5	0.0	9.5
Net income from non-current financial assets						
1 Jan.–30 June 2009	- 10.1	0.1	- 1.0	- 11.0	0.0	- 11.0
1 Jan.–30 June 2008	1.2	0.0	0.3	1.5	0.0	1.5
Administrative expenses						
1 Jan.–30 June 2009	- 18.2	- 21.5	- 1.8	- 41.5	- 2.5	- 44.0
1 Jan.–30 June 2008	- 17.0	- 20.7	- 3.2	- 40.9	- 5.8	- 46.7
Net other operating income and expenses						
1 Jan.–30 June 2009	0.3	- 2.2	1.7	- 0.2	0.2	0.0
1 Jan.–30 June 2008	- 0.2	- 2.1	- 0.4	- 2.7	0.0	- 2.7
Profit before tax						
1 Jan.–30 June 2009	44.3	0.4	- 1.9	42.8	1.3	44.1
1 Jan.–30 June 2008	57.0	4.9	- 1.3	60.6	0.5	61.1
Segment assets						
30 June 2009	15,475.5	7,316.4	162.9	22,954.8	4,294.6	27,249.4
31 Dec. 2008	14,586.7	7,120.9	169.4	21,877.0	4,293.9	26,170.9
Segment liabilities						
30 June 2009	374.5	25,670.3	139.3	26,184.1	161.2	26,345.3
31 Dec. 2008	382.0	24,710.6	60.9	25,153.5	156.4	25,309.9

Notes on the segment reporting:

- as in the annual financial statements as at 31 December 2008, the non-attributable items in segment assets and liabilities were recognised under Services
- segment liabilities are reduced by equity
- deviations from the income statement may occur due to rounding differences

There are no measurement differences between the segment reporting and the items in the consolidated balance sheet and the consolidated income statement.

Balance Sheet Disclosures

15. Loans and advances to banks

	30 June 2009 € million	31 Dec. 2008 € million
Loans and advances to banks		
– Loans	1,491.0	1,065.6
– Other receivables	308.3	298.4
Total	1,799.3	1,364.0
of which:		
– to banks in Germany	1,548.2	1,270.0
– to banks abroad	251.1	94.0

16. Loans and advances to customers

	30 June 2009 € million	31 Dec. 2008 € million
Loans and advances to customers		
– Corporate customers	12,765.8	11,889.1
– Public sector entities	1,613.2	1,808.4
– Private customers	1,120.9	1,235.7
Gesamt	15,499.9	14,933.2
darunter:		
– to customers in Germany	6,399.2	6,641.2
– to customers abroad	9,100.7	8,292.0

17. Loan volume

	30 June 2009 € million	31 Dec. 2008 € million
Continuing operations		
– Loans and receivables	1,469.5	669.4
– Assets designated as at fair value through profit or loss	155.8	258.2
Loans to customers		
– Loans and receivables	15,499.9	14,933.2
– Assets designated as at fair value through profit or loss	464.6	520.4
Contingent liabilities	783.2	846.1
Loan volume before allowance for losses on loans and advances	18,373.0	17,227.3
Allowance for losses on loans and advances	– 235.8	– 218.2
Loan volume after allowance for losses on loans and advances	18,137.2	17,009.1

The loan volume is composed of loans to customers, loans to banks and contingent liabilities. In contrast to loans and advances, the loan volume does not include money market transactions.

18. Allowance for losses on loans and advances

	30 June 2009 € million	31 Dec. 2008 € million
Allowance for losses on loans and advances	232.7	217.5
Provisions for contingent liabilities	3.1	0.7
Total	235.7	218.2

19. Financial assets held for trading

	30 June 2009 € million	31 Dec. 2008 € million
Positive fair values of derivative financial instruments	743.1	861.8
Total	743.1	861.8

Financial assets held for trading exclusively comprise positive fair values from derivative financial instruments that do not qualify for hedge accounting in accordance with IAS 39.

20. Fair values of derivative hedging instruments

	30 June 2009 € million	31 Dec. 2008 € million
Positive fair values from Micro fair value hedge accounting	141.1	118.6
Positive fair values from Portfolio (macro) fair value hedge accounting	0.0	0.0
Positive fair values of derivative hedging instruments	141.1	118.6
Negative fair values from Micro fair value hedge accounting	222.0	264.5
Negative fair values from Portfolio (macro) fair value hedge accounting	0.0	0.0
Negative fair values of derivative hedging instruments	222.0	264.5

21. Financial assets designated at fair value through profit or loss

	30 June 2009 € million	31 Dec. 2008 € million
Loans and advances to customers	464.6	520.4
Loans and advances to banks	155.8	258.3
Bonds and other fixed-income securities		
Bonds and notes	52.4	51.4
of which:		
– publicly traded	52.4	51.4
– issued by other issuers	52.4	51.4
Total	672.7	830.1

22. Non-current financial assets

	30 June 2009 € million	31 Dec. 2008 € million
AfS non-current financial assets		
Bonds and other fixed-income securities	3,776.8	3,408.5
of which:		
– publicly traded	3,776.8	3,408.4
Shares and other non-fixed-income securities	16.7	17.0
of which:		
– publicly traded	0.0	0.0
Other investees	3.3	3.3
Shares in companies accounted for using the equity method	5.5	5.6
Investment property	0.0	2.7
Total	3,802.3	3,437.1

23. Property and equipment

	30 June 2009 € million	31 Dec. 2008 € million
Land and buildings	1.1	1.2
Office and operating equipment	2.6	2.9
Total	3.7	4.1

24. Intangible assets

	30 June 2009 € million	31 Dec. 2008 € million
Software		
– Internally generated	0.4	0.6
– Purchased	4.6	5.4
Total	5.0	6.0

25. Tax receivables

	30 June 2009 € million	31 Dec. 2008 € million
Current tax receivables	1.3	2.4
Deferred tax assets	400.3	418.4
Total	401.6	420.8

26. Deposits from banks

	30 June 2009 € million	31 Dec. 2008 € million
Deposits from German banks	6,954.9	6,730.1
Deposits from foreign banks	80.9	95.7
Total	7,035.8	6,825.8

27. Deposits from customers

	30 June 2009 € million	31 Dec. 2008 € million
Corporate customers	6,153.3	5,718.8
Public sector entities	20.6	36.0
Private customers	3.5	1.2
Total	6,177.5	5,756.0
of which:		
– customers in Germany	6,159.5	5,739.3
– customers abroad	18.0	16.7

28. Securitised liabilities

	30 June 2009 € million	31 Dec. 2008 € million
Bonds issued	8,609.7	8,306.7
Total	8,609.7	8,306.7

29. Financial liabilities held for trading

	30 June 2009 € million	31 Dec. 2008 € million
Negative fair values of derivative financial instruments	777.0	896.8
Total	777.0	896.8

Financial liabilities held for trading exclusively comprise negative fair values from derivative financial instruments that do not qualify for hedge accounting in accordance with IAS 39.

30. Liability recognised for fair value changes of hedged items in portfolio hedge of interest rate risk

	30 June 2009 € million	31 Dec. 2008 € million
Liability recognised for fair value changes of hedged items in portfolio hedge of interest rate risk	1.2	1.2

This balance sheet item (liability item) contains the interest rate-related fair value changes in the hedged items on the liabilities side that are allocated to portfolio (macro) fair value hedge accounting.

31. Financial liabilities designated at fair value through profit or loss

	30 June 2009 € million	31 Dec. 2008 € million
Deposits from banks	108.4	83.6
Deposits from customers	1,918.6	1,649.8
Securitised liabilities	274.1	272.0
Total	2,301.1	2,005.5

32. Provisions

	30 June 2009 € million	31 Dec. 2008 € million
Provisions for pensions and similar obligations	17.6	19.1
Other provisions	40.2	38.8
Total	57.8	57.9

33. Tax liabilities

	30 June 2009 € million	31 Dec. 2008 € million
Current tax payables	0.6	0.3
Deferred tax liabilities	380.1	379.4
Total	380.7	379.7

34. Subordinated capital

	30 June 2009 € million	31 Dec. 2008 € million
Subordinated liabilities	331.1	327.2
of which:		
– deferred interest	9.4	6.6
Profit participation certificates outstanding	243.7	235.8
of which:		
– deferred interest	22.9	15.3
Total	574.7	563.0

35. Profit/loss from discontinued operations and non-current assets held for sale, net of tax

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Total reported in income statement	1.3	0.5
Interest income	97.5	97.5
Interest expense	– 89.2	– 88.3
Allowance for losses on loans and advances	– 2.7	– 0.2
Fee and commission income	1.1	1.4
Fee and commission expense	– 3.1	– 4.0
Administrative expenses (including wages, salaries and social security contributions)	– 2.5	– 5.9
Other operating income	0.2	0.0

36. Discontinued operations, non-current assets held for sale and non-current liabilities associated with non-current assets held for sale

	30 June 2009 € million	31 Dec. 2008 € million
Non-current assets held for sale		
– Loans and advances to customers	4,309.5	4,307.5
– Allowance for losses on loans and advances	– 14.9	– 13.6
Total	4,294.6	4,293.9
Non-current liabilities associated with non-current assets held for sale		
– Deposits from banks	158.2	153.3
– Provisions	3.0	2.5
– Other liabilities	0.0	0.7
Total	161.2	156.4

Supplementary Disclosures

37. Derivative financial instruments

The portfolio of derivative financial instruments is composed of the following items:

€ million	Notional amounts		Credit risk equivalents		Positive fair values		Negative fair values	
	30 June 2009	31 Dec. 2008	30 June 2009	31 Dec. 2008	30 June 2009	31 Dec. 2008	30 June 2009	31 Dec. 2008
Interest rate products								
Interest rate swaps	26,166.2	24,127.9	1,015.5	260.8	787.2	771.0	774.4	675.8
Interest rate options	1,645.4	1,620.8	8.8	5.7	8.0	10.6	176.3	337.5
– Calls	(228.8)	(249.0)	(8.8)	(5.7)	(8.0)	(10.6)	(0.0)	(0.0)
– Puts	(1,416.6)	(1,371.8)	(0.0)	(0.0)	(0.0)	(0.0)	(176.3)	(337.5)
Caps, floors	1,499.2	1,069.8	11.4	2.9	7.8	5.4	7.8	5.4
Interest rate products Total	29,310.8	26,818.5	1,035.7	269.4	803.0	787.0	958.5	1,018.7
Currency products								
Currency forwards	3,516.4	2,575.1	103.2	42.7	58.0	172.3	23.7	119.2
Currency swaps	186.3	118.2	26.0	4.5	23.1	21.1	1.1	0.0
Currency products Total	3,702.7	2,693.3	129.2	47.2	81.1	193.4	24.8	119.2
Cross-currency products								
Cross-currency swaps	68.7	61.4	3.4	0.6	0.0	0.0	15.9	23.4
Cross-currency products Total	68.7	61.4	3.4	0.6	0.0	0.0	15.9	23.4
Derivative transactions Total	33,082.2	29,573.2	1,168.4	317.3	884.1	980.4	999.2	1,161.3

38. Contingencies and commitments

	30 June 2009 € million	31 Dec. 2008 € million
Contingent liabilities		
– from guarantees and warranty agreements	783.2	846.1
Other commitments		
– irrevocable loan commitments	1,217.9	1,217.2

WestImmo is a member of the Guarantee Fund of the Central Savings Banks and Central Giro Institutions in the Deutscher Sparkassen- und Giroverband (German Savings Bank Association).

Since September 2007, WestImmo has also been a member of the Reserve Fund of the Westfälisch-Lippischer Sparkassen- und Giroverband (WLSGV – Savings Banks and Giro Association of Westphalia-Lippe) and the Reserve Fund of the Rheinischer Sparkassen- und Giroverband (RSGV – Savings Banks and Giro Association of the Rhineland). The funds each comprise cash funds of €250 million and an additional funding requirement in the same amount.

In connection with the measures taken by the owners to provide a "risk shield" for WestLB AG, the Reserve Funds notified all member institutions of their proportionate additional funding requirements. The Bank believes, however, that it does not have an additional funding requirement and has communicated this accordingly.

39. Securities repurchase agreements

	30 June 2009 € million	31 Dec. 2008 € million
Borrower under securities repurchase agreements (repos)		
Deposits from banks	872.7	880.5
Total	872.7	880.5

Deposits from banks include liabilities to the Group parent in the amount of €658.9 million.

40. Additional disclosures in accordance with IFRS 7

	1 Jan.–30 June 2009 € million	1 Jan.–30 June 2008 € million
Interest income from		
– Loans and receivables (LaR)	303.5	387.4
– Financial assets at fair value through profit or loss:		
– classified as held for trading	464.3	589.4
– designated upon initial recognition	15.2	26.5
– Available-for-sale financial assets (AFS)	72.5	68.8
Total	855.5	1,072.1
Interest expenses from		
– Financial liabilities at fair value through profit or loss:		
– classified as held for trading	446.7	591.5
– designated upon initial recognition	46.5	44.0
– Financial liabilities measured at amortised cost (FLAC)	275.4	352.1
Total	768.6	987.7
Net interest income	86.9	84.4

41. Letter of comfort

Apart from political risk, WestImmo ensures in the amount of its 100% interest that WIB Real Estate Finance Japan K. K. is able to meet its obligations. The total amount for which it is liable is unlimited.

42. Disclosures in accordance with section 28 of the Pfandbriefgesetz

The disclosures to be published each quarter in accordance with section 28 of the *Pfandbriefgesetz* (German Pfandbriefe Act) are available on our website at www.westimmo.com under "Investor Relations".

43. Members of the Supervisory Board and the Managing Board

Supervisory Board

Hubert Beckmann

Chairman

Deputy Chairman of the Managing Board

WestLB AG

Dr. Hans-Jürgen Niehaus

Deputy Chairman

Member of the Managing Board

WestLB AG

Raimund Bär

Chairman of the Staff Council

Westdeutsche ImmobilienBank AG

Michael Breuer

President

Savings Banks and Giro Association of the Rhineland

Dr. Rolf Gerlach

President

Savings Banks and Giro Association of Westphalia-Lippe

Thomas Groß

Member of the Managing Board

WestLB AG

Gerhard Heilgenberg

Senior Principal

Finance Ministry of the state of North Rhine-Westphalia

Hendrik Hering

Minister

Ministry for Economics, Transport, Agriculture and Viticulture of Rhineland-Palatinate

Matthias Wargers

Head of Group Development
Strategic Special Projects, Equity Investments
WestLB AG

Managing Board

Dr. Peter Knopp

Chairman of the Managing Board

Claus-Jürgen Cohausz

Member of the Managing Board
Member of the Managing Board for Front Office

Rainer Spielmann

Member of the Managing Board
Member of the Managing Board for Credit Management, Risk Management, Property
Valuation and Research, Finance and Accounting


44. Events after the reporting date

There were no events of particular significance after the half-yearly reporting date of 30 June 2009.

Mainz, 13 August 2009



Dr. Peter Knopp



Claus-Jürgen Cohausz



Rainer Spielmann


Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial 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 interim management report of the Group 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 fiscal year.

Mainz, 13 August 2009



Dr. Peter Knopp



Claus-Jürgen Cohausz



Rainer Spielmann



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