

McGladrey & Pullen

Certified Public Accountants

DZ BANK Capital Funding Trust I

Financial Report
(Reviewed)

June 30, 2008

Contents

Independent Auditor's Report	1
Financial Statements:	
Balance Sheets	2
Statements of Income	3
Statements of Changes in Shareholders' Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6-9

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Independent Auditor's Report

To the Board of Directors of
DZ BANK Capital Funding Trust I

We have reviewed the accompanying balance sheets of DZ BANK Capital Funding Trust I (the "Company") as of June 30, 2008 and 2007, and the related statements of income, changes in shareholder's equity and cash flows for the six month periods then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All of the information included in these financial statements is the representation of the management of DZ BANK Capital Funding Trust I.

A review consists principally of inquiries of Company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the United States of America, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

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

McGladrey & Pullen, LLP

New York, New York
July 28, 2008

DZ BANK Capital Funding Trust I

Balance Sheets

June 30, 2008 and 2007

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

	2008	2007
ASSETS		
Investment in affiliated company, at cost	<u>€ 303,004</u>	<u>€ 302,783</u>
Total assets	<u>€ 303,004</u>	<u>€ 302,783</u>
Shareholders' Equity:		
Preferred securities, liquidation preference €1,000 per security; 300,000 securities authorized, issued and outstanding at June 30, 2008 and 2007.	€ 300,000	€ 300,000
Common security, €1,000 par value; one security authorized, issued and outstanding, at June 30, 2008 and 2007.	1	1
Retained earnings	<u>3,003</u>	<u>2,782</u>
Total shareholders' equity	<u>€ 303,004</u>	<u>€ 302,783</u>

See notes to financial statements.

DZ BANK Capital Funding Trust I

Statements of Income

Six Month Period Ended June 30, 2008 and 2007

(In Euros and thousands)

	2008	2007
Dividend income	€ 10,620	€ 9,237
Share in undistributed earnings of affiliated company	<u>53</u>	<u>298</u>
Net income	<u>€ 10,673</u>	<u>€ 9,535</u>

See notes to financial statements.

DZ BANK Capital Funding Trust I

Statements of Changes in Shareholders' Equity Six Month Period Ended June 30, 2008 and 2007 (In Euros and thousands, except per share)

	Preferred Securities	Common Security	Retained Earnings	Total
Balance, December 31, 2006	€ 300,000	€ 1	€ 2,484	€ 302,485
Net income	-	-	9,535	9,535
Cash Dividends Declared:				-
Preferred securities				-
(€30.79 per share)	-	-	(9,237)	(9,237)
Trust common securities				-
(€30.79 per share)	-	-	-	-
Balance, June 30, 2007	€ 300,000	€ 1	€ 2,782	€ 302,783
Balance, December 31, 2007	€ 300,000	€ 1	€ 2,950	€ 302,951
Net income	-	-	10,673	10,673
Cash Dividends Declared:				-
Preferred securities				-
(€35.40 per share)	-	-	(10,620)	(10,620)
Trust common securities				-
(€35.40 per share)	-	-	-	-
Balance, June 30, 2008	€ 300,000	€ 1	€ 3,003	€ 303,004

See notes to financial statements.

DZ BANK Capital Funding Trust I

Statements of Cash Flows

Six Month Period Ended June 30, 2008 and 2007

(In Euros and thousands)

	2008	2007
<hr/>		
Cash Flows From Operating Activities:		
Net income	€ 10,673	€ 9,535
Adjustments to reconcile net income to net cash provided by operating activities:		
Undistributed earnings of affiliated company	<u>(53)</u>	<u>(298)</u>
Net cash provided by operating activities	<u>10,620</u>	<u>9,237</u>
Cash Flows From Financing Activities:		
Cash dividends paid	<u>(10,620)</u>	<u>(9,237)</u>
Net cash used in financing activities	<u>(10,620)</u>	<u>(9,237)</u>
Change in cash and cash equivalents	-	-
Cash and Cash Equivalents:		
Beginning of period	<u>-</u>	<u>-</u>
End of period	<u>€ -</u>	<u>€ -</u>

See notes to financial statements.

DZ BANK Capital Funding Trust I

Notes To Financial Statements

Note 1. Organization and Basis of Presentation

DZ BANK Capital Funding Trust I (the "Company") 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 Company's common security is owned by the regular trustees of the Company.

The Company was initially capitalized on November 7, 2003 with the issuance to the trustees of one share of the Company's common security, € 1,000 par value (the "Trust Common Security"), raising capital of € 1,000. On November 7, 2003, the Company commenced operations concurrent with the offering and issuance of 300,000 non-cumulative trust preferred securities, liquidation preference € 1,000 per security, (the "Trust Preferred Securities") to various institutional buyers. The entire capital was used to acquire preferred securities issued by DZ BANK Capital Funding LLC I (the "LLC Preferred Securities"). DZ BANK Capital Funding LLC I in turn used the proceeds to acquire subordinated notes issued by DZ BANK AG, a German banking corporation, rated A+ by Standard & Poor's at June 30, 2008 and 2007, respectively. There have not been any changes in the holder of the common security for the half years ended June 30, 2008 and 2007.

The Trust Preferred Securities are redeemable at the option of the Company, in whole but not in part, on the Initial Debt Redemption Date (November 11, 2008) or on any payment date thereafter, at the redemption amount in accordance with the Trust Agreement. Upon the occurrence of a special redemption event, as defined in the Trust Agreement as (i) a regulatory event with respect to the Company or DZ BANK Capital Funding LLC I, (ii) a tax event solely with respect to the Company or (iii) an investment company act event solely with respect to the Company, the Trust Preferred Securities may be redeemed in full at any time upon at least 30 days' prior notice to holders of the Trust Preferred Securities. There was no special redemption event as of June 30, 2008 and 2007, respectively.

Note 2. Summary of Significant Accounting Policies

Investment in Affiliated Company: LLC Preferred Securities issued by DZ BANK Capital Funding LLC I, an affiliated limited liability company created under the laws of the State of Delaware, represent preferred limited liability company interests in, and the preferred right to participate in the profits of DZ BANK Capital Funding LLC I. The Company owns 100% of DZ BANK Capital Funding LLC I's preferred equity (the "LLC Preferred Securities"). The LLC Preferred Securities are accounted for at cost of the acquired securities plus the attributable undistributed interest in DZ BANK Capital Funding LLC I's net income since acquisition of the LLC Preferred Securities. The undistributed interest in DZ BANK Capital Funding LLC I's net income represents dividends earned on LLC Preferred Securities. The LLC Preferred Securities are the Company's sole asset at June 30, 2008 and 2007, respectively.

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 Company receives distributions on the LLC Preferred Securities. These cash distributions are payable on a non-cumulative basis quarterly in arrears.

Distributions on 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 non-cumulative.

DZ BANK Capital Funding Trust I

Notes To Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Dividend Distributions: (Cont'd)

For the six month period ended June 30, 2008, the Company has made dividend distributions on Trust Preferred Securities and Trust Common Security of € 10,620,000 and € 35, respectively. For the six month period ended June 30, 2007, the Company has made dividend distributions on Trust Preferred Securities and Trust Common Security of € 9,237,000 and € 31, respectively.

Allocation of Net Income: Net income is allocated to Trust Common Security and Trust Preferred Securities as defined in the Trust Agreement. The undistributed retained earnings of € 3,003,302 and € 2,782,059 as of June 30, 2008 and 2007, respectively, will be allocated to the Trust Preferred Securities in their entirety.

Income Taxes: The Company 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 Preferred Securities held by the Company. 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 Preferred Securities. Accordingly, the Company has made no provision for income taxes in the accompanying Statements of Income.

Use of Estimates in the Preparation of Financial Statements: The 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 financial statements and accompanying notes. Actual results could differ materially from these estimates.

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, 2008 and 2007, respectively, the Company had no cash and cash equivalents.

Recent Accounting Pronouncements: In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement 109*. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB Statement No. 109, *Accounting for Income Taxes*. FIN 48 prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. If there are changes in net assets as a result of application of FIN 48 these will be accounted for as an adjustment to the opening balance of retained earnings. Additional disclosures about the amounts of such liabilities will be required also. In February 2008, the FASB delayed the effective date of FIN 48 for certain nonpublic enterprises to annual financial statements for fiscal years beginning after December 15, 2007. The adoption of FIN 48 did not have a material effect on the Company's financial statements.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities." This statement permits companies to elect to follow fair value accounting for certain financial assets and liabilities in an effort to mitigate volatility in earnings without having to apply complex hedge accounting provisions. The statement also establishes presentation and disclosure requirements designed to facilitate comparison between entities that chose different measurement attributes for similar types of assets and liabilities. This statement is effective for fiscal years beginning after November 15, 2007. The adoption of this statement did not have a material impact on the Company's financial statements.

DZ BANK Capital Funding Trust I

Notes To Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

Valuation of Investments: The fair value of the LLC Preferred Securities is determined at the balance sheet date.

Effective January 1, 2008, the Company adopted FASB statement 157, *Fair Value Measurements*. The standard provides guidance for using fair value to measure assets and liabilities. It defines fair value, establishes a framework for measuring fair value under accounting principles generally accepted in the United States of America and expands disclosures about fair value measurement. Under the standard, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. It clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, the standard establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements would be separately disclosed by level within the fair value hierarchy.

Investments measured and reported at fair value are classified and disclosed in one of the following categories.

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments included in Level I include listed equities and listed derivatives. As required by SFAS No. 157, the Company does not adjust the quoted price for these investments, even in situations where the Company holds a large position and a sale could reasonably impact the quoted price.

Level II – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Investments which are generally included in this category include corporate bonds and loans, less liquid and restricted equity securities and certain over-the-counter derivatives.

Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in the category generally included general and limited partnership interests in corporate private equity and real estate funds, mezzanine funds, funds of hedge funds, distressed debt and non-investment grade residual interests in securitizations and collateralized debt obligations.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The Company's investments consist of LLC Preferred Securities and are carried at cost of the acquired securities plus the attributable undistributed interest in DZ BANK Capital Funding LLC I's net income since acquisition of the LLC Preferred Securities. Fair value of the LLC Preferred Securities, which equals cost, is based on level II inputs. For variable rate based investment securities that reprice frequently and with no significant changes in credit risk, fair values are based on carrying values.

DZ BANK Capital Funding Trust I

Notes To Financial Statements

Note 2. Summary of Significant Accounting Policies (continued)

The determination of fair value using this methodology takes into account consideration of a range of factors, including, but not limited to, the price at which the investment was acquired, the nature of the investment, local market conditions, trading values on public exchanges for comparable securities, current and projected operating performance and financing transactions subsequent to the acquisition of the investment. This valuation methodology involves a significant degree of management judgment.

Due to the inherent uncertainty of the valuation methodology, the valuations do not necessarily represent the amounts that might ultimately be realized from the investments, and the differences could be material to the financial statements.

The following table summarizes the valuation of the Company's investments by the above SFAS No. 157 fair value hierarchy levels as of June 30, 2008:

Description	Period Ended 6/30/08	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment in LLC Preferred Securities	€ 303,004,302	-	€ 303,004,302	-

Note 3. Shareholders' Equity

The Company's common security consists of one share authorized at € 1,000 and outstanding at June 30, 2008 and 2007, respectively.

The Company's non-cumulative preferred securities consist of 300,000 shares authorized, issued and outstanding at June 30, 2008 and 2007, respectively, each having a liquidation preference, as defined in the Trust Agreement, of € 1,000.

Note 4. Related Party Transactions

The Company's regular trustees, Dr. Florian Straßberger, Carl Amendola, Norah McCann and Tobias Sagan, are employees of DZ BANK NY, and act as managers, as defined in the Trust Agreement. DZ BANK NY provides administrative services to the Company. Currently, the Company does not reimburse DZ BANK NY for these services.

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