

# Interim Report as at 30 June 2007

in accordance with International Financial Reporting Standards (IFRSs)

# Key Figures for the Group

English translation

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million	€ million	Change	%
<b>Income Statement</b>					
Net interest income	92.4	82.5	9.9		12.0
Allowance for losses on loans and advances	24.7	- 2.5	27.2	< -	100.0
Net interest income after allowance for losses on loans and advances	117.1	80.0	37.1		46.4
Net fee and commission income	3.5	1.8	1.6		86.9
Net trading income	2.0	7.5	- 5.5		- 73.7
Net income from non-current financial assets	- 5.8	2.2	- 8.0	< -	100.0
Administrative expenses	41.8	39.5	2.3		5.9
Profit before tax	80.2	54.5	25.7		47.3
Income taxes	26.1	4.3	21.8		> 100.0
Consolidated profit for the period	47.8	35.3	12.5		35.4

	30 June 2007 € million	31 Dec. 2006 € million	€ million	Change	%
<b>Balance Sheet</b>					
Total assets	22,551.2	23,184.7	- 633.5		- 2.7
Loan volume after allowance for losses on loans and advances	19,497.1	19,937.2	- 440.1		- 2.2
Equity	917.0	870.7	46.3		5.3

	30 June 2007	31 Dec. 2006	€ million	Change	%
<b>Key Figures</b>					
BIS core capital (in € million)	865.9	841.6	24.3		2.9
BIS core capital ratio (in %)	6.7	6.4	-		3.6

	30 June 2007 %	30 June 2006 %	%	Change	%
Cost/income ratio***	38.2	41.0	-		- 2.8
Return on equity before taxes*/**	18.5	13.0	-		5.5
Return on equity after taxes*/**	11.0	8.5	-		2.6

	30 June 2007 absolute	31 Dec. 2006 absolute	absolute	Change	%
<b>Employees</b>					
Total	510	503	7		1.4

\* The return on equity figures were calculated on the basis of the Bank's balance sheet equity excluding the consolidated profit for the period.

\*\* Extrapolated for the year.

\*\*\* Extrapolated for the year.

## Foreword by the Managing Board

Dear clients,

Westdeutsche ImmobilienBank (WIB) continued its successful development of the past year in the first half of 2007.

We further expanded our international market activities in the first six months, systematically following our strategy of further internationalising our business and generating growth by developing country-specific expertise.

This strategy is underlined by a key personnel decision – Dr. Peter Knopp was appointed to the Managing Board effective 1 August 2007. He will expand our real estate investment banking activities and add capital market-oriented products to WIB's offering.

At the beginning of August, the markets were impacted by the crisis of confidence in the US subprime market and by the related effects on international banks. At no point was WIB invested in this segment, either directly or indirectly.

At €3.8 billion, total new business again matched the previous year's high level and shows that we are well positioned in our target markets. Commercial real estate financing in our core market, Germany, recorded new business of approximately €1.2 billion, almost in line with the prior-year period. Residential financing amounted to approximately €0.4 billion. In particular, WIB's sales successes abroad were up year-on-year. Our international commercial real estate financing business, which focused on prime commercial real estate in good locations, increased by 20% to approximately €2.2 billion.

We are now developing more new target markets in Japan as well as in Central, Eastern and Southeast Europe, where we have only been selectively active to date. We will offer a local presence for our customers in these regions. After establishing a representative office in Warsaw at the beginning of 2007, WIB expects to open one in Prague in the fourth quarter of the year. Our new subsidiary in Tokyo is also scheduled to begin operating in Q4 2007.

Our results for the first half of the year reflect the success of our business activities, with the Bank profiting from the relaxed risk situation. Profit before tax increased by around 47% year-on-year to €80.2 million, while the cost/income ratio improved from 41.0% to 38.2%. We achieved this despite incurring extraordinary expenses due to the expansion of our sales activities.

We believe that long-term customer orientation is the key to our future success. The systematic expansion of WIB's business activities – and in particular its international business – coincides with global growth in investments in the commercial real estate market, which increasingly include cross-border transactions. By helping our customers enter these markets, we further expand our market position.

The Bank's half-yearly results – which substantially exceeded forecasts – cannot be extrapolated to the end of 2007. However, we expect a significant rise in profit as well as a year-on-year improvement in our return on equity and cost/income ratio at the end of 2007.

Sincerely yours



Hubert Beckmann  
Chairman of the Managing Board

1	Foreword by the Managing Board
4	Interim Consolidated Management Report
10	Interim Consolidated Financial Statements
10	Income Statement
11	Balance Sheet
12	Changes in Equity
12	1. Statement of changes in equity
12	2. Statement of recognised income and expense
13	Cash Flow Statement
14	Notes
14	Accounting Policies
14	3. Basis of accounting
15	4. Consolidated Group
15	5. Issuing activities
16	Income Statement Disclosures
16	6. Net interest income
17	7. Allowance for losses on loans and advances
17	8. Net fee and commission income
17	9. Net trading income
18	10. Net income from non-current financial assets
18	11. Administrative expenses
18	12. Net other operating income and expenses
19	Segment Reporting
21	Balance Sheet Disclosures
21	13. Loans and advances to banks
21	14. Loans and advances to customers
21	15. Loan volume
21	16. Allowance for losses on loans and advances
22	17. Financial assets held for trading
22	18. Fair values of derivative hedging instruments

22	19. Financial assets designated at fair value through profit or loss
23	20. Non-current financial assets
23	21. Property and equipment
23	22. Intangible assets
23	23. Tax receivables
24	24. Non-current assets held for sale and non-current liabilities associated with non-current assets held for sale
25	25. Deposits from banks
25	26. Deposits from customers
25	27. Securitised liabilities
25	28. Financial liabilities held for trading
26	29. Liability recognised for fair value changes of hedged items in portfolio hedge of interest rate risk
26	30. Financial liabilities designated at fair value through profit or loss
26	31. Provisions
26	32. Tax liabilities
26	33. Subordinated liabilities
27	<a href="#">Supplementary Disclosures</a>
27	34. Derivative financial instruments
27	35. Contingencies and commitments
27	36. Disclosures in accordance with section 28 of the <i>Pfandbriefgesetz</i>
28	37. Members of the Supervisory Board and the Managing Board
30	<a href="#">Responsibility Statement</a>
31	<a href="#">Review Report</a>

## Strong New Business and Development of Capital Market Business

The first half of 2007 saw WIB continue its positive business development of 2006 and record encouraging half-yearly results that substantially exceed the prior-year period. At €3.8 billion, new business again matched the previous year's high level, and the Bank was also able to develop new target markets in its international business.

From a strategic perspective, WIB laid the foundations for the forward-looking development of its business activities in the first six months of the year. The Bank will extend its product range to include capital market-oriented products and continue to increase the flexibility it offers its customers by structuring real estate loans so that they are securitisable. WIB laid the groundwork for this development in the first half of the year, appointing Dr. Peter Knopp to its Managing Board as with effect from 1 August 2007 to develop and expand the Bank's capital market business.

This strategic development will strengthen WIB in its role as a centre of competence for real estate financing in the WestLB Group. It offers greater opportunities for successful cooperation between the two companies and as a partner for the savings banks in complex real estate financing.

WIB adopted the legal form of an AG (*Aktiengesellschaft* – German stock corporation) at the beginning of the year and can therefore offer the required transparency for its national and international customers and the capital markets. The WIB Group's business activities are dominated almost exclusively by the Bank.

## Market Trends

All the major euro zone countries are experiencing an upturn, with Germany now the economic growth driver. The strengthening of the euro on the currency markets has had little impact on exports to date, and key interest rate increases have not yet dampened economic activity. The upturn in Germany continued despite the drop in consumer spending at the beginning of the year due to the VAT increase. The new EU member states achieved above-average GDP growth rates.

Boosted by the continuing economic recovery and strong investor demand, Europe's real estate markets recorded further growth in transaction volumes and a steady increase in the proportion of cross-border investments. Substantial market liquidity ensured that both real estate prices and yields stabilised at a high level. Investor interest continued to focus on Germany, although competition between a large number of national and international banks increased pressure on margins, especially in low-risk business. The German residential financing market recorded muted performance and a further reduction in margins in the

first half of 2007, among other things due to pull-forward effects in the run-up to the VAT increase. Central European countries continued to experience an inflow of foreign capital, which brought yields more into line with Western Europe.

Economic growth in the USA was lower than in Europe. Investment in residential construction was again limited, while the commercial real estate markets remained stable. Prices continued to be extremely high. WIB is neither directly nor indirectly invested in the US subprime market, which is currently recording relatively high default rates.

For our customers, the sharp rise in interest rates in the first half of the year is impacting potential yields in the capital-intensive commercial real estate business in particular. The negative yield gap between government bonds and prime real estate in top locations in the USA and several European countries has widened further. The continuation of this trend – which runs contrary to all historical experience – is due to market players' expectations of ongoing commercial rent increases.

The real estate markets in Tokyo and other major Japanese cities continue to offer attractive risk/return profiles as they are currently profiting from the sustained recovery in the Japanese economy over the past three years.

## Expansion of international business

WIB continued its strong new business development of 2006 in the first half of 2007, with loan commitments of €3.8 billion matching the volume in the prior-year period. The Bank continued to focus particularly on a balanced risk/return ratio.

The Bank again expanded its international business activities, with sales exceeding expectations. Business grew particularly strongly in WIB's established Western European and US markets. Abroad, the Bank continues to focus on prime commercial real estate in good locations. However, WIB also exceeded its forecasts in its newly developed Central European markets as well as in the APAC countries. The successful expansion of the Bank's business activities to these countries is supported by a local presence. WIB opened a representative office in Warsaw at the beginning of the year, which will be followed by another in Prague during the course of 2007. After providing its first financing for properties in Japan, WIB established a subsidiary in Tokyo at the end of the first half of the year to ensure a systematic market presence. The subsidiary is expected to begin financing operations in the fourth quarter after it has received the necessary licenses. In the national investor business, the Bank focused more strongly on generating risk-adequate margins. It increased sales of interest rate and currency management products to its customers as part of individually structured financing solutions.

WIB is active in several business segments in its core market, Germany. In addition to commercial real estate financing, it offers private residential financing within Germany and financing products including equity investments together with selected partners.

In the private real estate customer business, WIB reduced its loan commitments year-on-year to €335 million in order to achieve its yield and risk targets in view of the drop in margins and the greater degree of risk associated with the loans. WIB mainly sold these products via partners and directly under the product name “ImmoBank *direkt*”.

In the area of real estate joint ventures, the Bank recorded successful partial sales and lettings in the first half of the year – boosted by strong investor demand. As at 30 June 2007, the joint venture finance portfolio comprised eleven projects with an investment volume of €580 million.

WIB increased the proportion of new business accounted for by international business from 51% as at 31 December 2006 to 59% by driving forward its international activities. National commercial financing accounted for 32% and residential financing for 9% of new business.

## Investments

After the planned consolidation of the Bank’s strategic investments in previous years, the following companies remain under the umbrella of Westdeutsche Immobilien Holding GmbH: WestGkA Management Gesellschaft für kommunale Anlagen mbH (WestGkA), WestProject & Consult Gesellschaft für Projektentwicklung und Consulting mbH (WP&C) and Allvaris GmbH (Allvaris). Provisions were recognised to reflect the risk situation relating to a development project in the portfolio. The business activities of WP&C and Allvaris are restricted to completing the projects or contracts in their portfolios.

## Results of Operations

WIB substantially increased its net interest income by 12% as against the prior-year period. This was due in particular to the growth in the Treasury department’s contribution, particularly in the form of new and replacement refinancing using Pfandbriefe coverage. The Bank reported a clearly positive figure for the allowance for losses on loans and advances of €24.7 million as at 30 June 2007 due to the stable risk situation. The repayment of claims

and successful property sales by our borrowers – boosted by favourable economic and market trends – have facilitated the repayment of loans and therefore the reversal of previously recognised allowances. In some cases, this is offset by the recognition of a provision that in return reduces net income from non-current financial assets. Net fee and commission income almost doubled, on the one hand due to higher fee and commission income generated and on the other to lower brokerage commissions paid. The volatility of net trading income was reduced significantly by improved hedging strategies. Administrative expenses rose by 5.7% to €41.8 million as a result of higher expenses for developing new markets.

The WIB Group generated a profit before tax of €80.2 million as at 30 June 2007, up by 47.3% year-on-year. The RoE is within the target range at 18.5% (30 June 2006: 13.0%). The cost-income ratio, expressed as the ratio of administrative expenses to income, improved in the same period from 41.0% to 38.2%. Extraordinary factors resulting from the recognition of provisions amounting to €12.2 million were not included in the calculation.

## Net Assets and Refinancing

At €22.6 billion, total assets in the first six months were slightly below the previous year (€23.2 billion). Loans and advances to banks were reduced by being used to repay maturities on the liabilities side. With regard to loans and advances to customers, the high volume of loans due and repayments was largely offset by strong new business.

The “WILCO” CMBS transaction was placed successfully at the beginning of the fiscal year. This true sale transaction securitised loans worth €400 million that are not secured by a charge over the property extended to open-ended real estate funds. The transaction also used the new regulations governing the refinancing register for the first time in Germany. The rest of the Bank’s refinancing requirements were covered by the issue of AAA rated Pfandbriefe in the amount of €822 million, including via private placements and structured Pfandbriefe, among other things.

## Risk Report

At €427.7 million at the reporting date, the utilisation of overall risk capital in accordance with the WestLB Group’s economic capital concept was €130.3 million below the specified limit of €558.0 million. In line with the Bank’s business strategy, 92.2% or €394.3 million of this capital utilisation relates to credit risks. Over three quarters of loans and advances to customers continue to have an internal rating that is comparable with an investment grade.

The value-at-risk limit for WIB's market risk remained unchanged at €7.7 million in the period under review, based on a confidence level of 99.0% and an assumed holding period of one day. The lowest level of utilisation in the reporting period was 16.2%, the highest was 28.8%, and the average amounted to 21.0%. The limits for market, investment and operational risk were complied with in the first half of the year.

## Outlook

We believe that the commercial real estate markets in Europe continue to offer a strong basis for our business activities given the sound economic outlook. We expect investment demand to remain healthy and real estate prices to remain stable at a high level in the second half of the year. The increase in short- and long-term interest rates represents a critical factor because this limits the potential yield that can be achieved in particular with prime properties in key real estate centres. If market players' expectations with regard to continuing rent rises are not fulfilled, we see substantial downside potential and are already witnessing much more restricted debt servicing ability, with correspondingly higher financing risks. WIB counters these risks with clear lending policy guidelines and active portfolio management.

In the USA, it remains to be seen to what extent the residential real estate crisis will impact the economy. The Federal Reserve's interest rate policy will play a key role here. However, no negative effects on the commercial real estate market are yet apparent.

We will continue to leverage our expertise in our foreign target markets as a growth factor in the second half of the year. The Bank will systematically drive forward its activities in its newly developed Central European markets. We will use our Tokyo subsidiary to offer real estate financing in selected markets in the APAC region. In Germany, WIB plans to intensify its commercial real estate lending business. The Bank offers an extensive range of services relating to the Real Estate Investment Trusts introduced in Germany as at 1 January 2007 with the goal of positioning itself early in this new growth market.

In the second half of the year WIB will focus on developing and expanding its capital market business. It will intensify its capital market structuring and placement activities as well as its securitisation business. This will enable WIB to finance high-volume loans independently and to provide longer-term financing at a reasonable level of risk for the Bank. At the same time, increasing our securitisation and syndication operations and our active management will further optimise the Bank's portfolio in terms of yields and risk factors, as well as its capital requirements.

In the area of residential financing, WIB will focus on acquiring new products, adapting sales channels and intensifying cooperation with the savings banks.

In real estate joint ventures, the emphasis will be on acquiring new, promising projects after the Bank's successful sales activities in 2006. With regard to WIB's strategic investments, the Bank will continue to pursue its consolidation strategy, which has already reached an advanced stage. With regard to the closed-end real estate funds business area sold to WestLB AG last year, WIB will support the implementation of the planned sale of fund property packages in its capacity as trustee.

WIB will again be able to cover most of its refinancing needs in the second half of 2007 by issuing Pfandbriefe. The Bank also plans to draw down a commercial global loan agreed with KfW in 2006.

Our strategic further development and our expansion in our growth markets will initially entail a controlled increase in expenses. We are convinced that our focus on the capital markets business and extended product range will successfully meet our customers' needs and therefore continue to strengthen WIB's competitive position in the medium term.

The Bank's half-yearly results – which substantially exceeded its forecasts – cannot be extrapolated to the end of 2007. Nevertheless, we continue to expect to see a positive development as at the end of the year and a year-on-year improvement in our return on equity.

## Report on Post-balance Sheet Date Events

There were no events having a material effect on the Group's results in the first half of 2007 in the period from 1 July to 16 August 2007.

Mainz, 16 August 2007



Hubert Beckmann



Claus-Jürgen Cohausz



Dr. Peter Knopp



Rainer Spielmann

# Interim Consolidated Financial Statements

English translation

## Income Statement

	Note	1 Jan.–30 June 2007 €	1 Jan.–30 June 2006 €	Change €	%
Interest* (and similar income)		552,023,579.09	529,355,031.67	22,668,547.42	4.3
Interest (and similar expense)		459,601,276.25	446,848,479.39	12,752,796.86	2.9
Net interest income	(6)	92,422,302.84	82,506,552.28	9,915,750.56	12.0
Allowance for losses on loans and advances	(7)	24,699,566.78	- 2,531,100.26	27,230,667.04	< - 100.0
Net interest income after allowance for losses on loans and advances		117,121,869.62	79,975,452.02	37,146,417.60	46.4
Fee and commission income		12,891,303.00	12,157,981.00	733,322.00	6.0
Fee and commission expense		9,339,281.78	10,311,205.90	- 971,924.12	- 9.4
Net fee and commission income	(8)	3,552,021.22	1,846,775.10	1,705,246.12	92.3
Net trading income**	(9)	1,976,591.61	7,524,801.64	- 5,548,210.03	- 73.7
Net income from non-current financial assets	(10)	- 5,822,721.05	2,183,326.01	- 8,006,047.06	< - 100.0
Administrative expenses	(11)	41,793,167.11	39,557,437.48	2,235,729.63	5.7
Net other operating income and expenses	(12)	5,176,115.87	2,497,161.82	2,678,954.05	> 100.0
Profit before tax		80,210,710.16	54,470,079.11	25,740,631.05	47.3
Current income taxes		26,107,028.23	4,290,976.24	21,816,051.99	> 100.0
Deferred taxes		6,266,592.00	14,858,787.85	- 8,592,195.85	- 57.8
<b>Consolidated profit for the period</b>		<b>47,837,089.93</b>	<b>35,320,315.02</b>	<b>12,516,774.91</b>	<b>35.4</b>
of which:					
- attributable to WIB shareholders		48,616,892.74	36,338,856.33	12,278,036.41	33.8
- losses attributable to minority interest		- 779,802.81	- 1,018,541.31	238,738.50	- 23.4

\* Interest income (Note 6) includes current income from investments in associates of €0.5 million (previous year: €0.3 million), as well as interest income from non-current assets held for sale and non-current liabilities associated with non-current assets held for sale of €1.8 million (previous year: €0.0 million).

\*\* Interest expense from derivative financial instruments in the trading portfolio of €12.1 million (previous year: €25.8 million) that was previously reported in net trading income was presented for the first time as interest expense in net interest income (Note 6), since this represents net interest expense from originated financial instruments for internal management purposes.

# Balance Sheet

English translation

## Assets

	Note	30 June 2007 €	31 Dec. 2006 €	Change €	%
Cash and balances with central banks		11,569,320.31	11,899,745.18	- 330,424.87	- 2.8
Loans and advances to banks	(13)	597,207,069.53	899,633,923.26	- 302,426,853.73	- 33.6
Loans and advances to customers	(14)	16,878,273,444.94	17,164,285,535.51	- 286,012,090.57	- 1.7
Allowance for losses on loans and advances	(16)	- 201,865,644.59	- 227,268,206.19	25,402,561.60	- 11.2
Financial assets held for trading	(17)	272,143,224.63	267,464,108.21	4,679,116.42	1.7
Positive fair values of derivative hedging instruments	(18)	48,999,243.80	27,181,909.79	21,817,334.01	80.3
Financial assets designated at fair value through profit or loss	(19)	1,521,586,321.56	1,548,250,957.43	- 26,664,635.87	- 1.7
Non-current financial assets	(20)	3,015,421,747.50	3,030,288,318.04	- 14,866,570.54	- 0.5
Property and equipment	(21)	3,365,586.03	3,795,193.20	- 429,607.17	- 11.3
Investment property		912,972.19	912,972.19	0.00	0.0
Intangible assets	(22)	7,640,046.84	7,313,000.25	327,046.59	4.5
Tax receivables*	(23)	187,480,081.71	191,176,874.28	- 3,696,792.57	- 1.9
Other assets		139,565,764.56	140,439,888.18	- 874,123.62	- 0.6
Non-current assets held for sale	(24)	68,873,506.35	119,279,899.66	- 50,406,393.31	- 42.3
<b>Total assets</b>		<b>22,551,172,685.36</b>	<b>23,184,654,118.99</b>	<b>- 633,481,433.63</b>	<b>- 2.7</b>

## Equity and Liabilities

	Note	30 June 2007 €	31 Dec. 2006 €	Change €	%
Deposits from banks	(25)	4,070,576,251.94	4,233,789,347.60	- 163,213,095.66	- 3.9
Deposits from customers	(26)	4,559,846,299.42	4,305,549,475.78	254,296,823.64	5.9
Securitised liabilities	(27)	10,053,688,031.24	10,987,818,711.56	- 934,130,680.32	- 8.5
Financial liabilities held for trading	(28)	416,250,574.40	413,744,944.15	2,505,630.25	0.6
Negative fair values of derivative hedging instruments	(18)	117,075,603.05	59,881,437.94	57,194,165.11	95.5
Liability recognised for fair value changes of hedged items in portfolio hedge of interest rate risk	(29)	- 6,421,387.31	- 2,349,653.91	- 4,071,733.40	> 100.0
Financial liabilities designated at fair value through profit or loss	(30)	1,500,270,829.69	1,371,807,088.45	128,463,741.24	9.4
Provisions**	(31)	96,281,809.60	89,197,202.73	7,084,606.87	7.9
Tax liabilities*	(32)	205,122,601.83	189,679,505.75	15,443,096.08	8.1
Other liabilities		41,172,044.60	83,554,021.26	- 42,381,976.66	- 50.7
Subordinated liabilities	(33)	570,769,114.64	560,377,755.85	10,391,358.79	1.9
Non-current liabilities associated with non-current assets held for sale**	(24)	9,565,032.62	10,099,975.48	- 534,942.86	- 5.3
<b>Equity</b>		<b>916,975,879.64</b>	<b>881,504,306.35</b>	<b>35,471,573.29</b>	<b>4.0</b>
- 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**		47,459,996.13	40,124,097.55	7,335,898.58	18.3
- Revaluation reserve		- 4,863,798.13	- 1,971,753.73	- 2,892,044.40	> 100.0
- Actuarial gains and losses on pension obligations		- 1,757,945.64	- 1,757,945.64	0.00	0.0
- Gains and losses on non-current assets held for sale recognised directly in equity**		- 8,734,684.11	- 17,934,684.11	9,200,000.00	- 51.3
- Consolidated net retained profits for 2006***		-	- 26,009,370.82	-	-
- Consolidated profit for the period from 1 Jan. to 30 June 2007****		47,837,089.93	-	-	-
- Minority interest		- 6,334,892.61	- 6,334,892.61	0.00	0.0
<b>Total equity and liabilities</b>		<b>22,551,172,685.36</b>	<b>23,184,654,118.99</b>	<b>- 633,481,433.63</b>	<b>- 2.7</b>

\* Compared with 31 December 2006, current and deferred tax receivables/liabilities were grouped for the first time under tax receivables/liabilities. They are presented separately in the notes.

\*\* Provisions relating to IFRS 5 items amounting to €8,734,684.11 that were included in the previous year's provisions as at 31 December 2006 were reclassified as non-current liabilities associated with non-current assets held for sale. The corresponding cumulative expense from previous years included in retained earnings was reclassified from retained earnings as at 31 December 2006 to gains and losses on non-current assets held for sale recognised directly in equity as at 31 December 2006 (Note 24). These reclassifications represent corrections of errors in accordance with IAS 8.

\*\*\* As at 5 June 2007, €15.0 million of the consolidated net retained profits for 2006 (€26.0 million) was distributed to WestLB AG by way of a shareholder resolution dated 14 May 2007.

\*\*\*\* Changes in minority interest from the attribution of the profit for the period are included in consolidated profit for the period.

## 1. Statement of changes in equity

	2007 € million	2006 € million
<b>Equity at 1 January</b>	<b>881.5</b>	<b>841.8</b>
<b>Changes***</b>		
– Retained earnings*	7.4	34.5
– Revaluation reserve (change in AfS financial instruments)	– 4.8	– 47.8
– Actuarial gains and losses on pension obligations	0.0	1.4
– 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	9.2	0.0
– Deferred taxes on items recognised directly in equity	1.9	18.5
– Appropriation of net retained profits*	– 26.0	– 17.4
– Consolidated profit for the period**	47.8	35.3
– Minority interest****	0.0	4.4
<b>Equity at 30 June</b>	<b>917.0</b>	<b>870.7</b>

\* As at 5 June 2007, €15.0 million was distributed to WestLB AG by way of a shareholder resolution dated 14 May 2007.

\*\* 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 €11.96. All shares were acquired by the founder, WestLB AG, in accordance with section 1(2) sentence 2 of the *Landesgesetz über die Umwandlung der Westdeutschen ImmobilienBank* (State Act on the Reorganisation of Westdeutsche ImmobilienBank).

\*\*\* Unchanged items are not presented.

\*\*\*\* Changes in minority interest from the attribution of the profit for the period are included in consolidated profit for the period.

## 2. Statement of recognised income and expense

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
<b>Consolidated profit for the period</b>	<b>47.8</b>	<b>35.3</b>
<b>Net income and expense recognised directly in equity</b>	<b>– 2.9</b>	<b>– 27.9</b>
Change in the revaluation reserve (change in AfS financial instruments)	– 4.8	– 47.8
Change in actuarial gains and losses on pension obligations	0.0	1.4
Change in deferred taxes on items recognised directly in equity	1.9	18.5
<b>Income and expense recognised for the period</b>	<b>44.9</b>	<b>7.4</b>
of which:		
– attributable to WIB shareholders	45.7	8.4
– losses attributable to minority interest	– 0.8	– 1.0

## Cash Flow Statement

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Cash and cash equivalents at 1 January	11.9	4.2
Cash flows from operating activities	25.3	– 9.6
Cash flows from investing activities	– 16.0	– 5.7
Cash flows from financing activities	– 15.1	0.2
Change in cash and cash equivalents from exchange rate movements, changes in Group structure and remeasurement	5.5	23.7
<b>Cash and cash equivalents at 30 June</b>	<b>11.6</b>	<b>12.8</b>

The cash flow statement shows the composition of and changes in cash and cash equivalents during the first half of 2007. 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.

Cash flows from investing activities include among other things income of €3.5 million from the disposal of shares in project and investment companies that was reported in non-current assets held for sale in accordance with IFRS 5 as at 31 December 2006.

Cash flows from financing activities mainly reflect the payment of a dividend of €15.0 million to WIB’s owner, WestLB AG.

## Accounting Policies

### 3. Basis of accounting

We prepared the interim report as at 30 June 2007 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 (half-yearly financial report) (2) of the *Wertpapierhandelsgesetz* (WpHG – German Securities Trading Act), a half-yearly financial report must contain at least 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). In accordance with section 37w (5) of the WpHG, Westdeutsche ImmobilienBank AG has utilised the option of having its condensed consolidated financial statements and interim consolidated management report reviewed by an auditor.

In accordance with IAS 34.8, the condensed financial statements within the meaning of section 37w(2) no. 1 of the WpHG comprise a condensed income statement, condensed balance sheet, condensed statement of changes in equity, condensed cash flow statement and selected explanatory notes including segment reporting.

Apart from the changes in presentation listed below, there have not been any changes to WIB's accounting policies, including its methods of computation, since 31 December 2006.

#### Changes in presentation

We made the following changes in presentation to the Group's financial reporting in the current fiscal year as against the past fiscal year 2006:

- net interest and dividend income on the trading portfolio was reported for the first time as interest expense in net interest income; in fiscal year 2006, this was reported under net trading income,
- current and deferred tax receivables/liabilities were grouped for the first time under tax receivables/liabilities. A disclosure is made in the notes.

The changes in presentation made in each case are explained at the relevant point in the notes.

## 4. Consolidated Group

The following subsidiaries, joint ventures and associates were included in WIB's interim consolidated financial statements as at 30 June 2007:

### Subsidiaries

Westdeutsche ImmobilienHolding GmbH, Düsseldorf
WestGkA Management Gesellschaft für kommunale Anlagen mbH, Düsseldorf
Projekt Seeperle GmbH & Co. Therapie- und Trainingszentrum KG, Rottach-Egern
Objektgesellschaft Wiesbaden Schierstein mbH & Co. Projekt Waterfront KG, Düsseldorf
WestProjekt & Consult Gesellschaft für Projektentwicklung und Consulting mbH, Düsseldorf
WMO Erste Entwicklungs GmbH & Co. KG, Bonn

### Joint ventures accounted for using the equity method

FEN Fachmarktzentrum ehem. Eisstadion Nürnberg GmbH & Co. KG, Bonndorf
Grundbesitz Investitionsgesellschaft Leibniz Kolonnaden mbH & Co. KG, Berlin*

### Associated accounted for using the equity method

EMG 2. Projektgesellschaft Ludwigsfelde/Löwenbruch mbH, Berlin
EPM Assetis GmbH, Frankfurt/Main
BBT Wohnungsbeteiligungs GmbH & Co. KG, Stuttgart
EMG Projekt Gewerbepark Ludwigsfelde/Löwenbruch GmbH, Berlin

\* Grundbesitz Investitionsgesellschaft Leibniz Kolonnaden mbH & Co. KG, Berlin, is reported under non-current assets held for sale in accordance with IFRS 5 (Note 24).

There were no changes to the consolidated Group as against 31 December 2006.

## 5. Issuing activities

Westdeutsche ImmobilienBank AG performed issuing activities for mortgage Pfandbriefe worth €822.0 million in the period under review.

## Income Statement Disclosures

## 6. Net interest income

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Interest income from		
– Lending and money market operations	481.6	470.4
– Bonds and other fixed-income securities	67.5	55.0
– Non-current assets held for sale	1.8	0.0
– Other transactions	0.6	1.7
Interest income	551.5	527.1
Current income from		
– Other investees	0.0	2.0
– Investments in associates	0.5	0.3
Current income	0.5	2.3
Interest expense from		
– Deposits	174.7	186.3
– Securitised liabilities	251.9	211.3
– Subordinated liabilities	16.0	15.8
– Other transactions	4.4	6.3
– Derivative financial instruments in the trading portfolio	12.1	25.8
Interest expense	459.1	445.5
Loss from hedges (IAS 39)	– 0.5	– 1.4
<b>Total</b>	<b>92.4</b>	<b>82.5</b>

Interest expense from derivative financial instruments in the trading portfolio of €12.1 million (previous year: €25.8 million) was presented for the first time as interest expense in net interest income.

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

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Profit/loss from hedging derivatives from		
– Micro fair value hedge accounting	27.6	– 139.2
– Macro (portfolio) fair value hedge accounting	– 4.4	– 3.4
<b>Total</b>	<b>23.2</b>	<b>– 142.6</b>
Profit/loss from hedged items from		
– Micro fair value hedge accounting	– 28.3	137.7
– Macro (portfolio) fair value hedge accounting	4.6	3.5
<b>Total</b>	<b>– 23.7</b>	<b>141.2</b>
Loss from hedges (IAS 39)	– 0.5	– 1.4

## 7. Allowance for losses on loans and advances

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Additions		
– Write-downs of receivables	– 20.3	– 18.8
– Provisions for credit risks	– 1.3	0.0
Reversals		
– Write-downs of receivables	42.3	14.3
– Provisions for credit risks	2.3	0.0
Recoveries on loans previously written off	1.7	2.1
Direct write-downs of receivables	0.0	– 0.1
<b>Total</b>	<b>24.7</b>	<b>– 2.5</b>

## 8. Net fee and commission income

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Lending business	2.2	– 0.9
Securities and custody business	– 1.7	– 1.5
Guarantees	2.5	2.7
Trust activities	0.4	0.4
Other	0.1	1.1
<b>Total</b>	<b>3.5</b>	<b>1.8</b>

## 9. Net trading income

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Net loss from sale of trading portfolios	– 0.7	– 8.2
Net loss from remeasurement of trading portfolios	– 51.1	– 3.5
Foreign exchange loss	– 1.1	4.3
Net income from sale of financial instruments designated at fair value through profit or loss	0.0	0.1
Net income on remeasurement of financial instruments designated at fair value through profit or loss	54.9	14.8
<b>Total</b>	<b>2.0</b>	<b>7.5</b>

Interest expense from derivative financial instruments in the trading portfolio of €12.1 million (previous year: €25.8 million) that was previously reported in net trading income was presented for the first time as interest expense in net interest income (Note 6).

## 10. Net income from non-current financial assets

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Net income from sale of AfS financial assets	6.9	0.0
Net loss from remeasurement of AfS financial assets	-12.7	-1.1
Net income from sale of consolidated subsidiaries	0.0	3.3
<b>Total</b>	<b>-5.8</b>	<b>2.2</b>

Current net income from non-current financial assets includes net income of €3.5 million from the disposal of shares held for sale in associates of Kampnagel 5. Grundstücksentwicklungsgesellschaft mbH and WWZ Immobilien Havelland GmbH (Note 20).

## 11. Administrative expenses

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Employee expenses		
– Wages and salaries	20.1	17.4
– Social security contributions	2.3	2.1
– Expenses for pensions and other employee benefits	0.5	1.2
Other administrative expenses	17.5	17.0
Depreciation and amortisation of property and equipment, software and intangible assets	1.4	1.8
<b>Total</b>	<b>41.8</b>	<b>39.5</b>

## 12. Net other operating income and expenses

	1 Jan.–30 June 2007 € million	1 Jan.–30 June 2006 € million
Other operating income	14.3	21.1
Other operating expenses	9.1	18.6
<b>Total</b>	<b>5.2</b>	<b>2.5</b>

## Segment Reporting

The Westdeutsche ImmobilienBank 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 Westdeutsche ImmobilienBank Group's areas of business and activity.

Segment reporting is prepared in accordance with IAS 14. The segments are recognised on the basis of the Westdeutsche ImmobilienBank Group's internal management system and reflect the business strategy and market presence of the departments and the functional cooperation between the organisational units.

### Segments in the Westdeutsche ImmobilienBank Group

#### Investors

---

National/international loans  
Real estate investment banking  
Real estate joint ventures

---

#### Private Customers

---

Private residential construction  
„ImmoBank *direkt*“

---

#### Investments

---

Equity investments department

---

#### Services

---

Treasury  
not directly attributable income and expenses

---

The following table (primary segment reporting) shows the contribution by the individual segments to consolidated profit (profit before tax) for the first half of fiscal years 2007 and 2006. The segment results are based on internal management data that can be reconciled with data from financial accounting.

Mio €	Investors	Private Customers	Investments	Services	Consolidation	Group
<b>Net income figures</b>						
Net interest income*						
1 Jan.–30 June 2007	54.6	12.3	– 1.0	26.5	0.0	92.4
1 Jan.–30 June 2006	49.9	9.8	– 1.3	23.7	0.4	82.5
Allowance for losses on loans and advances						
1 Jan.–30 June 2007	28.7	– 4.0	– 5.2	0.0	5.2	24.7
1 Jan.–30 June 2006	– 1.6	– 0.5	0.0	– 0.4	0.0	– 2.5
Net interest income after allowance for losses on loans and advances						
1 Jan.–30 June 2007	83.3	8.3	– 6.2	26.5	5.2	117.1
1 Jan.–30 June 2006	48.3	9.3	– 1.3	23.3	0.4	80.0
Net fee and commission income						
1 Jan.–30 June 2007	8.3	– 5.4	0.7	– 0.1	0.0	3.5
1 Jan.–30 June 2006	7.1	– 6.0	0.8	– 0.1	0.0	1.8
Net trading income						
1 Jan.–30 June 2007	0.0	0.0	0.0	2.0	0.0	2.0
1 Jan.–30 June 2006	0.0	0.0	0.0	7.5	0.0	7.5
Net income from non-current financial assets						
1 Jan.–30 June 2007	– 5.4	0.0	– 3.4	3.0	0.0	– 5.8
1 Jan.–30 June 2006	– 0.4	0.0	1.2	0.7	0.7	2.2
Administrative expenses						
1 Jan.–30 June 2007	12.3	3.7	4.2	21.6	0.0	41.8
1 Jan.–30 June 2006	10.6	3.6	3.7	21.6	0.0	39.5
Net other operating income and expenses						
1 Jan.–30 June 2007	0.0	0.0	0.0	1.6	3.6	5.2
1 Jan.–30 June 2006	0.0	0.0	1.2	0.2	1.1	2.5
<b>Profit before tax</b>						
<b>1 Jan.–30 June 2007</b>	<b>73.9</b>	<b>– 0.8</b>	<b>– 13.1</b>	<b>11.4</b>	<b>8.8</b>	<b>80.2</b>
<b>1 Jan.–30 June 2006</b>	<b>44.5</b>	<b>– 0.3</b>	<b>– 1.8</b>	<b>10.1</b>	<b>2.2</b>	<b>54.5</b>
<b>Volumes</b>						
Segment assets**						
30 June 2007	11,740.1	4,007.5	78.2	6,742.6	– 17.2	22,551.2
31 December 2006	12,022.4	3,753.3	121.5	7,303.6	– 16.1	23,184.7
Segment liabilities						
30 June 2007	313.0	111.6	123.9	21,085.7	0.0	21,634.2
31 December 2006**	348.8	79.8	126.5	21,748.0	0.0	22,303.1

\* Interest expense from derivative financial instruments in the trading portfolio of €12.1 million (previous year: €25.8 million) that was previously reported in net trading income was presented for the first time as interest expense in net interest income (Note 6).

\*\* Segment liabilities of €21,748.0 million from the Services segment as at 31 December 2006 include minority interest of €6.3 million that was not recognised in the 2006 consolidated financial statements.

## Balance Sheet Disclosures

### 13. Loans and advances to banks

	30 June 2007 € million	31 Dec. 2006 € million
Loans and advances to banks		
– Loans	482.3	706.9
– Other receivables	114.9	192.7
<b>Total</b>	<b>597.2</b>	<b>899.6</b>
of which:		
– to banks in Germany	553.9	878.7
– to banks abroad	43.3	20.9

### 14. Loans and advances to customers

	30 June 2007 € million	31 Dec. 2006 € million
Loans and advances to customers		
– Corporate customers	9,779.7	9,906.1
– Public sector entities	2,656.7	2,986.5
– Private customers	4,441.9	4,271.7
<b>Total</b>	<b>16,878.3</b>	<b>17,164.3</b>
of which:		
– to customers in Germany	12,383.8	13,344.5
– to customers abroad	4,494.5	3,819.8

### 15. Loan volume

	30 June 2007 € million	31 Dec. 2006 € million
Loans to banks		
– Category: loans and receivables (LaR)	414.9	375.1
– Category: fair value option (FVO)	548.6	555.9
Loans to customers		
– Category: loans and receivables (LaR)	16,878.3	17,164.3
– Category: fair value option (FVO)	923.7	942.3
Non-current receivables held for sale	68.7	119.1
Contingent liabilities	865.0	1,007.8
Loan volume before allowance for losses on loans and advances	19,699.2	20,164.5
Allowance for losses on loans and advances	– 201.9	– 227.3
Loan volume after allowance for losses on loans and advances	19,497.3	19,937.2

### 16. Allowance for losses on loans and advances

	30 June 2007 € million	31 Dec. 2006 € million
Specific valuation allowances for loans and advances to customers	201.9	227.3
Provisions for contingent liabilities	5.0	6.1
<b>Total</b>	<b>206.9</b>	<b>233.4</b>

## 17. Financial assets held for trading

	30 June 2007 € million	31 Dec. 2006 € million
Positive fair values of derivative financial instruments	272.1	267.5
<b>Total</b>	<b>272.1</b>	<b>267.5</b>

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.

## 18. Fair values of derivative hedging instruments

	30 June 2007 € million	31 Dec. 2006 € million
Positive fair values from		
– Micro fair value hedge accounting	49.0	26.6
– Macro (portfolio) fair value hedge accounting	0.0	0.6
<b>Total</b>	<b>49.0</b>	<b>27.2</b>
Negative fair values from		
– Micro fair value hedge accounting	113.2	59.9
– Macro (portfolio) fair value hedge accounting	3.9	0.0
<b>Total</b>	<b>117.1</b>	<b>59.9</b>

## 19. Financial assets designated at fair value through profit or loss

	30 June 2007 € million	31 Dec. 2006 € million
Bonds and other fixed-income securities		
– Bonds and notes	49.3	50.1
<b>Total</b>	<b>49.3</b>	<b>50.1</b>
of which:		
– publicly traded	49.3	50.1
– issued by other issuers	49.3	50.1
Loans and advances to banks	548.6	555.9
Loans and advances to customers	923.7	942.3
<b>Total</b>	<b>1,521.6</b>	<b>1,548.3</b>

## 20. Non-current financial assets

	30 June 2007 € million	31 Dec. 2006 € million
AfS non-current financial assets		
Bonds and other fixed-income securities	2,993.0	3,012.6
of which:		
– publicly traded	2,993.0	3,012.6
Shares and other non-fixed-income securities	0.0	0.0
of which:		
– publicly traded	0.0	0.0
Other investees	8.1	4.0
Shares in companies accounted for using the equity method	14.3	13.7
<b>Total</b>	<b>3,015.4</b>	<b>3,030.3</b>

## 21. Property and equipment

	30 June 2007 € million	31 Dec. 2006 € million
Land and buildings	1.3	1.4
Office and operating equipment	2.1	2.4
<b>Total</b>	<b>3.4</b>	<b>3.8</b>

## 22. Intangible assets

	30 June 2007 € million	31 Dec. 2006 € million
Software		
– Internally generated	0.3	0.4
– Purchased	7.3	6.9
<b>Total</b>	<b>7.6</b>	<b>7.3</b>

## 23. Tax receivables

	30 June 2007 € million	31 Dec. 2006 € million
Current tax receivables	14.4	14.4
Deferred tax assets	173.1	176.8
<b>Total</b>	<b>187.5</b>	<b>191.2</b>

## 24. Non-current assets held for sale and non-current liabilities associated with non-current assets held for sale

	30 June 2007 € million	31 Dec. 2006 € million
Non-current assets held for sale		
– Non-current financial assets	0.2	0.2
– Loans and advances to customers	68.7	128.3
– Allowance for losses on loans and advances	0.0	– 9.2
<b>Total</b>	<b>68.9</b>	<b>119.3</b>
Non-current liabilities associated with non-current assets held for sale		
– Deposits from customers	0.9	1.4
– Provisions	8.7	8.7
<b>Total</b>	<b>9.6</b>	<b>10.1</b>
Gains and losses on non-current assets held for sale recognised directly in equity	– 8.7	– 17.9

We reported shares amounting to €0.2 million in the following companies as non-current assets held for sale at the balance sheet date in accordance with IFRS 5:

- CCL City-Center Landshut Projektentwicklungsgesellschaft mbH,
- Grundbesitz Investitionsgesellschaft Leibniz Kolonnaden mbH & Co. KG, and
- Townhouses Falkenried GmbH.

In addition, we recognised related loans and advances to customers amounting to €68.7 million. A cumulative allowance for losses on loans and advances from previous years of €9.2 million that was reported at 31 December 2006 was reversed to income in the fiscal year because the related loan was repaid in full. Provisions relating to IFRS 5 items amounting to €8.7 million that were included in the previous year's provisions as at 31 December 2006 were reclassified as non-current liabilities associated with non-current assets held for sale. The corresponding cumulative expense included in retained earnings as at 31 December 2006 was reclassified from retained earnings to gains and losses on non-current assets held for sale recognised directly in equity.

The following investments previously classified as held for sale in accordance with IFRS 5 were sold in the first half of 2007:

- PHF Projektgesellschaft Hochhaus Fischerinsel GmbH & Co. KG,
- Kampnagel 5. Grundstücksentwicklungsgesellschaft mbH,
- WWZ Immobilien Havelland GmbH, and
- AIT Allgemeine Immobilien Treuhandgesellschaft mbH.

These sales relate to investments in project and investment companies as well as the financing of these real estate activities by Westdeutsche ImmobilienBank AG. The sale of the companies led to net income of €3.5 million in the fiscal year, which was reported in net income from non-current financial assets.

## 25. Deposits from banks

	30 June 2007 € million	31 Dec. 2006 € million
Deposits from German banks	4,017.0	4,179.2
Deposits from foreign banks	53.6	54.6
<b>Total</b>	<b>4,070.6</b>	<b>4,233.8</b>

## 26. Deposits from customers

	30 June 2007 € million	31 Dec. 2006 € million
Corporate customers	4,558.3	4,299.7
Public sector entities	0.0	0.1
Private customers	1.5	5.7
<b>Total</b>	<b>4,559.8</b>	<b>4,305.5</b>
of which:		
– customers in Germany	4,549.4	4,301.5
– customers abroad	10.4	4.0

## 27. Securitised liabilities

	30 June 2007 € million	31 Dec. 2006 € million
Bonds issued	10,053.7	10,987.8
<b>Total</b>	<b>10,053.7</b>	<b>10,987.8</b>

## 28. Financial liabilities held for trading

	30 June 2007 € million	31 Dec. 2006 € million
Negative fair values of derivative financial instruments	416.3	413.7
<b>Total</b>	<b>416.3</b>	<b>413.7</b>

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.

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

	30 June 2007 € million	31 Dec. 2006 € million
Liability recognised for fair value changes of hedged items in portfolio hedge of interest rate risk	- 6.4	- 2.3

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 macro (portfolio) fair value hedge accounting.

## 30. Financial liabilities designated at fair value through profit or loss

	30 June 2007 € million	31 Dec. 2006 € million
Deposits from banks	95.2	152.2
Deposits from customers	1,116.2	922.0
Securitised liabilities	288.9	297.6
<b>Total</b>	<b>1,500.3</b>	<b>1,371.8</b>

## 31. Provisions

	30 June 2007 € million	31 Dec. 2006 € million
Provisions for pensions and similar obligations	24.9	23.9
Other provisions	71.4	65.3
<b>Total</b>	<b>96.3</b>	<b>89.2</b>

## 32. Tax liabilities

	30 June 2007 € million	31 Dec. 2006 € million
Current tax payables	26.3	9.9
Deferred tax liabilities	178.8	179.8
<b>Total</b>	<b>205.1</b>	<b>189.7</b>

## 33. Subordinated liabilities

	30 June 2007 € million	31 Dec. 2006 € million
Subordinated liabilities	322.1	324.6
of which:		
– deferred interest	9.4	7.6
Profit participation certificates outstanding	248.7	235.8
of which:		
– deferred interest	22.9	15.3
<b>Total</b>	<b>570.8</b>	<b>560.4</b>

## Supplementary Disclosures

### 34. 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 2007	31 Dec. 2006	30 June 2007	31 Dec. 2006	30 June 2007	31 Dec. 2006	30 June 2007	31 Dec. 2006
Interest rate products	26,249.8	22,667.2	101.1	96.7	303.3	278.5	524.6	469.8
Currency products	1,744.7	1,469.7	7.5	6.0	17.5	12.7	6.7	3.9
Cross-currency products	99.0	12.7	1.3	0.3	0.3	1.1	2.0	0.0
Derivative transactions	28,093.5	24,149.6	109.9	103.0	321.1	292.4	533.3	473.7

### 35. Contingencies and commitments

	30 June 2007 € million	31 Dec. 2006 € million
Contingent liabilities		
– from guarantees and warranty agreements	865.0	1,007.8
Other commitments		
– irrevocable loan commitments	2,339.9	2,011.7

### 36. 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](http://www.westimmo.com).

## 37. Members of the Supervisory Board and the Managing Board

### Dr. Norbert Emmerich

Chairman  
Deputy Chairman of the Managing Board  
WestLB AG

### Dr. Matthijs van den Adel

Deputy Chairman  
Member of the Managing Board  
WestLB AG (until 26 July 2007)

### Raimund Bär

Chairman of the Staff Council  
Westdeutsche ImmobilienBank AG

### Dr. Karlheinz Bentele

President  
Savings Banks and Giro Association of the Rhineland

### Dr. Rolf Gerlach

President  
Savings Banks and Giro Association of Westphalia-Lippe

### 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

### Dr. Hans-Jürgen Niehaus

Member of the Managing Board  
WestLB AG

### Matthias Wargers

Strategic Special Projects department  
WestLB AG

## Members of the Managing Board

### Hubert Beckmann

Chairman of the Managing Board  
Westdeutsche ImmobilienBank AG

### Claus-Jürgen Cohausz

Member of the Managing Board  
Westdeutsche ImmobilienBank AG

### Dr. Peter Knopp (from 1 August 2007)

Member of the Managing Board  
Westdeutsche ImmobilienBank AG

### Rainer Spielmann

Member of the Managing Board  
Westdeutsche ImmobilienBank AG

Mainz, 16 August 2007



Hubert Beckmann



Claus-Jürgen Cohausz



Dr. Peter Knopp



Rainer Spielmann

In accordance with section 37y of the WpHG in conjunction with section 37w (2) no. 3 of the WpHG, 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, 16 August 2007



Hubert Beckmann



Claus-Jürgen Cohausz



Dr. Peter Knopp



Rainer Spielmann

## Review Report

To Westdeutsche ImmobilienBank AG, Mainz, Germany

We have reviewed the interim condensed consolidated financial statements prepared by Westdeutsche ImmobilienBank AG, Mainz, Germany, comprising the condensed income statement, the condensed balance sheet, the condensed statement of changes in equity, the condensed cash flow statement, the condensed segment report and selected explanatory notes, together with the interim group management report for the period from January 1, 2007 to June 30, 2007, which are part of the half-yearly financial report pursuant to Sec. 37w WpHG [“Wertpapierhandelsgesetz“: German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Eschborn/Frankfurt am Main, Germany, August 20, 2007

Ernst & Young AG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Hultsch  
Wirtschaftsprüfer  
[German Public Auditor]

Trierweiler  
Wirtschaftsprüferin  
[German Public Auditor]



**Westdeutsche  
ImmobilienBank AG**  
Große Bleiche 46  
55116 Mainz  
Germany  
Tel. + 49 6131 9280-0  
Fax + 49 6131 9280-7200  
[www.westimmobank.com](http://www.westimmobank.com)