

Consolidated Financial Statements and
Accountant's Review Report

DZ BANK
CAPITAL FUNDING TRUST I

June 30, 2012 and 2011

DZ BANK CAPITAL FUNDING TRUST I

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors
DZ BANK Capital Funding Trust I

We have reviewed the accompanying consolidated balance sheet of DZ BANK Capital Funding Trust I as of June 30, 2012, and the related consolidated statements of income, changes in equity, and cash flows for the six-month period then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The June 30, 2011 consolidated financial statements of DZ BANK Capital Funding Trust I were reviewed by other accountants whose report, dated August 3, 2011, stated that they were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Grant Thornton LLP

New York, New York
July 27, 2012

DZ BANK CAPITAL FUNDING TRUST I

Consolidated Balance Sheets

June 30, 2012 and 2011

(in Euros and thousands, except share and per share amounts)

	<u>2012</u>	<u>2011</u>
ASSETS		
Subordinated note receivable from DZ BANK	€ 300,003	€ 300,003
Accrued interest on subordinated note receivable from DZ BANK	<u>1,356</u>	<u>1,667</u>
Total assets	<u>€ 301,359</u>	<u>€ 301,670</u>
EQUITY		
Shareholders' equity		
Preferred securities, liquidation preference €1,000 per security; 300,000 securities authorized, issued and outstanding at June 30, 2012 and 2011	€ 300,000	€ 300,000
Common security, €1,000 par value; one security authorized, issued and outstanding at June 30, 2012 and 2011	1	1
Retained earnings	<u>1,356</u>	<u>1,667</u>
Total shareholders' equity	301,357	301,668
Noncontrolling interest	<u>2</u>	<u>2</u>
Total equity	<u>€ 301,359</u>	<u>€ 301,670</u>

The accompanying notes are an integral part of these consolidated financial statements.

DZ BANK CAPITAL FUNDING TRUST I
Consolidated Statements of Income
Six-month Periods ended June 30, 2012 and 2011
(in Euros and thousands)

	<u>2012</u>	<u>2011</u>
Interest income on subordinated note receivable from DZ BANK	€ 5,399	€ 5,541
Net income	<u>€ 5,399</u>	<u>€ 5,541</u>

The accompanying notes are an integral part of these consolidated financial statements.

DZ BANK CAPITAL FUNDING TRUST I
Consolidated Statements of Changes in Equity
Six-month Periods ended June 30, 2012 and 2011
(in Euros and thousands, except per share)

	<u>Preferred Securities</u>	<u>Common Security</u>	<u>Retained Earnings</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
Balance, December 31, 2010	€ 300,000	€ 1	€ 1,508	€ 2	€ 301,511
Net income	-	-	5,541	-	5,541
Cash dividends declared					
Preferred securities (€17.94 per share)	-	-	(5,382)	-	(5,382)
Trust common security (€17.94 per share)	-	-	-	-	-
Balance, June 30, 2011	<u>300,000</u>	<u>1</u>	<u>1,667</u>	<u>2</u>	<u>301,670</u>
Balance, December 31, 2011	€ 300,000	€ 1	€ 1,687	€ 2	€ 301,690
Net income	-	-	5,399	-	5,399
Cash dividends declared					
Preferred securities (€19.10 per share)	-	-	(5,730)	-	(5,730)
Trust common security (€ 19.10 per share)	-	-	-	-	-
Balance, June 30, 2012	<u>€ 300,000</u>	<u>€ 1</u>	<u>€ 1,356</u>	<u>€ 2</u>	<u>€ 301,359</u>

The accompanying notes are an integral part of these consolidated financial statements.

DZ BANK CAPITAL FUNDING TRUST I
Consolidated Statements of Cash Flows
Six-month Periods ended June 30, 2012 and 2011
(in Euros and thousands)

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	€ 5,399	€ 5,541
Adjustments to reconcile net income to net cash provided by operating activities		
(Increase) decrease in accrued interest on subordinated note receivable from DZ Bank	<u>331</u>	<u>(159)</u>
Net cash provided by operating activities	5,730	5,382
Cash flows used in financing activity - cash dividends paid	<u>(5,730)</u>	<u>(5,382)</u>
Net change in cash and cash equivalents	-	-
Cash and cash equivalents		
Beginning	<u>-</u>	<u>-</u>
Ending	<u>€ -</u>	<u>€ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

DZ BANK CAPITAL FUNDING TRUST I

Notes to Consolidated Financial Statements

June 30, 2012 and 2011

1. ORGANIZATION AND BASIS OF PRESENTATION

DZ BANK Capital Funding Trust I (the “Trust”) is a statutory trust under Chapter 38 of Title 12 of the Delaware Code formed on August 28, 2003 for the purpose of entering into various agreements, to issue and sell common and preferred securities, and to use the proceeds from the issuance of common and preferred securities to acquire, hold and distribute preferred securities issued by DZ BANK Capital Funding LLC I as defined in the “Amended and Restated Trust Agreement of DZ BANK Capital Funding Trust I” dated November 7, 2003 (the “Trust Agreement”). The Trust’s common security is owned by DZ BANK AG (“DZ BANK” or the “Parent”), a German banking corporation rated AA- by Standard & Poor’s at June 30, 2012 and A+ by Standard & Poor’s at June 30, 2011. The Trust is a wholly owned subsidiary of DZ BANK.

The Trust was initially capitalized on November 7, 2003 with the issuance to DZ BANK of one share of the Trust’s common security, €1,000 par value (the “Trust Common Security”), raising capital of €1,000. On November 7, 2003, the Trust commenced operations concurrent with the offering and issuance of 300,000 noncumulative Trust Preferred Securities, liquidation preference €1,000 per security (the “Trust Preferred Securities”), to various institutional buyers. The entire capital was used to acquire Class B Preferred Securities issued by DZ BANK Capital Funding LLC I (the “LLC Class B Preferred Securities”). DZ BANK Capital Funding LLC I in turn used the proceeds to acquire subordinated notes issued by DZ BANK. There have not been any changes in the holder of the common security for the six-month periods ended June 30, 2012 and 2011.

The LLC Class B Preferred Securities were redeemable at the option of DZ BANK Capital Funding LLC I, in whole but not in part, on the Initial Redemption Date on November 11, 2008. DZ BANK Capital Funding LLC I did not make use of this option, but still has the option to redeem the Class B Preferred Securities, in whole but not in part, on any payment date thereafter, at the Redemption Amount in accordance with the Amended and Restated Limited Liability Company Agreement of DZ BANK Capital Funding LLC I dated November 7, 2003 (the “LLC Agreement”). Subject to the provisions contained in the Trust Agreement, upon redemption of the LLC Class B Preferred Securities, the Trust shall apply the Redemption Amount received in connection therewith to redeem pro rata the Trust Common Security and the Trust Preferred Securities.

The consolidated financial statements are presented in Euros, which is the functional currency of the Trust, DZ BANK Capital Funding LLC I and the Trust’s Parent, since its operations are a direct and integral component or extension of the Parent’s operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Trust and DZ BANK Capital Funding LLC I, collectively referred to as the “Company”. The Trust consolidates entities in which it has both the power to direct investments that significantly impact the economic performance of the entities and the obligation to absorb losses or receive benefits that could potentially be significant to the entities. All material intercompany transactions and accounts have been eliminated.

DZ BANK CAPITAL FUNDING TRUST I

Notes to Consolidated Financial Statements

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Subordinated Note Receivable From DZ BANK

This represents €300,003,000 subordinated notes issued by DZ BANK, a related party, and are due November 11, 2033. Interest accrues on a quarterly basis for each distribution period based on the applicable three-month EURIBOR plus 2.5%. The Subordinated Note Receivable from DZ BANK is carried at amortized cost.

Dividend Distributions

The holders of the Trust Common Security and the Trust Preferred Securities (together, the “Trust Securities”), are entitled to receive cash distributions when the Trust receives distributions on the Subordinated Note Receivable from DZ BANK. These cash distributions are payable on a noncumulative basis quarterly in arrears.

Distributions on the Trust Securities will be calculated by the calculation agent on the liquidation preference of the Trust Securities on a quarterly basis for each distribution period on the applicable three-month EURIBOR plus 2.5% and any additional adjustments, as defined in the Trust Agreement. The right of the holders of the Trust Securities to receive distributions is noncumulative.

For the six-month period ended June 30, 2012, the Trust has made dividend distributions on Trust Preferred Securities and Trust Common Security of €5,730,000 and €19, respectively. For the six-month period ended June 30, 2011, the Trust has made dividend distributions on Trust Preferred Securities and Trust Common Security of €3,382,000 and €18, respectively.

Allocation of Net Income

Net income is allocated to the Trust Common Security and Trust Preferred Securities as defined in the Trust Agreement. The undistributed retained earnings of €1,356,189 and €1,667,292 as of June 30, 2012 and 2011, respectively, will be allocated on a pro rata basis to the Trust Common Security, the Trust Preferred Securities and the noncontrolling interest.

Noncontrolling Interest

Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (the “Codification” or “ASC”) 810 clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. Dividend distributions have been made on noncontrolling interest of €8 and €6 for the periods ended June 30, 2012 and 2011, respectively.

Income Taxes

The Trust expects to be treated as a grantor trust for U.S. federal income tax purposes, and not as a business entity subject to tax as a corporation. For United States federal income tax purposes, holders of the Trust Preferred Securities are considered the owners of the LLC Class B Preferred Securities held by the Trust. Each United States holder of Trust Preferred Securities is required to include in its gross income its distributive share of the gross income attributable to the LLC Class B Preferred Securities.

DZ BANK Capital Funding LLC I expects to be treated as a partnership for U.S. federal income tax purposes. As a partnership is not a taxable entity, DZ BANK Capital Funding LLC I is not subject to U.S.

DZ BANK CAPITAL FUNDING TRUST I
Notes to Consolidated Financial Statements
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federal, state and local income tax on its income. Instead, each holder of a security is required to take into account its allocable share of income, gain, loss and deduction of the partnership in computing its U.S. federal tax liability.

Accordingly, the Company has made no provision for income taxes in the accompanying consolidated statements of income.

FASB ASC Topic 740, Income Taxes, provides guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more likely than not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. Management evaluated the Company's tax positions that require adjustment to the financial statements in order to comply with the provisions of this guidance. With few exceptions, the Company is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for years before 2008.

Use of Estimates in the Preparation of Financial Statements

The consolidated financial statements are prepared in conformity with accounting principles generally accepted in the United States of America, which require management to make estimates and assumptions, including those regarding financial instrument valuations, that affect the related amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ materially from these estimates.

Consolidated Statements of Cash Flows

For purposes of reporting cash flows, cash and cash equivalents include cash due from banks and short-term investments with original maturities of three months or less. At June 30, 2012 and 2011, the Company did not have any cash and cash equivalents.

Recent Accounting Pronouncements

In July 2010, the FASB issued ASU No. 2010-20, which amends the authoritative accounting guidance under ASC Topic 310 "Receivables." The purpose of this update is to provide financial statement users with greater transparency about an entity's allowance for credit losses and the credit quality of its financing receivables. The update requires disclosures that facilitate financial statement users' evaluation of the following: (1) the nature of credit risk inherent in the entity's portfolio of financing receivables; (2) how that risk is analyzed and assessed in arriving at the allowance for credit losses; and (3) the changes and reasons for those changes in the allowance for credit losses. An entity is required to provide disclosures on a disaggregated basis by portfolio segment and class of financing receivables. This update requires the expansion of currently required disclosures about financing receivables as well as requiring additional disclosures about financing receivables. The disclosures as of the end of a reporting period are effective for interim and annual reporting periods ending on or after December 15, 2011. The adoption of this update on January 1, 2012 did not have a material effect on the Company's consolidated financial position or results of operations.

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In April 2011, the FASB issued ASU No. 2011-02, which amends the authoritative accounting guidance under ASC Topic 310 “Receivables.” The update provides clarifying guidance as to what constitutes a troubled debt restructuring. The update provides clarifying guidance on a creditor’s evaluation of the following: (1) how a restructuring constitutes a concession and (2) if the debtor is experiencing financial difficulties. The amendments in this update are effective for the first interim or annual period beginning on or after June 15, 2012 and should be applied retrospectively to the beginning of the annual period of adoption. Adoption of this update is currently evaluated and is not expected to have a material effect on the Company’s consolidated financial position or results of operations.

In April 2011, the FASB issued ASU No. 2011-03, which amends the authoritative accounting guidance under ASC Topic 860 “Transfers and Servicing.” The amendments in this update remove from the assessment of effective control (1) the criterion requiring the transferor to have the ability to repurchase or redeem the financial assets on substantially the agreed terms, even in the event of default by the transferee and (2) the collateral maintenance implementation guidance related to that criterion. The amendments in this update are effective for the first interim or annual period beginning on or after December 15, 2011 and should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted. The adoption of this update on January 1, 2012 did not have a material effect on the Company’s consolidated financial position or results of operations.

In May 2011, the FASB issued ASU No. 2011-04, which amends the authoritative accounting guidance under ASC Topic 820 “Fair Value Measurement.” The amendments in this update clarify how to measure and disclose fair value under ASC Topic 820. The amendments in this update are effective for annual periods beginning on or after December 15, 2011 and should be applied prospectively to transactions or modifications of existing transactions that occur on or after the effective date. Early adoption is not permitted. The adoption of this update on January 1, 2012 did not have a material effect on the Company’s consolidated financial position or results of operations but will require additional disclosures in the December 31, 2012 consolidated financial statements.

In June 2011, the FASB issued ASU No. 2011-05, which amends the authoritative accounting guidance under ASC Topic 220 “Comprehensive Income.” The amendments eliminate the option to present components of other comprehensive income in the statement of stockholders’ equity. Instead, the new guidance requires entities to present all nonowner changes in stockholders’ equity either as a single continuous statement of comprehensive income or as two separate but consecutive statements. The amendments in this update are effective for fiscal years ending after December 15, 2012 and must be applied retrospectively. Early adoption is permitted. Adoption of this update is currently evaluated and is not expected to have a material effect on the Company’s consolidated financial position or results of operations.

In December 2011, FASB amended the aforementioned standard issued in June 2011. This amendment defers those changes that relate to the presentation of reclassification adjustments out of accumulated other comprehensive income until the FASB can deliberate further on these requirements. The amendments in this update are effective for the annual period beginning on or after December 15, 2012 and must be applied retrospectively. Adoption of this update is not expected to have a material effect on the Company’s consolidated financial statements.

DZ BANK CAPITAL FUNDING TRUST I

Notes to Consolidated Financial Statements

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3. SHAREHOLDERS' EQUITY

The Company's noncumulative preferred securities consist of 300,000 shares authorized, issued and outstanding at June 30, 2012 and 2011, each having a liquidation preference, as defined in the Trust Agreement, of €1,000.

The Company's common security consists of one share par value €1.000, authorized, issued and outstanding at June 30, 2012 and 2011.

4. RELATED PARTY TRANSACTIONS

The Trust's regular trustees, Ralf Weingartner, Carl Amendola, Norah McCann and Jonas Kelletshofer, are employees of DZ BANK New York and act as managers, as defined in the Trust Agreement. DZ BANK New York provides administrative services to the Company. Currently, the Company does not reimburse DZ BANK New York for these services.

The activities are substantially governed by DZ BANK New York which provides ongoing administrative support. Therefore, the Company's financial condition and results of operations may not necessarily be indicative of those that would have resulted if the Company had operated as an unaffiliated company.

5. VARIABLE INTEREST ENTITIES

In accordance with FASB ASC 810-10, Consolidation, a variable interest entity ("VIE") is defined as an entity with one or more of the following characteristics:

- The equity investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties;
- Equity holders either (a) lack direct or indirect ability to make decisions about the entity, (b) are not obligated to absorb expected losses of the entity or (c) do not have the rights to receive expected residual returns of the entity if they occur; or
- Equity holders have voting rights that are not proportionate to their economic interests, and the activities of the entity involve or are conducted on behalf of an investor with a disproportionately small voting interest.

If an entity is deemed to be a VIE, the reporting entity that both has the power to direct activities that significantly impact the economic performance of the VIE and has the obligation to absorb losses or receive benefits that could potentially be significant to the VIE is considered the primary beneficiary and must consolidate the VIE.

The Trust purchased LLC Class B Preferred Securities issued by DZ BANK Capital Funding LLC I whose purpose was to acquire subordinated notes issued by DZ BANK. For further details on the transactions, see Note 1. As of June 30, 2012 and 2011, the Trust has determined that its investee is a VIE under FASB ASC 810-10. Furthermore, the Trust has concluded that it is the primary beneficiary of the VIE and, therefore, the Trust has consolidated the VIE under ASC 810-10.

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6. FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, requires the disclosure of fair value information about financial instruments for which it is practicable to estimate that value, whether or not the instrument is recognized in the consolidated balance sheet. FASB ASC 825-10 excludes certain financial instruments from its disclosure requirements. The aggregate fair value amounts presented do not represent the underlying value of the Company.

A description of the valuation methodologies used for assets and liabilities recorded at fair value, and for estimating fair value for financial instruments not recorded at fair value in accordance with ASC 820, is set forth below.

Accrued Interest Receivable

The carrying amount is a reasonable estimate of fair value.

Subordinated Note Receivable From DZ BANK

The fair value is based on the quoted market price of the Trust Preferred Securities, which are financial instruments that react to changes in market conditions in a similar way as the Subordinated Note Receivable from DZ BANK.

The estimated fair values of the Company's financial instruments as of June 30, 2012 and 2011 are as follows:

	<u>June 30, 2012</u>		<u>June 30, 2011</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Subordinated note receivable				
from DZ BANK	€ 300,003,000	€ 161,251,613	€ 300,003,000	€ 217,532,175

The estimated fair value amounts at June 30, 2012 and 2011 have not been reevaluated or updated for purposes of these consolidated financial statements subsequent to those respective dates. As such, the estimated fair values of these financial instruments subsequent to the respective reporting dates may be different than amounts reported at June 30, 2012 and 2011.

7. SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition and/or disclosure through July 27, 2012, the date the consolidated financial statements were available to be issued.