

Report of the Supervisory Board

Cologne, 29 March 2007

At the four meetings held in financial year 2006, the Supervisory Board kept itself thoroughly informed of business developments and the risk position of both the Bank and the Group, as well as of general management and corporate planning issues. The meetings focused on assessing the latest monthly balance sheets and income statements of both the Bank and the Group against the projected figures and comparables for the previous year. The Supervisory Board and personally liable partners discussed in detail various initiatives and strategies designed to boost the Group's profitability. The Board kept itself up to date with changes in legislation, in particular the Act on the Implementation of the Transparency Directive (Transparenzrichtlinie-Umsetzungsgesetz).

Alongside key personnel decisions and investment planning, the Supervisory Board took note of significant individual transactions that were executed during the financial year. These included, in particular, changes to the investment portfolio, especially the acquisition of shares in Prader Bank AG in Bolzano and Financière Atlas S.A. in Paris, and the sale of shares in Oppenheim Immobilien-Kapitalanlagegesellschaft mbH.

The Credit and Audit Committee of the Supervisory Board passed resolutions on the loans requiring its approval in accordance with both the law and the Articles of Association. It dealt with all exposures that incurred major or increased risks, and discussed the structure of the loan portfolio in detail. Furthermore, it kept itself well informed of all transactions entailing market risks, as well as the possible effects of these transactions in terms of risk, the development of value-at-risk and limit utilisation.

In addition, at its meeting on 16 October 2006, the Credit and Audit Committee agreed the audit plan and focal points of the audit with the auditors, and at its meeting on 11 December 2006 received a report on the progress of the audit and the results of the loan review.

The audit results for the annual financial statements and consolidated financial statements were discussed on 28 March 2007. Prior to this meeting, KPMG Deutsche Treuhand-Gesellschaft AG, Düsseldorf, submitted the reports on its audit of the annual financial statements and the management report and its audit of the consolidated financial statements and the Group management report as at 31 December 2006, all of which it found to have been prepared in accordance with the statutory

requirements. The auditors awarded an unqualified audit opinion to both the annual financial statements and the consolidated financial statements.

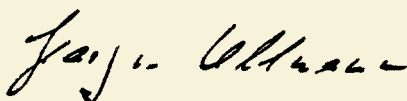
On the basis of this information, the discussion of the audit reports and the comments contained herein, the Credit and Audit Committee of the Supervisory Board examined the annual financial statements, the management report and the personally liable partners' proposal regarding the appropriation of unappropriated profit. It also assessed the consolidated financial statements and the Group management report. The Committee approved the auditor's report, and in accordance with the final results of its examination, does not raise any objections.

In the meetings of the Supervisory Board held on 15 December 2006 and 29 March 2007, the Credit and Audit Committee reported on the meetings with the auditors. At the recommendation of the Credit and Audit Committee, the Supervisory Board approved the annual financial statements, the management report, the consolidated financial statements and the Group management report. The Supervisory Board endorses the proposal made by the personally liable partners regarding the transfer to revenue reserves and the appropriation of unappropriated profit.

The personally liable partners and the auditors were at the disposal of the Credit and Audit Committee of the Supervisory Board, and of the Supervisory Board throughout the reporting year to discuss any specific questions.

The Supervisory Board thanks the personally liable partners for the results achieved, as well as the managers and all employees for their commitment and performance.

The Supervisory Board



Georg Baron von Ullmann
(Chairman)