

Eurohypo Capital Funding Trust I

Semi-Annual Financial Report

as of June 30, 2009

Interim Management Report
as of June 30, 2009

Eurohypo Capital Funding Trust I (the "Trust") exists for the sole purposes of issuing the Trust Preferred Securities, investing the gross proceeds thereof in the Company Class B Preferred Securities issued by Eurohypo Capital Funding LLC I (the "Company") and engaging in activities necessary or incidental thereto. In addition to the Company Class B Preferred Securities, the Company has also issued one voting common security (the "Company Common Security") and one noncumulative Class A preferred security (the "Company Class A Preferred Security" and, together with the Company Common Security and the Company Class B Preferred Securities, the "Company Securities"). The Company Securities will represent all of the ownership interests in the Company. The Company Common Security and the Company Class A Preferred Security are owned by Eurohypo AG (the "Bank").

The Company has used the proceeds from the issuance of the Company Class B Preferred Securities, together with the proceeds from the issuance of the Company Class A Preferred Security and the Company Common Security, to acquire € 600,000,000 subordinated notes (the "Initial Debt Securities") of the Bank. The income to be received by the Company from the Initial Debt Securities and any Substitute Debt Securities (the Substitute Debt Securities together with the Initial Debt Securities, the "Debt Securities"), will be available for distribution, as appropriate, to the holders of the Company Class B Preferred Securities, the Company Class A Preferred Security and the Company Common Security.

The Trust will pass through Capital Payments and redemption proceeds on the Company Class B Preferred Securities as Capital Payments and redemption proceeds, respectively, on the Trust Preferred Securities. Capital payments on the Company Class B Preferred Securities were payable (i) since 23 May 2003 ("Issue Date"), on a noncumulative basis, annually in arrears on 23 May of each year, commencing 23 May 2004 at a fixed rate per annum of 6.445% and (ii), after 23 May 2013, quarterly in arrears on 23 February, 23 May, 23 August and 23 November of each year, commencing 23 August 2013 at a floating rate per annum determined on the basis of the three-months EURIBOR rate plus a margin of 3.67%.

Capital Payments on the Company Class B Preferred Securities are subject to certain conditions and are only authorized to be declared and paid on any Class B Payment Date to the extent that (i) the Company has an amount of Operating Profits for the Class B Payment Period ending on the day immediately preceding such Class B Payment Date at least equal

to the amount of such Capital Payments, and (ii) the Bank has an amount of Bank Distributable Profits for the most recent preceding fiscal year of the Bank for which audited unconsolidated annual financial statements are available at least equal to the aggregate amount of such Class B Capital Payments on the Company Class B Preferred Securities and capital payments or dividends on Parity Securities, if any, pro rata on the basis of Bank Distributable Profits for such preceding fiscal year.

Despite sufficient Company Operating Profits of the Company and sufficient Bank Distributable Profits of the Bank, the Company will not be permitted to make Class B Capital Payments on any Class B Payment Date (or a date set for redemption or liquidation) if on such date there is in effect an order of the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) or other relevant regulatory authority pursuant to the German Banking Act (*Kreditwesengesetz*) or any other applicable regulatory provision prohibiting the Bank from making any distribution of its profits (including to the holders of the Parity Securities).

The Company Class B Preferred Securities and 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. The Trust and the Company may redeem the Trust Preferred Securities, as the case may be, on the Initial Redemption Date expected to occur on 23 May 2013, or any Capital Payment Date falling on or after the Initial Redemption date, except upon the occurrence of certain disqualification events arising from tax, U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and regulatory capital matters.

Detailed information is available in the Information Memorandum dated May 23, 2003. Capitalized terms used therein and not otherwise defined herein shall have the same meanings as defined in the Information Memorandum which is available on the Eurohypo website at the following URL:

http://www.eurohypo.com/media/ehtabellen/englisch/brosch_ren/Eurohypo_Capital_Funding_Trust_I.pdf

As described above, all Capital Payments on the Company Class B Preferred Securities until 23 May 2013 are due on an annual basis on May 23. During the fiscal year 2008, the Trust received Capital Payments from the Company when due under the LLC Agreement. As a consequence, under the Trust Agreement the Trust made Trust Capital Payments on the Trust Preferred Securities at such rate at the scheduled date.

As of May 01, 2009, Ben Marciano resigned as a Regular Trustee and Clifford Rooke was appointed as successor.

The rights of the holders of the Trust Preferred Securities, including economic rights, rights to information and voting rights, are as set forth in the Trust Agreement and the Trust Act in the ("Description of the Trust Securities" in the Information Memorandum). Under the Services Agreement among the Trust, the Company and Wilmington Trust SP Services, Inc. as the servicer (the "Servicer"), the Servicer will be obligated, among other things, to provide legal, accounting, tax and other general support services to the Trust and the Company, to maintain compliance with all applicable U.S. and German local, state and federal laws, and to provide administrative, record-keeping and secretarial services for the Company and the Trust. The fees and expenses of the Company and the Trust, including any taxes, duties, assessments or governmental charges of whatsoever nature (other than Withholding Taxes) imposed by any taxing authority upon the Company or the Trust, and all other obligations of the Company and the Trust (other than with respect to the Trust Securities or the Company Securities) will be paid by the Bank.

Outlook

The source of Capital Payments by the Trust is payments by the Company on the Company Class B Preferred Securities. The Company has invested substantially all the proceeds from the issuance of its securities in the Initial Debt Securities issued by the Bank. Under the Initial Debt Securities, interest is paid at the same rate and at the same dates as Capital Payments are scheduled under the Company Class B Preferred Securities.

The Trust expects that the Company and the Bank will continue to meet their respective obligations under the Class B Preferred Securities, the Initial Debt Securities, the Services Agreement and the other agreements made in connection with the Trust Preferred Securities.

However, there can be no assurances that the Bank will have sufficient Bank Distributable Profits, which are shown on its audited unconsolidated annual financial statements approved by the Bank's supervisory board for any fiscal year, for the Company to declare and pay Class B Capital Payments at the Stated Rate in full. In addition, a deterioration of the Bank's financial condition could also result in the Bank having insufficient Bank Distributable Profits for the Company to declare and pay Class B Capital Payments on the Company Class B Preferred Securities, or in the Bank not being able to satisfy its payment obligations to the Company under the Debt Securities or the Support Undertaking. The occurrence of any of these events would reduce the amounts of Class B Capital Payments on the Company Class B Preferred Securities, which, in turn, would reduce under certain conditions (as specified in

the Prospectus) the amounts available to the Trust for periodic distributions to holders of the Trust Preferred Securities, under certain conditions, the profit related payments on the Class B Preferred Securities, the Initial Debt Securities and subsequently on the Trust Preferred Securities.

This has to be considered in the light of the following announcement made by Commerzbank Aktiengesellschaft ("Commerzbank") of which Eurohypo is a subsidiary:

▶ In line with the agreement already made with the Finanzmarktstabilisierungsfonds (Financial Market Stabilization Fund, SoFFin), Commerzbank will only grant profit-related payments for the financial years 2009 and 2010, respectively, if any, to equity related instruments such as silent participations, hybrids and profit-participation certificates if Commerzbank is obliged to do so without reversing accruals or special reserves (Sonderposten according to § 340g German Commercial Code). This principle also applies to its subsidiaries. A list of financial instruments throughout the entire Group which are traded on a regulated market and may be affected by this can be found at www.commerzbank.de/en/hauptnavigation/aktionaere/nachrichten/irnachrichten.html.

Also, in its Q2 Interim Report as of June 30, 2009, Eurohypo provided on page 8 an Outlook for 2009 for the Eurohypo Group concluding that "A loss is expected for 2009 as a whole, although it should be significantly lower than the one recorded in 2008."

Actions by Rating Agencies after December 31, 2008

The Trust Preferred Securities are rated by the rating agencies Standard & Poors Rating Services ("S&P") and Moody's Investor Service, Inc. ("Moody's"). After year-end 2008, the following ratings actions took place:

- On 12 January 2009, S&P announced it had downgraded the Trust Preferred Securities from BBB+ to BBB / Watch Negative
- On 28 January 2009, S&P announced it had downgraded the Trust Preferred Securities from BBB / Watch Negative to BB+ / Watch Negative
- On 27 February 2009, S&P announced it had downgraded the Trust Preferred Securities from BB+ / Watch Negative to BB / Watch Negative
- On 11 May 2009, S&P announced it had downgraded the Trust Preferred Securities from BB / Watch Negative to CCC / Watch Negative

- On 17 February 2009, Moody's announced it had placed the ratings of the Trust Preferred Securities on review for possible downgrade (from A2 / Watch Positive to A2 / Watch Negative)
- On 2 March 2009, Moody's announced it had downgraded the Trust Preferred Securities from A3 / Watch Negative to B2 / Stable
- On 11 May 2009, Moody's announced it had downgraded the Trust Preferred Securities from B2 / Stable to CCC / Stable

- On 9 January 2009, Fitch announced it had downgraded the Trust Preferred Securities from A- / Watch Negative to BBB- / Watch Negative
- On 27 February 2009, Fitch announced it had downgraded the Trust Preferred Securities from BBB- / Watch Negative to B+ / Watch Negative
- On 13 May 2009, Fitch announced it had downgraded the Trust Preferred Securities from B+ / Watch Negative to CCC / Watch Negative

Statement by reporting entity

The accompanying Balance Sheet aswell as the Income, Change in Cash Flows and Change of Equity statements have been prepared in accordance with US GAAP accounting standards.

Eurohypo Capital Funding TRUST1 - Consolidation

Balance Sheet

As of June 30, 2009

	30.06.2009	30.06.2008
(in Euros)		
Assets		
Cash and due from banks	€ 3.000	€ 3.000
Accrued interest receivable	€ 4.131.863	€ 4.131.863
Investment in affiliated subordinated debt securities	€ 600.000.000	€ 600.000.000
Total assets	<u>€ 604.134.863</u>	<u>€ 604.134.863</u>
Equity		
Common equity security (par value €1,000; 1 share authorized, issued and outstanding)	€ 1.000	€ 1.000
Common equity security issued by Eurohypo Capital Funding LLC I (par value €1,000; 1 share authorized, issued and outstanding)	€ 1.000	€ 1.000
Class A preferred security issued by Eurohypo Capital Funding LLC I (par value €1,000; 1 share authorized, issued and outstanding)	€ 1.000	€ 1.000
Trust preferred securities (par value €1,000; 600,000 shares authorized, issued and outstanding)	€ 600.000.000	€ 600.000.000
Retained earnings	€ 4.131.863	€ 4.131.863
Total equity	<u>€ 604.134.863</u>	<u>€ 604.134.863</u>

Eurohypo Capital Funding TRUST1 - Consolidation

Statement of Income

As of June 30, 2009

30.06.2009

30.06.2008

(in Euros)

Revenues

Interest Income

€ 19.176.082

€ 19.240.634

Total revenues

€ 19.176.082

€ 19.240.634

Total expenses

-

-

Net income

€ 19.176.082

€ 19.240.634

Explanatory notes to the Consolidated Financial Statements and Summary of Significant Accounting Policies

Basis of presentation and use of estimates

These consolidated financial statements include the accounts of the Trust as well as the Company, a variable interest entity in which the Trust is the primary beneficiary as defined by FIN 46(R). All intercompany transactions and balances have been eliminated.

The presentation of financial statements is performed in conformity with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses for the period then ended. Actual results could differ from those estimates.

Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents are comprised of cash and amounts due from banks and other financial institutions, including short-term investments and other financial instruments which are readily convertible into known amounts of cash with an original maturity of 90 days or less.

Investments

The subordinated debt securities issued by the Bank are the sole investment of the Trust on a consolidated basis. The Trust's securities investment has been designated as held to maturity as the Trust has the positive intent and ability to hold these securities until maturity. These securities are carried at amortized cost on the consolidated balance sheet. Held to maturity securities are evaluated for impairment based on various factors, including the length of time and extent to which the fair value has been less than cost. If, based on such analysis, it is determined that an impairment is other than temporary, the respective security is written down to fair value, and a corresponding loss is recorded in current income.

Securities issued by the Company

The Trust Preferred Securities are classified as equity as they have the characteristics of equity instruments rather than debt securities. Accordingly, dividends declared on the Trust Preferred Securities are not recorded in current income, but are rather recorded as a reduction of retained earnings when paid.

The common equity securities issued by the Trust and the Company, and the Class A preferred security issued by the Company represent ownership rights in the Trust and are classified as equity. These securities are held by the Bank.

Functional currency

The functional currency of the Trust is Euro. The Company's activities are governed by agreements, which effectively limit the operating activities to the issuance of the Trust Preferred Securities and the reinvestment of the proceeds initially in securities issued by the Bank and subsequently in other securities, as permitted. All of the Trust's activities, including its equity, are denominated in Euro. As such, the Trust has determined that its functional currency is Euro.

Income taxes

The Trust is treated as a partnership for U.S. federal income tax purposes. Accordingly, in computing its U.S. federal income tax liability for a taxable year, U.S. holder of Trust Preferred Securities is required to take into account its distributive share of the Trust's income for the taxable year of the Trust ending with or within such U.S. holder's taxable year, regardless of whether such U.S. holder has received any distributions from the Trust. Accordingly, the Trust has made no provisions for federal or state income taxes in the accompanying statement of income.

Related Party Transactions

The Trust has an investment in the Company, an affiliated company.

The Bank is the owner of both the common equity and the Class A preferred security of the Company and the owner of the common equity of the Trust.

As common equity holder, the Bank is responsible for all set-up and on-going costs and expenses of the Trust including routine administrative expenses, servicer costs, tax return preparation, taxes, and related items. The Trust and the Company have entered into a service agreement with Wilmington Trust SP Services, Inc. to provide administrative and other related services. The Bank is responsible to make all payments on behalf of the Trust and the Company.

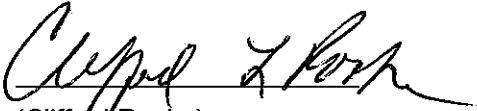
The Bank has also provided a Support Undertaking with respect to the Company, whereby the Bank - in consideration of the terms of this Support Undertaking - undertakes to ensure that the Company shall at all times be in a position to meet its obligations if and when such obligations are due and payable including its obligations to pay Capital Payments, the Redemption Price, the Early Redemption Price and the Make Whole Amount, if any.

Responsibility Statement by Regular Trustee

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

New York, New York, 31 August 2009

Regular Trustee


(Clifford Rooke)