

DZ BANK

Capital Funding Trust I

Consolidated Financial Report

December 31, 2010

Contents

Independent Auditor's Report	1
Financial Statements:	
Consolidated Balance Sheets	2
Consolidated Statements of Income	3
Consolidated Statements of Changes in Equity	4
Consolidated Statements of Cash Flows	5
Notes to Consolidated Financial Statements	6 - 10

Independent Auditor's Report

To the Board of Directors
DZ BANK Capital Funding Trust I
New York, New York

We have audited the accompanying consolidated balance sheets of DZ BANK Capital Funding Trust I and subsidiary (collectively, the "Company") as of December 31, 2010 and 2009, and the related consolidated statements of income, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DZ BANK Capital Funding Trust I and subsidiary as of December 31, 2010 and 2009, and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

McGladrey & Pullen, LLP

New York, New York
March 11, 2011

DZ BANK Capital Funding Trust I

Consolidated Balance Sheets

December 31, 2010 and 2009

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

	2010	2009
ASSETS		
Subordinated Note Receivable from DZ BANK	€ 300,003	€ 300,003
Accrued Interest on Subordinated Note Receivable from DZ BANK	<u>1,508</u>	<u>1,366</u>
Total assets	<u>€ 301,511</u>	<u>€ 301,369</u>
EQUITY		
Shareholders' Equity:		
Preferred securities, liquidation preference €1,000 per security; 300,000 securities authorized, issued and outstanding at December 31, 2010 and 2009	€ 300,000	€ 300,000
Common security, €1,000 par value; one security authorized, issued and outstanding at December 31, 2010 and 2009	1	1
Retained earnings	<u>1,508</u>	<u>1,366</u>
Total shareholders' equity	301,509	301,367
Noncontrolling Interest	<u>2</u>	<u>2</u>
Total equity	<u>€ 301,511</u>	<u>€ 301,369</u>

See Notes to Consolidated Financial Statements.

DZ BANK Capital Funding Trust I

Consolidated Statements of Income
Years Ended December 31, 2010 and 2009
(in Euros and thousands)

	2010	2009
Interest Income on Subordinated Note Receivable from DZ BANK	<u>€ 10,000</u>	<u>€ 12,616</u>
Net income	<u>€ 10,000</u>	<u>€ 12,616</u>

See Notes to Consolidated Financial Statements.

DZ BANK Capital Funding Trust I

Consolidated Statements of Changes in Equity
Years Ended December 31, 2010 and 2009
(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, January 1, 2009	€ 300,000	€ 1	€ 2,964	€ 2	€ 302,967
Net Income	-	-	12,616	-	12,616
Cash Dividends Declared:					
Preferred securities (€47.38 per share)	-	-	(14,214)	-	(14,214)
Trust common security (€47.38 per share)	-	-	-	-	-
Balance, December 31, 2009	300,000	1	1,366	2	301,369
Net Income	-	-	10,000	-	10,000
Cash Dividends Declared:					
Preferred securities (€32.86 per share)	-	-	(9,858)	-	(9,858)
Trust common security (€32.86 per share)	-	-	-	-	-
Balance, December 31, 2010	<u>€ 300,000</u>	<u>€ 1</u>	<u>€ 1,508</u>	<u>€ 2</u>	<u>€ 301,511</u>

See Notes to Consolidated Financial Statements.

DZ BANK Capital Funding Trust I

Consolidated Statements of Cash Flows Years Ended December 31, 2010 and 2009 (in Euros and thousands)

	2010	2009
Cash Flows From Operating Activities:		
Net income	€ 10,000	€ 12,616
Adjustments to reconcile net income to net cash provided by operating activities:		
Accrued interest on subordinated note receivable from DZ BANK	<u>(142)</u>	<u>1,598</u>
Net cash provided by operating activities	9,858	14,214
Cash Flows Used in Financing Activity - cash dividends paid	<u>(9,858)</u>	<u>(14,214)</u>
Change in cash and cash equivalents	-	-
Cash and Cash Equivalents:		
Beginning	<u>-</u>	<u>-</u>
Ending	<u>€ -</u>	<u>€ -</u>

See Notes to Consolidated Financial Statements.

DZ BANK Capital Funding Trust I

Notes to Consolidated Financial Statements

Note 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 A+ by Standard & Poor's at both December 31, 2010 and 2009.

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 years ended December 31, 2010 and 2009.

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.

Note 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 has 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.

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.

DZ BANK Capital Funding Trust I

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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 3-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 year ended December 31, 2010, the Trust has made dividend distributions on Trust Preferred Securities and Trust Common Security of €9,858,000 and €33, respectively. For the year ended December 31, 2009, the Trust has made dividend distributions on Trust Preferred Securities and Trust Common Security of €14,214,000 and €47, 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 €1,508,340 and €1,366,389 as of December 31, 2010 and 2009, 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 (the "FASB") Accounting Standards Codification (the "Codification" or "ASC") 810 and formerly Statement of Financial Accounting Standards ("SFAS") No. 160, *Noncontrolling Interests in Consolidated Financial Statements - an Amendment of ARB No. 51*, 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 €66 and €95 for the years ended December 31, 2010 and 2009, 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. 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.

Financial Accounting Standards Board ("FASB") Accounting Standards Codification 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 2007.

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.

DZ BANK Capital Funding Trust I

Notes to Consolidated Financial Statements

Note 2. Summary of Significant Accounting Policies (Continued)

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 December 31, 2010 and 2009, the Company did not have any cash and cash equivalents.

Recent Accounting Pronouncements: In June 2009, the FASB issued SFAS No. 167, *Amendments to FASB Interpretation No. 46(R)*, now included in the Codification as part of FASB ASC 810-10 and amended by Accounting Standards Update ("ASU") No. 2009-17, *Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*, to amend certain requirements of FASB Interpretation No. 46 (revised December 2003), *Consolidation of Variable Interest Entities*, to improve financial reporting by enterprises involved with variable interest entities and to provide more relevant and reliable information to users of financial statements. The statement is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. The Company's adoption of this statement on January 1, 2010 did not have a material impact on the Company's consolidated financial position or results of operations.

In January 2010, the FASB issued ASU No. 2010-06, *Fair Value Measurements and Disclosures*, to amend certain requirements of FASB ASC 820-10, *Fair Value Measurements and Disclosures*, to improve disclosure requirements that will result in increased transparency in financial reporting. The amendment is effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The Company's adoption of this ASU on January 1, 2010 did not have a material impact on the Company's consolidated financial position or results of operations.

In July 2010, the FASB issued ASzU No. 2010-20, *Disclosures about the Credit Quality of Financing Receivables and the Allowance for Credit Losses*, which amends various sections of ASC 310-10 and outlines specific disclosures that will be required for the allowance for credit losses and all finance receivables. Finance receivables includes loans, lease receivables and other arrangements with a contractual right to receive money on demand or on fixed or determinable dates that is recognized as an asset on an entity's statement of financial position. The amendment requires companies to provide disaggregated levels of disclosure by portfolio segment and class to enable users of the financial statement to understand the nature of credit risk, how the risk is analyzed in determining the related allowance for credit losses and changes to the allowance during the reporting period. The required disclosures under this amendment as of the end of a reporting period are effective for the Company's December 31, 2010 reporting period and disclosures regarding activities during a reporting period are effective for the Company's June 30, 2011 interim reporting period. The Company's adoption of this ASU on January 1, 2010 did not have a material impact on the Company's consolidated financial position or results of operations.

Note 3. Shareholders' Equity

The Company's noncumulative preferred securities consist of 300,000 shares authorized, issued and outstanding at December 31, 2010 and 2009, each having a liquidation preference, as defined in the Trust Agreement, of €1,000.

The Company's common security consists of one share authorized at €1,000 and outstanding at December 31, 2010 and 2009.

DZ BANK Capital Funding Trust I

Notes to Consolidated Financial Statements

Note 4. Related Party Transactions

The Trust's regular trustees, Dr. Florian Straßberger, Carl Amendola, Norah McCann and Tobias Sagan, 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.

Note 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 December 31, 2010 and 2009, 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.

Note 6. Fair Value of Financial Instruments

FASB ASC 820, *Fair Value Measurements and Disclosures* (formerly known as SFAS No. 107), 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.

DZ BANK Capital Funding Trust I

Notes to Consolidated Financial Statements

Note 6. Fair Value of Financial Instruments (Continued)

The estimated fair values of the Company's financial instruments as of December 31, 2010 and 2009 are as follows:

	<u>December 31, 2010</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
Subordinated Note Receivable From DZ BANK	<u>€ 300,003,000</u>	<u>€ 213,002,130</u>
	<u>December 31, 2009</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>
Subordinated Note Receivable From DZ BANK	<u>€ 300,003,000</u>	<u>€ 190,501,905</u>

The estimated fair value amounts at December 31, 2010 and 2009 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 December 31, 2010 and 2009.

Note 7. Subsequent Events

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition and/or disclosure through March 11, 2011, the date the consolidated financial statements were available to be issued.