

Consolidated Financial Statements and  
Report of Independent Certified Public  
Accountants

**DZ BANK Capital Funding Trust II**

June 30, 2020 and 2019

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors of  
**DZ BANK Capital Funding Trust II**

We have reviewed the accompanying consolidated interim financial statements of DZ BANK Capital Funding Trust II (a Delaware corporation) and subsidiary (collectively, the "Trust"), which comprise the consolidated balance sheets as of June 30, 2020 and 2019, and the related consolidated statements of income, changes in equity, and cash flows, for the six-month periods then ended, and the related notes to the consolidated interim financial statements.

**Management's responsibility**

The Trust's management is responsible for the preparation and fair presentation of the consolidated interim financial statements in accordance with accounting principles generally accepted in the United States of America; this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim consolidated financial information in accordance with accounting principles generally accepted in the United States of America.

**Auditor's responsibility**

Our responsibility is to conduct our reviews in accordance with auditing standards generally accepted in the United States of America applicable to reviews of interim financial information. A review of consolidated interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted 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. Accordingly, we do not express such an opinion.

**Conclusion**

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



New York, New York  
August 14, 2020

**DZ BANK Capital Funding Trust II****CONSOLIDATED BALANCE SHEETS**

**As of June 30, 2020 and 2019**  
**(in Euros and thousands, except share and per share amounts)**

	<b>Unaudited 2020</b>	<b>Unaudited 2019</b>
<b>ASSETS</b>		
Subordinated note receivable from DZ BANK AG	€ 500,003	€ 500,003
Accrued interest on subordinated note receivable from DZ BANK AG	733	714
	<hr/>	<hr/>
Total assets	<u>€ 500,736</u>	<u>€ 500,717</u>
<b>SHAREHOLDERS' EQUITY</b>		
Preferred securities, liquidation preference €1,000 per security; 500,000 securities authorized, issued and outstanding at June 30, 2019 and 2018	€ 500,000	€ 500,000
Common security, €1,000 par value; 1 security authorized issued and outstanding at June 30, 2020 and 2019	1	1
Retained earnings	733	714
	<hr/>	<hr/>
Total shareholders' equity	500,734	500,715
Noncontrolling interest	2	2
	<hr/>	<hr/>
Total equity	<u>€ 500,736</u>	<u>€ 500,717</u>

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

**DZ BANK Capital Funding Trust II**

**CONSOLIDATED STATEMENTS OF INCOME**

**For the six month periods ended June 30, 2020 and 2019  
(in Euros and thousands)**

	<u>Unaudited 2020</u>	<u>Unaudited 2019</u>
Interest income on subordinated note receivable from DZ BANK AG	€ 3,085	€ 3,236
<b>NET INCOME</b>	<b>€ 3,085</b>	<b>€ 3,236</b>

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

DZ BANK Capital Funding Trust II

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(Unaudited)

For the six month periods ended June 30, 2020 and 2019  
(in Euros and thousands, except per share)

	Preferred Securities	Common Security	Retained Earnings	Noncontrolling Interest	Total
<b>Balance, December 31, 2018</b>	€ 500,000	€ 1	€ 713	€ 2	€ 500,716
Net income	-	-	3,236	-	3,236
Cash dividends declared	-	-	-	-	-
Preferred securities (€6.47 per share)	-	-	(3,235)	-	(3,235)
Trust common security (€6.47 per share)	-	-	-	-	-
<b>Balance, June 30, 2019</b>	<u>€ 500,000</u>	<u>€ 1</u>	<u>€ 714</u>	<u>€ 2</u>	<u>€ 500,717</u>
<b>Balance, December 31, 2019</b>	€ 500,000	€ 1	€ 663	€ 2	€ 500,666
Net income	-	-	3,085	-	3,085
Cash dividends declared	-	-	-	-	-
Preferred securities (€6.03 per share)	-	-	(3,015)	-	(3,015)
Trust common security (€6.03 per share)	-	-	-	-	-
<b>Balance, June 30, 2020</b>	<u>€ 500,000</u>	<u>€ 1</u>	<u>€ 733</u>	<u>€ 2</u>	<u>€ 500,736</u>

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

## DZ BANK Capital Funding Trust II

### CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six month periods ended June 30, 2020 and 2019  
(in Euros and thousands)

	<u>Unaudited 2020</u>	<u>Unaudited 2019</u>
<b>Cash flows from operating activities:</b>		
Net income	€ 3,085	€ 3,236
Adjustments to reconcile net income to net cash provided by operating activities		
Changes in operating assets	-	-
Accrued interest on subordinated note receivable from DZ Bank AG	<u>(70)</u>	<u>(1)</u>
Net cash provided by operating activities	<u>3,015</u>	<u>3,235</u>
<b>Cash flows from financing activities:</b>		
Cash dividends paid	<u>(3,015)</u>	<u>(3,235)</u>
Change in cash and cash equivalents	-	-
<b>Cash and cash equivalents</b>		
Beginning of period	<u>-</u>	<u>-</u>
End of period	<u>€ -</u>	<u>€ -</u>

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

## DZ BANK Capital Funding Trust II

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2020 and 2019

#### NOTE A - ORGANIZATION AND BASIS OF PRESENTATION

DZ BANK Capital Funding Trust II (the "Trust") is a statutory trust under Chapter 38 of Title 12 of the Delaware Code formed on August 12, 2004 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 II as defined in the Amended and Restated Trust Agreement of DZ BANK Capital Funding Trust II, dated November 22, 2004 (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 both June 30, 2020 and 2019, respectively. The Trust is a wholly owned subsidiary of DZ BANK.

The Trust was initially capitalized on November 22, 2004 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 22, 2004, the Company commenced operations concurrent with the offering and issuance of 400,000 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 II (the "LLC Class B Preferred Securities"). DZ BANK Capital Funding LLC II in turn used the proceeds to acquire subordinated notes issued by DZ BANK. In January 2005, DZ BANK issued an additional subordinated note in the amount of €100,000,000. Simultaneously, DZ BANK Capital Funding LLC II issued an additional 100,000 shares of LLC Class B Preferred Securities. These LLC Class B Preferred Securities were acquired by the Trust and funded through an additional issuance of 100,000 shares of Trust Preferred Securities with identical terms to the authorized, issued and outstanding Trust Preferred Securities. There have not been any changes in the holder of the common security for the six month periods ended June 30, 2020 and 2019.

The LLC Class B Preferred Securities were redeemable at the option of DZ BANK Capital Funding LLC II, in whole but not in part, on the Initial Redemption Date on November 22, 2011. DZ BANK Capital Funding LLC II 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 II dated November 22, 2004 (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 II and the Trust's Parent, since its operations are a direct and integral component or extension of the Parent's operations.

#### ***Impact of COVID-19***

At the time of preparation of the interim 2020 financial statements, the world is continuing to face a global pandemic, the coronavirus 2019 ("COVID-19"). Efforts to address the pandemic continue to significantly impact economic and financial markets globally and across all facets of industries.

If a general economic downturn resulting from efforts to contain COVID-19 persists over an extended period of time, this could have a prolonged negative impact on the Company's financial condition and results of operations. At this time, as the extent and duration of the increasingly broad effects of COVID-19 on the global economy remain unclear, it is difficult for the Company to assess and estimate the impact on the Company's results of operations with any meaningful precision. Accordingly, any estimates of the effects of COVID-19 as reflected and or discussed in these financial statements are based upon the Company's best estimates using information known to the Company as of the date of these interim financial statements, and such estimates may change, the effects of which could be material.



## DZ BANK Capital Funding Trust II

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 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 II, 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 €500,003,000 subordinated notes issued by DZ BANK, a related party, and are due November 22, 2034. Interest accrues on a quarterly basis for each distribution period based on the applicable three-month EURIBOR plus 1.6%. 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 1.6% 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, 2020, the Trust has made dividend distributions on Trust Preferred Securities and Trust Common Security of €3,015,000 and €6, respectively. For the six-month period ended June 30, 2019, the Trust has made dividend distributions on Trust Preferred Securities and Trust Common Security of € 3,235,000 and €6, 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 €733,338 and €714,449 as of June 30, 2020 and 2019, 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 €12 and €13 and for the six-month periods ended June 30, 2020 and 2019, respectively.

## DZ BANK Capital Funding Trust II

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

#### ***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 U.S. 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 his/her gross income his/her distributive share of the gross income attributable to the LLC Class B Preferred Securities.

DZ BANK Capital Funding LLC II 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 II 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 his/her allocable share of income, gain, loss and deduction of the partnership in computing his/her 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 ("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 2017.

On December 22, 2017, the United States enacted tax reform legislation commonly known as the Tax Cuts and Jobs Act (the "2017 Tax Act"), resulting in significant modifications to existing law. The 2017 Tax Act had no material impact on the Company's financial statements.

#### ***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 ("US 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 June 30, 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

## DZ BANK Capital Funding Trust II

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

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, 2017. The Company has evaluated the new standard noting no material impact to the consolidated financial statements and disclosures.

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 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. The Company is currently evaluating the impact of the guidance on the consolidated financial statements.

#### NOTE C - SHAREHOLDERS' EQUITY

The Company's noncumulative preferred securities consist of 500,000 shares authorized, issued and outstanding at June 30, 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 June 30, 2020 and 2019.

#### 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.

## DZ BANK Capital Funding Trust II

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

#### NOTE E - VARIABLE INTEREST ENTITIES

In accordance with FASB ASC 810-10 Consolidation, "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 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 II whose purpose was to acquire subordinated notes issued by DZ BANK. For further details on the transactions, see Note 1. As of June 30, 2020 and 2019, the Trust has determined that its investee is a VIE under 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 June 30, 2020 and 2019, the accrued interest on the subordinated note receivable from DZ BANK AG is €733,338 and €714,449, 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 AG.

## DZ BANK Capital Funding Trust II

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

June 30, 2020 and 2019

The estimated fair values of the Company's financial instruments as of June 30, 2020 and 2019 are as follows:

	June 30, 2020		June 30, 2019	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Subordinated note receivable from DZ Bank AG	€ 500,003,000	€ 465,002,790	€ 500,003,000	€ 491,502,949

The estimated fair value amounts at June 30, 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 June 30, 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 August 14, 2020, the date the consolidated financial statements were available to be issued and has determined there are no material events that would require disclosure.

# **DZ BANK Capital Funding Trust II**

## **Wilmington, State of Delaware, United States of America**

### **Semi-Annual Management Report of Financial Year 2020**

#### **Substantial Business Transactions**

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

#### **Financial Position and Financial Performance**

The assets of the Company in the amount of TEUR 500,736 (2019: TEUR 500,717) consist of the Subordinated Note Receivable from DZ BANK AG in the amount of TEUR 500,003 (2019: TEUR 500,003) and accrued interest on the Subordinated Note Receivable in the amount of TEUR 733 (2019: TEUR 714).

The Financial Performance for the first six months consists of Interest Income on the Subordinated Note Receivable from DZ BANK AG and shows a net income amounting to TEUR 3,085 (2019: TEUR 3,236).

At the same time, an amount of TEUR 3,015 (2019: TEUR 3,235) 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 and DZ BANK Group.

The Trust commenced operations concurrent with the offering of 500,000 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 II, 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 II, in whole but not in part, on the Initial Redemption Date on November 22, 2011. DZ BANK Capital Funding LLC II 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.

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 Trust Preferred Securities will not have any scheduled maturity date and will not be redeemable at any time at the option of the holders thereof.

### 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 II 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 valuated 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 2020**

The result for the next six months of the financial year 2020 of the Company is expected to be positive. It is assumed that in 2020 the Company will continue to pass through the interest payments received from DZ BANK AG to the owners of Trust Preferred Securities as the above mentioned certain tests in relation to the financial position of DZ BANK AG and DZ BANK Group are positive.

# Responsibility Statement from the Legal Representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company, and the interim management report of the company 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 for the remaining months of the year.

New York, August 13, 2020

## DZ BANK Capital Funding Trust II

### Trustees



Carl Amendola



Norah McCann



Jonas Kellethofer



Jeffrey Baun