WestLB –
Sustaining Profitable Growth

Research on Property Metrics
Dr. Markus Scholand

Paris, 7 December 2006
Agenda

WestLB AG – A Strong Player

Our Research on Property Metrics
Agenda

- WestLB AG – A Strong Player
- Our Research on Property Metrics
WestLB – A Strong Player and Preferred Partner

- The high-potential commercial bank (former Landesbank) with pronounced international focus
- Break with the past – solidly anchored giving room for sustaining profitable growth
- Firmly rooted in the powerhouse NRW, one of Europe’s most attractive economic regions
- International player expanding in selected profitable markets
- Powerful cooperation with Sparkassen giving access to large client base
- Prosperous alliances and partnerships offer considerable potential
- Enhanced efficiency through integrated approach in Corporates & Capital Markets
Home Market North Rhine-Westphalia (NRW) – The Powerhouse in the Heart of Europe

**LOCATION AND POPULATION**
- Densely populated with 18.1m inhabitants
- 30 cities with more than 100,000 inhabitants
- Within a day’s journey, about 140m people (roughly 40% of all European consumers) can be reached from Düsseldorf

**COMPANIES**
- Home to 24 of the 50 largest German companies

**NOMINAL GDP**
- €489bn (one fifth of Germany’s total GDP)
- 16th largest economy in the world; #6 within Europe

**STRONG EXPORTS**
- At €143bn, NRW is one of the 20 largest exporters worldwide
**POTENTIAL**

- 122 Sparkassen in NRW and Brandenburg as partners; via Sachsen LB access to 16 further Sparkassen in Saxony
- More than 3,700 branches with more than 80,000 employees
- Partner Sparkassen most powerful due to large client base with approx. 30% market share in S-Finance Group, 8 of the 20 biggest Sparkassen in Germany
- Market access to approx. 12m customers which is approx. 16% of Germany’s banking clientele
- Share of new business resulting from joint business with Sparkassen already more than 70%
- Compound total balance sheet volume of partner Sparkassen reaching more than €300bn
- New cooperation between WestLB subsidiary "readybank" and PAYBACK offers Sparkassen an exclusive access to 30m PAYBACK customers at point of sales
WestLB – A Strong Player

WestLB’s Shareholders

Sparkassen and Giro Association of the Rhineland (NR) Düsseldorf

25.312%

NRW.BANK

(Aa2/AA-/AAA)
Düsseldorf

31.585%

State of NRW

(Aa2/AA-/AAA)

17.081%

Sparkassen and Giro Association of Westphalia-Lippe (Aa3/NR/NR) Münster

25.312%

Düsseldorf, Münster

Moody’s A1
S&P A-
DBRS A

Balance of 0.71% held by Regional Associations of Westphalia-Lippe and Rhineland
Knowledge transfer from international capital markets; branches acting as product innovators
Intensive networking with international partner banks
International market entry for regional customers
Access for international customers to the German economy, especially the vast Sparkassen network

- One of the leading German Landesbank with pronounced international focus; presence in 30 countries worldwide
- Global presence and long-standing international experience (since 1972)
## Key financials – Solid 9 months figures

<table>
<thead>
<tr>
<th>Performance, in €m</th>
<th>Jan – Sep 2006</th>
<th>Jan – Sep 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxes (MTM)</td>
<td>533.3</td>
<td>451.0</td>
</tr>
<tr>
<td>Operating income(^1)</td>
<td>1,745.6</td>
<td>1,564.3</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Ratios, in %</th>
<th>Jan – Sep 2006</th>
<th>Jan – Sep 2005</th>
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<tbody>
<tr>
<td>Cost/income ratio(^2)</td>
<td>68.7</td>
<td>71.5</td>
</tr>
<tr>
<td>ROE before taxes(^3)</td>
<td>11.9</td>
<td>13.9</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Balance sheet figures, in €bn</th>
<th>Sep 2006</th>
<th>Dec 2005</th>
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<tbody>
<tr>
<td>Total assets</td>
<td>292.1</td>
<td>265.0</td>
</tr>
<tr>
<td>Borrowed refinancing funds</td>
<td>270.3</td>
<td>243.9</td>
</tr>
<tr>
<td>Equity capital</td>
<td>6.1</td>
<td>5.8</td>
</tr>
<tr>
<td>Risk weighted assets (BIS)</td>
<td>96.5</td>
<td>85.6</td>
</tr>
<tr>
<td>Staff (full time equivalent)</td>
<td>5,853</td>
<td>6,353</td>
</tr>
</tbody>
</table>

\(^1\) Operating income: net interest and comission income, net income from trading operations and the balance of other operating expenses/income  
\(^2\) Based on income from ordinary business activities/mark-to-market valuation of trading operations  
\(^3\) Based on average capital shown on the balance sheet
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1. WestLB AG – A Strong Player
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Sustainability Management … Development

New Thinking.
Sustainability Report 2005
Our Research on Property Metrics

Sustainability Management … Development
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Our Core Activities

- **Sustainability Management**
  - Coordination & Control
    - Knowledge Management
    - Standards & Processes
    - Monitoring
  - Risk Management
    - Risk Process
    - Quantification
  - Revenue Management
    - Bank Operations
    - Sustainability Products
    - Sustainability Strategies
  - Stakeholder Management
    - Communication
    - Initiatives & Memberships

Research Project on Property Metrics
Our Research on Property Metrics

New Project with New Partners …

- Bundesamt für Bauwesen und Raumordnung (Berlin)
- WestLB AG (Düsseldorf)
- Universität Stuttgart (Stuttgart)
- Universität Karlsruhe (Karlsruhe)
- RFU Consult (Wien)
- Institut der deutschen Wirtschaft Consult (Köln)
- …

New Answers in Banking