

Consolidated Financial Statements and Report of Independent Certified Public Accountants

DZ BANK Capital Funding Trust I (in Liquidation)

December 31, 2020 and 2019

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Report of Independent Auditors

The Board of Directors of DZ BANK Capital Funding Trust I

We have audited the accompanying consolidated financial statements of DZ BANK Capital Funding Trust I (a Delaware corporation) (the “Company”) and subsidiary, which comprise the consolidated balance sheet as of December 31, 2020 and the related consolidated statements of income, changes in stockholders’ equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of DZ BANK Capital Funding Trust I and subsidiaries at December 31, 2020, and the consolidated results of their operations and their cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Liquidation Basis of Accounting

As described in Note A to the financial statements, the management board of the Company decided to liquidate the Company. As a result, the Company has changed its basis of accounting from the going concern basis to a liquidation basis. Our opinion is not modified with respect to this matter.

Report of Other Auditors on 2019 Financial Statements

The consolidated financial statements of DZ BANK Capital Funding Trust I and subsidiaries for the year ended December 31, 2019, were audited by other auditors who expressed an unqualified opinion on those statements on March 27, 2020.

Eschborn/Frankfurt am Main, April 27, 2021

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Christian Mai
Wirtschaftsprüfer

Nermin Jejina
Wirtschaftsprüfer

DZ BANK Capital Funding Trust I

CONSOLIDATED BALANCE SHEETS – IN LIQUIDATION FOR 2020

As of December 31, 2020 and 2019

(in thousands, except share amounts)

	2020 (in Liquidation)	2019
ASSETS		
Subordinated note receivable from DZ BANK	€ 300,003	€ 300,003
Accrued interest on subordinated note receivable from DZ BANK	<u>2,976</u>	<u>893</u>
Total assets	<u>€ 302,979</u>	<u>€ 300,896</u>
LIABILITIES		
Redemption payable	<u>302,979</u>	<u>-</u>
Total liabilities	<u>€ 302,979</u>	<u>€ -</u>
EQUITY		
Shareholders' equity		
Preferred securities, liquidation preference €1,000 per security; 300,000 securities authorized, issued and outstanding at December 31, 2020 and 2019	€ -	€ 300,000
Common security, €1,000 par value; one security authorized, issued and outstanding at December 31, 2020 and 2019	-	1
Retained earnings	<u>-</u>	<u>893</u>
Total shareholders' equity	-	300,894
Noncontrolling interest	<u>-</u>	<u>2</u>
Total liabilities and equity	<u>€ 302,979</u>	<u>€ 300,896</u>

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

DZ BANK Capital Funding Trust I
CONSOLIDATED STATEMENTS OF INCOME – IN LIQUIDATION FOR 2020
For the years ended December 31, 2020 and 2019
(in thousands, except share amounts)

	2020 (in Liquidation)	2019
Interest income on subordinated note receivable from DZ BANK	€ 8,539	€ 6,556
NET INCOME	€ 8,539	€ 6,556

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

DZ BANK Capital Funding Trust I

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – IN LIQUIDATION FOR 2020

For the years ended December 31, 2020 and 2019

(in thousands, except share amounts)

	<u>Preferred Securities</u>	<u>Common Security</u>	<u>Retained Earnings</u>	<u>Noncontrolling Interest</u>	<u>Total</u>
Balance, December 31, 2018	€ 300,000	€ 1	€ 910	€ 2	€ 300,913
Net income	-	-	6,556	-	6,556
Cash dividends declared					
Preferred securities (€21.91 per share)	-	-	(6,573)	-	(6,573)
Common security (€21.91 per share)	-	-	-	-	-
Balance, December 31, 2019	300,000	1	893	2	300,896
Redemption declared	(300,000)	(1)	(2,976)	(2)	(302,979)
Net income	-	-	8,539	-	8,539
Cash dividends declared					
Preferred securities (€21.51 per share)	-	-	(6,456)	-	(6,456)
Common security (€21.51 per share)	-	-	-	-	-
Balance, December 31, 2020	€ -	€ -	€ -	€ -	€ -

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

DZ BANK Capital Funding Trust I

CONSOLIDATED STATEMENTS OF CASH FLOWS – IN LIQUIDATION FOR 2020

For the years ended December 31, 2020 and 2019

(in thousands, except share amounts)

	2020	2019
	(in Liquidation)	
Cash flows from operating activities:		
Net income	€ 8,539	€ 6,556
Adjustments to reconcile net earnings to net cash provided by operating activities		
Accrued interest on subordinated note receivable from DZ BANK	893	17
Net cash provided by operating activities	<u>9,432</u>	<u>6,573</u>
Cash flows used in investing activities:		
Proceeds from redemption of Subordinated note receivable from DZ BANK	300,003	-
Net cash provided by investing activities	<u>300,003</u>	<u>-</u>
Cash flows used in financing activities:		
Redemption declared	(300,003)	-
Cash dividends declared	(2,976)	-
Cash dividends paid	<u>(6,456)</u>	<u>(6,573)</u>
Net cash provided by financing activities	<u>(309,435)</u>	<u>(6,573)</u>
Change in cash and cash equivalents	-	-
Cash and cash equivalents		
Beginning of year	<u>-</u>	<u>-</u>
End of year	<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 – IN LIQUIDATION FOR 2020

December 31, 2020 and 2019

NOTE A - 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 December 31, 2020 and December 31, 2019. 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 years ended December 31, 2020 and 2019.

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.

On January 12, 2021, DZ BANK Capital Funding LLC I has properly resolved to redeem the LLC Class B Preferred Securities in whole but not in part on May 11, 2021 (“Redemption Date”) at the redemption amount per Class B Preferred Securities equal to the Class B Denomination, plus accrued and unpaid Capital Payments for the then-current Class B payment Period to, but excluding, the Redemption Date, plus Additional Amounts, if any, payable pursuant to Section 7.04(c) of the LLC Agreement (“Redemption Price”).

In accordance with Accounting Standard Codification 205-30, Liquidation Basis of Accounting (“ASC 205-30”), as a result of the redemption of LLC Class B Preferred Securities as discussed above, the Trust changed its basis of accounting from a going concern basis to a liquidation basis for the year ended December 31, 2020. Under a liquidation basis, assets and liabilities are measured at their net realizable values and settlement amounts, respectively. All expenses expected to be incurred through the final date of liquidation, if any, are accrued.

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.

DZ BANK Capital Funding Trust I

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – IN LIQUIDATION FOR 2020

December 31, 2020 and 2019

NOTE B - 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.

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 year ended December 31, 2020, the Trust has made dividend distributions on Trust Preferred Securities and Trust Common Security of €6,456,000 and €22, respectively. For the year ended December 31, 2019, the Trust has made dividend distributions on Trust Preferred Securities and Trust Common Security of €6,573,000 and €22, respectively.

Allocation of Net Income

Net income is allocated to the Trust Common Security and Trust Preferred Securities as defined in the Trust Agreement. In accordance with ASC 205-30, the undistributed retained earnings of €2,976,030 and €892,509 as of December 31, 2020 and 2019, respectively, are accrued through the date of the expected liquidation and will be allocated to the Trust Common Security of €10, the Trust Preferred Securities of €2,976,000 and the noncontrolling interest of €20.

Noncontrolling Interest

Financial Accounting Standards Board (the “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 €43 and €44 for the years ended December 31, 2020 and 2019, respectively.

DZ BANK Capital Funding Trust I

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – IN LIQUIDATION FOR 2020

December 31, 2020 and 2019

Income Taxes

The Trust is 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 is 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.

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. The Company is no longer subject to income tax examinations by U.S. federal, state or local tax authorities for years before 2017.

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 ("U.S. GAAP"), 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 December 31, 2020 and 2019, the Company did not have any cash and cash equivalents.

Recent Accounting Pronouncements

On January 5, 2016, the FASB issued Accounting Standards Update 2016-01, *Financial Instruments - Overall: Recognition and Measurement of Financial Assets and Financial Liabilities* (the "ASU"). Changes to the current US GAAP model primarily affects the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. In addition, the FASB clarified guidance related to the valuation allowance assessment when recognizing deferred tax assets resulting from unrealized losses on available-for-sale debt securities. The accounting for other financial instruments, such as loans, investments in debt securities, and financial liabilities is largely unchanged. The new standard is effective for fiscal years beginning after December 15, 2018. The Company has evaluated the new standard noting no material impact to the consolidated financial statements and disclosures.

DZ BANK Capital Funding Trust I

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – IN LIQUIDATION FOR 2020

December 31, 2020 and 2019

In May 2014, the FASB issued updated guidance and disclosure requirements for recognizing revenue. The new revenue recognition standard provides a five-step analysis of transactions to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This standard is effective for the Company on January 1, 2019, and may be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company has evaluated the new standard noting no material impact to the consolidated financial statements and disclosures.

In June of 2016, the FASB issued ASU 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 affects all entities that hold financial assets that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance sheet credit exposures, and any other financial assets that have the contractual right to receive cash. For private entities, the amendments in this ASU are effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The new guidance will primarily affect the Company's presentation of assets measured at amortized cost, which will need to be recorded at the net amount expected to be collected. Allowance for credit losses valuation accounts will be established for assets measured at amortized cost, and available-for-sale debt securities.

NOTE C - SHAREHOLDERS' EQUITY

The Company's noncumulative preferred securities consist of 300,000 shares authorized, issued and outstanding at December 31, 2020 and 2019, each having a liquidation preference, as defined in the Trust Agreement, of €1,000.

The Company's common security consists of 1 share authorized at €1,000 and outstanding at December 31, 2020 and 2019.

Shareholder's equity in the above Financial Statements has been prepared in accordance with ASC 205-30.

NOTE D - RELATED PARTY TRANSACTIONS

The Trust's regular trustees, Jeffrey Baun, 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.

NOTE E - 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;

DZ BANK Capital Funding Trust I

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – IN LIQUIDATION FOR 2020

December 31, 2020 and 2019

- 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 involved 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 A. As of December 31, 2020 and 2019, 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.

The Trust has not provided support to the VIE when it was not contractually obligated to do so.

NOTE F - 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 on Subordinated Note from DZ BANK AG

The carrying amount is a reasonable estimate of fair value. As of December 31, 2020 and 2019, the accrued interest on subordinated note receivable from DZ BANK is €2,976,030 and €892,509, respectively, and is included on the consolidated balance sheets.

Subordinated Note Receivable from DZ BANK AG

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 December 31, 2020 and 2019 are as follows:

DZ BANK Capital Funding Trust I

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – IN LIQUIDATION FOR 2020

December 31, 2020 and 2019

	December 31, 2020		December 31, 2019	
	Carrying amount	Liquidation Amount	Carrying amount	Fair value
Subordinated note receivable from DZ BANK AG	€ 300,003,000	€ 300,003,000	€ 300,003,000	€ 300,003,000

The estimated fair value amounts at December 31, 2020 and 2019 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, 2020 and 2019.

NOTE G - SUBSEQUENT EVENTS

In preparing these consolidated financial statements, the Company has evaluated events and transactions for potential recognition and/or disclosure through April 27, 2021, the date the consolidated financial statements were available to be issued, and has determined that there are no material events that would require disclosure, other than below.

The Coronavirus COVID-19 pandemic is having a broad impact on commerce and financial markets throughout the world. Due to the current economic volatility, and the amount of time and judgment involved in Management’s valuation processes, it is impractical to quantify the estimated impact on the fair value of the Trust’s investments. However, Management believes the recent volatility in the market has not resulted in a material decrease in the value of our investments since December 31, 2020.

On January 12, 2021, DZ BANK Capital Funding LLC I has properly resolved to redeem the LLC Class B Preferred Securities in whole but not in part on May 11, 2021 (“Redemption Date”) at the redemption amount per Class B Preferred Securities equal to the Class B Denomination, plus accrued and unpaid Capital Payments for the then-current Class B payment Period to, but excluding, the Redemption Date, plus Additional Amounts, if any, payable pursuant to Section 7.04(c) of the LLC Agreement (“Redemption Price”).

DZ BANK Capital Funding Trust I Wilmington, State of Delaware, United States of America

Management Report of Financial Year 2020

Substantial Business Transactions

Important events which could influence the position of DZ BANK Capital Funding Trust I and DZ BANK Capital Funding LLC I as its subsidiary (collectively, the “Company”) have not occurred, except below, until preparation of the Financial Report.

On January 12, 2021, DZ BANK Capital Funding LLC I has properly resolved to redeem the LLC Class B Preferred Securities in whole but not in part on May 11, 2021 (“Redemption Date”) at the redemption amount per Class B Preferred Securities equal to the Class B Denomination, plus accrued and unpaid Capital Payments for the then-current Class B payment Period to, but excluding, the Redemption Date, plus Additional Amounts, if any, payable pursuant to Section 7.04(c) of the LLC Agreement (“Redemption Price”).

In accordance with Accounting Standard Codification 205-30, Liquidation Basis of Accounting (“ASC 205-30”), as a result of the redemption of LLC Class B Preferred Securities as discussed above, the Trust changed its basis of accounting from a going concern basis to a liquidation basis for the year ended December 31, 2020. Under a liquidation basis, assets and liabilities are measured at their net realizable values and settlement amounts, respectively. All expenses expected to be incurred through the final date of liquidation, if any, are accrued.

Financial Position and Financial Performance

The assets of the Company in the amount of TEUR 302,979 (2019: TEUR 300,896) consist of the Subordinated Note Receivable from DZ BANK AG in the amount of TEUR 300,003 (2019: TEUR 300,003), and accrued interest on the Subordinated Note Receivable in the amount of TEUR 2,976 (2019: TEUR 893).

The Financial Performance of the fiscal year consists of Interest Income on the Subordinated Note Receivable from DZ BANK AG and shows a net income amounting to TEUR 8,539 (2019: TEUR 6,556).

At the same time an amount of TEUR 6,456 (2019: TEUR 6,573) was passed through in the form of Trust capital payments for the Trust Preferred Securities to the owners of the Trust Preferred Securities.

Risk Report

Credit Risk

The Company is solely focused on passing through the interest payments, which have been received from DZ BANK AG, to the owners of Trust Preferred Securities in the form of Trust capital payments. Therefore, the financial performance of the Company depends on the interest payments of DZ BANK AG, whereby the assignment for passing through the interest payments to the owners of Trust Preferred Securities depends amongst others on certain tests in relation to the financial position of DZ BANK AG.

The Trust commenced operations concurrent with the offering of 300,000 non-cumulative 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 which in turn used the proceeds to acquire subordinated notes issued by DZ BANK AG.

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 has still the option to redeem the Class B Preferred Securities, in whole but not in part, on any payment date thereafter.

On January 12, 2021, DZ BANK Capital Funding LLC I has properly resolved to redeem the LLC Class B Preferred Securities in whole but not in part on May 11, 2021 ("Redemption Date") at the redemption amount per Class B Preferred Securities equal to the Class B Denomination, plus accrued and unpaid Capital Payments for the then-current Class B payment Period to, but excluding, the Redemption Date, plus Additional Amounts, if any, payable pursuant to Section 7.04(c) of the LLC Agreement ("Redemption Price").

Accounting risks

Primary goal of the external accounting of the Company is the appropriate and timely provision of information for addressees of the financial statements and the management report. Therewith connected is the ambition to assure the correctness of the external accounting and for this reason to avoid the violation of accounting norms which could lead to false information of the addressees or cause controlling errors.

As the Regular Trustees of DZ BANK Capital Funding Trust I are employees of DZ BANK AG the regulation, monitoring, and control of the accounting is implemented into the general risk management system of DZ BANK AG. With regard to the financial statements and the management reporting the accounting related risk management aims to avoid or reduce identified and valued operational risks. In this regard the activities of the employees, the implemented controls, the used technologies, and the workflows are organized in a manner to assure the compliance with the applicable statutory provisions.

The relevant methods which are used to prepare the financial statements are specified in an organization manual and are updated regularly.

Furthermore the established processes are reviewed continuously and if necessary adjusted with regard to new circumstances as well as modified statutory provisions. To ensure and enhance the

quality of the accounting the employees assigned to the reporting process are trained regarding statutory provisions and IT-systems in use.

The correctness of the form and content as well as the consistent application of the instructions and rules by the employees involved in the accounting process are audited by an audit company within the scope of the statutory audit.

Forecast of the Financial Year 2021

Please refer to the resolution of January 12, 2021 as noted above.

Responsibility Statement from the Legal Representatives

To the best of our knowledge, and in accordance with the applicable accounting principles, the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the management report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company.

New York, April 27, 2021

DZ BANK Capital Funding Trust I

Trustees



Carl Amendola



Norah McCann



Jonas Kelletshofer



Jeff Baun