

**DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED**

**Directors' report and unaudited interim condensed financial statements**

**for the period from 1 January 2013 to 30 June 2013**

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

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# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## DIRECTORS' REPORT

The directors present their report together with the unaudited interim condensed financial statements of DZ BANK Perpetual Funding Issuer (Jersey) Limited (the 'Company') for the period from 1 January 2013 to 30 June 2013.

### Incorporation

The Company was incorporated as a public company in Jersey, Channel Islands on 1 September 2005.

### Principal activities

The Company was incorporated as a special purpose vehicle for the purpose of participating in a public structured Tier I capital financing programme (the 'Public Programme'), arranged by and for DZ BANK AG Deutsche Zentral – Genossenschaftsbank, Frankfurt am Main ('DZB'). Under the Public Programme, the Company can issue Tier I perpetual limited recourse securities (together, the 'Notes') up to a maximum aggregate principal amount of €1,000,000,000 (or its equivalent in any other currency).

The proceeds from the issuance of the Notes are used by the Company to purchase classes of preference shares (the 'Preferred Securities') issued by DZ BANK Perpetual Funding (Jersey) Limited (the 'Funding Company'), a wholly owned subsidiary of DZB. In turn, the Funding Company uses the proceeds of the issue of the Preferred Securities to purchase subordinated notes issued by DZB (the 'Initial Debt Securities'). The Preferred Securities issued by the Funding Company are on terms that reflect nearly exactly those of the Initial Debt Securities.

Income received by the Funding Company on the Initial Debt Securities is paid by way of dividends to the Company, as holder of the Preferred Securities, and must be distributed to the holders of the Notes without material delay. The payment of such dividends by the Funding Company is subject to the satisfaction of certain financial tests (the 'Conditions to Dividends') detailed in the statement of rights for each class of Preferred Security. The Conditions to Dividends include, among others, satisfaction of certain financial tests relating to DZB and DZ BANK Group.

On 9 November 2005 pursuant to a collateral agency agreement (the 'CAA'), Deutsche Bank AG, London Branch became the collateral agent (the 'Collateral Agent'). The obligations of the Company under the Notes are secured in favour of the Collateral Agent on behalf of the holders of the Notes. Pursuant to the CAA, the Company has created possessory security over the Preferred Securities to the Collateral Agent in favour of the holders of the Notes.

The Notes are limited recourse obligations of the Company as detailed in the Public Programme documentation. Holders of the Notes have the right to receive payments of principal and interest on the Notes solely from redemption payments and dividends on the corresponding class of Preferred Securities.

To the extent that there is a shortfall in the monies due to the holders of the Notes, no debt will be owed by the Company in respect of any shortfall remaining after realisation of the Preferred Securities and application of the proceeds thereof in accordance with the terms of the CAA. In the event that the Notes are redeemed other than at the option of Company, such redemption will be carried out by transferring to the holders of the Notes pro rata Preferred Securities of the relevant class.

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## DIRECTORS' REPORT (continued)

### Principal activities (continued)

The Company commenced activities on 9 January 2006 with the first issuance of Notes ('Class VI') under the Public Programme. A second issuance of Notes was made on 13 February 2006 ('Class VII'), a third issuance of Notes was made on 17 March 2006 ('Class I'), a fourth issuance of Notes was made on 4 September 2006 ('Class VIII'), a fifth issuance of Notes was made on 16 April 2007 ('Class IX'), a sixth issuance of Notes was made on 4 September 2007 ('Class X'), and a seventh issuance of Notes ('Class II') was made on 24 September 2008. As at the date of approving these interim condensed financial statements the Company has only fully redeemed the Class X Notes.

### Directors

The directors of the Company, who served during the period and subsequently, are:

Shane Michael Hollywood  
Alasdair James Hunter

### Secretary

The secretary of the Company during the period and subsequently is:

Bedell Secretaries Limited

### Results and dividends

The results for the period are shown in the interim statement of comprehensive income.

The directors have not paid interim dividends in respect of the period ended 30 June 2013 (31 December 2012: €nil).

In the period the directors paid a final dividend amounting to €1,000 in respect of the year ended 31 December 2012 (2011: €1,000).

The directors do not recommend the payment of a dividend in respect of the period ended 30 June 2013 (31 December 2012: €1,000).

### Going concern

The Public Programme documents are structured such that the obligations of the Company are limited in recourse and the Company has the benefit of bankruptcy remoteness (non-petition) provisions pursuant to which each Public Programme party recognises the limited financial resources of the Company and the intended bankruptcy remoteness of the Company. DZB undertakes to meet all expenses of the Company. After making enquires, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the interim condensed financial statements.

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## DIRECTORS' REPORT (continued)

### Statement of directors' responsibilities with regard to the financial statements

The directors are required by the Companies (Jersey) Law 1991, as amended, to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and appropriate;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping accounting records that are sufficient to show and explain the Company's transactions. These records must disclose with reasonable accuracy at any time the financial position of the Company and to enable the directors to ensure that any financial statements prepared comply with the Companies (Jersey) Law 1991, as amended. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law and regulations.

By order of the board



Secretary - Bedell Secretaries Limited

Date: 14-AUG-2013

### Registered office

26 New Street  
St Helier  
Jersey  
JE2 3RA

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

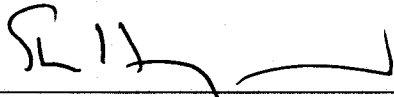
## DIRECTORS' RESPONSIBILITY STATEMENT

The directors' responsibility statement has been included in the interim condensed financial statements pursuant to the requirements of Article 4(2)(c) of the Luxembourg law of 11 January 2008 relating to the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

To the best of their knowledge, the directors confirm that the interim condensed financial statements for the period from 1 January 2013 to 30 June 2013, prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ('IAS 34'), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

To the best of their knowledge, the directors confirm that the interim condensed financial statements for the period from 1 January 2013 to 30 June 2013 include a fair review of important events that have occurred during the period from 1 January 2013 to 30 June 2013 and their impact on the interim condensed financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the year.

Signed on behalf of the board of directors by:



Director - Shane Michael Hollywood

Date: 14-08-2013

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2013 to 30 June 2013

	1 January 2013 to 30 June 2013	1 January 2012 to 30 June 2012
	€	€
<b>Income</b>		
Foreign exchange gain	92	300
<b>Profit for the period</b>	<b>92</b>	<b>300</b>
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the period</b>	<b>92</b>	<b>300</b>

The notes on pages 10 to 14 form an integral part of these interim condensed financial statements.


# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED


## UNAUDITED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Note	Unaudited 30 June 2013 €	Audited 31 December 2012 €
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,689	2,597
<b>Total assets</b>		<u>1,689</u>	<u>2,597</u>
<b>Equity attributable to the owners of the Company</b>			
Share capital	6	2	2
Retained earnings		1,687	2,595
<b>Total equity</b>		<u>1,689</u>	<u>2,597</u>

The interim condensed financial statements on pages 6 to 14 were approved by the board of directors and authorised for issue on 14 August 2013, and signed on its behalf by:

  
Director - Shane Michael Hollywood

  
Director - Alasdair James Hunter

The notes on pages 10 to 14 form an integral part of these interim condensed financial statements.



# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## UNAUDITED INTERIM STATEMENT OF CHANGES IN EQUITY For the period from 1 January 2013 to 30 June 2013

	Share capital €	Retained earnings €	Total €
<b>Balance as at 1 January 2012</b>	<u>2</u>	<u>3,333</u>	<u>3,335</u>
Profit for the period	-	300	300
<b>Total comprehensive income for the period ended 30 June 2012</b>	-	300	74
<b>Transactions with owners:</b>			
Dividends paid	-	(1,000)	(1,000)
<b>Total transactions with owners</b>	-	(1,000)	(1,000)
<b>Balance as at 30 June 2012</b>	<u>2</u>	<u>2,663</u>	<u>2,635</u>

	Share capital €	Retained earnings €	Total €
<b>Balance as at 1 January 2013</b>	<u>2</u>	<u>2,595</u>	<u>2,597</u>
Profit for the period	-	92	92
<b>Total comprehensive income for the period ended 30 June 2013</b>	-	92	92
<b>Transactions with owners:</b>			
Dividend paid	-	(1000)	(1,000)
<b>Total transactions with owners</b>	-	(1,000)	(1,000)
<b>Balance as at 30 June 2013</b>	<u>2</u>	<u>1,687</u>	<u>1,689</u>

The notes on pages 10 to 14 form an integral part of these interim condensed financial statements.

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## UNAUDITED INTERIM STATEMENT OF CASH FLOWS For the period from 1 January 2013 to 30 June 2013

		Unaudited 1 January 2013 to 30 June 2013 €	Unaudited 1 January 2012 to 30 June 2012 €
Net cash flows generated from operating activities	8	<u>92</u>	<u>300</u>
<b>Cash flows from financing activities</b>			
Dividend paid		<u>(1,000)</u>	<u>(1,000)</u>
Net cash flows used in financing activities		<u>(1,000)</u>	<u>(1,000)</u>
Net decrease in cash and cash equivalents in the period		<u>(908)</u>	<u>(700)</u>
Cash and cash equivalents at beginning of the period		2,597	3,335
Cash and cash equivalents at end of the period		<u>1,689</u>	<u>2,635</u>

The notes on pages 10 to 14 form an integral part of these interim condensed financial statements.

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2013 to 30 June 2013

### 1. General

The Company is a public limited company incorporated in Jersey, Channel Islands. The principal activities of the Company are described in the directors' report.

### 2. Accounting policies

#### Statement of compliance

The interim condensed financial statements for the period from 1 January 2013 to 30 June 2013 on pages 6 to 14 have been prepared in accordance with IAS 34.

#### Basis of measurement

The interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's financial statements for the year ended 31 December 2012.

The interim condensed financial statements are presented in Euro ('€'), which is the Company's functional and reporting currency.

The same accounting policies and methods of computation are followed in the interim condensed financial statements as used in the Company's annual financial statements for the year ended 31 December 2012.

#### Adoption of new and revised standard

At the statement of financial position date, the following standard which has been applied in these financial statements, was in issue and effective:

- International Financial Reporting Standard 13 Fair Value Measurement (effective 1 January 2013) ('IFRS 13').

The directors consider that the adoption of IFRS 13 has not had a significant impact on the financial statements of the Company.

#### Standards and interpretations in issue not yet adopted

As at the date of authorisation of the interim condensed financial statements, the following standard and interpretation which has not been applied in these interim condensed financial statements, was in issue but not yet effective:

- International Financial Reporting Standard 9 Financial Instruments (effective 1 January 2015) ('IFRS 9');

The directors anticipate that the adoption of IFRS 9, will not have a significant impact upon the results of the Company, but will impact on the disclosures of the Company. The directors have reviewed and considered all standards, amendments and interpretations issued but not yet effective as at the date the interim condensed financial statements are authorised for use. In the opinion of the directors the other standards, amendments and interpretations issued but not yet effective are either not relevant to the activities of the Company or will have no impact on the interim condensed financial statements of the Company.

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2013 to 30 June 2013

### 3. Taxation

The Company is registered in Jersey, Channel Islands as an income tax paying company. The general rate of income tax for companies resident in Jersey (such as the Company) is 0% for the current period of assessment (2012: 0%).

### 4. Income receivable on the Preferred Securities

The income receivable on the Preferred Securities purchased by the Company is not recognised in the statement of comprehensive income as such income is due and payable to the holders of the Notes without material delay. The following information is presented in the interim condensed financial statements in order to provide information to the reader.

Interest rate	Unaudited	Unaudited
	1 January 2013 to 30 June 2013 €	1 January 2012 to 30 June 2012 €
Class VI 3 month Euribor + 1.10%	296,550	642,500
Class VII 3 month Euribor + 0.80%	426,720	1,045,000
Class I 3 month Euribor + 1.00%	25,929	108,200
Class VIII 3 month Euribor + 0.80%	440,220	1,021,000
Class IX 3 month Euribor + 0.50%	142,400	482,500
	<b>1,331,819</b>	<b>3,299,200</b>

### 5. Preferred Securities

The Preferred Securities are not recognised in the statement of financial position. The following information is presented in the interim condensed financial statements in order to provide information to the reader and is based on the scheduled principal amount receivable at maturity. No consideration has been given to the possibility of future losses on the Preferred Securities as any such losses would have no effect on the financial position of the Company, nor on its aggregate financial performance.

	Unaudited 30 June 2013 Cost €	Unaudited 30 June 2013 Fair value €	Audited 31 December 2012 Cost €	Audited 31 December 2012 Fair value €
Class VI Preferred Securities	45,000,000	24,750,000	45,000,000	22,500,000
Class VII Preferred Securities	84,000,000	46,200,000	84,000,000	42,000,000
Class I Preferred Securities	4,300,000	2,279,000	4,300,000	1,930,700
Class VIII Preferred Securities	87,000,000	47,850,000	87,000,000	43,500,000
Class IX Preferred Securities	40,000,000	22,800,000	40,000,000	20,000,000
Class II Preferred Securities	250,000,000	236,075,000	250,000,000	228,750,000
	<b>510,300,000</b>	<b>379,954,000</b>	<b>510,300,000</b>	<b>358,680,700</b>

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2013 to 30 June 2013

### 6. Share capital

	Unaudited 30 June 2013 €	Audited 31 December 2012 €
<b>Authorised:</b>		
2 ordinary shares of €1.00 each	2	2
<b>Issued and fully paid:</b>		
2 ordinary shares of €1.00 each	2	2

There are no other share classes which would dilute the rights of the ordinary members. Amongst other rights as prescribed in the articles of association of the Company, the rights of the ordinary members include:

- the right to attend meetings of members. On a show of hands every member present in person or by proxy shall have one vote and on a poll every member shall have one vote for each share of which the member is a shareholder; and
- the right to receive dividends recommended by the directors and declared in a general meeting.

### 7. Notes

The Notes are not recognised in the statement of financial position. The following information is presented in the interim condensed financial statements in order to provide information to the reader. No consideration has been given to the possibility of future losses on the Preferred Securities (and thereby on the Notes) as any such losses would have no effect on the financial position of the Company, nor on its aggregate financial performance.

	Issue date	Unaudited 30 June 2013 €	Audited 31 December 2012 €
Class VI	9 January 2006	45,000,000	45,000,000
Class VII	13 February 2006	84,000,000	84,000,000
Class I	17 March 2006	4,300,000	4,300,000
Class VIII	4 September 2006	87,000,000	87,000,000
Class IX	16 April 2007	40,000,000	40,000,000
Class II	24 September 2008	250,000,000	250,000,000
		<b>510,300,000</b>	<b>510,300,000</b>

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2013 to 30 June 2013

### 7. Notes (continued)

The Public Programme documentation prescribes that interest will be paid by DZB on the Initial Debt Securities held by the Funding Company. Such interest payments will, in turn, fund dividends paid by the Funding Company on the Preferred Securities held by the Company. Upon receipt, the Company has a contractual obligation to pay any cash flows received to the holders of the Notes without material delay under the terms of the relevant Notes.

Each class of Notes issued by the Company is referenced to and limited in recourse to the performance of the corresponding class of Preferred Securities. The amount distributed on the Notes is referenced to and limited in recourse to the receipt of income on the corresponding class of Preferred Security.

The distributions paid on the Notes have also been derecognised as the holders of the Notes are entitled to receive the cash flows generated from the Preferred Securities and so through the pass-through arrangement, the Company has discharged its obligations to the holders of the Notes in accordance with International Accounting Standard 39 Financial Instruments: Recognition and Measurement.

Save for the above, the holders of the Notes have no legal right to participate in the profits of the Company. The holders of the Notes are unable to attend meetings of the Company and have no voting rights in the Company.

### 8. Cash flows generated from operating activities

Reconciliation of operating profit to net cash flows generated from operating activities:

	Unaudited 1 January 2013 to 30 June 2013 €	Unaudited 1 January 2012 to 30 June 2012 €
Profit for the period	92	300
Net cash flows generated from operating activities	92	300

### 9. Financial risk management

In the opinion of the directors the Company is not exposed to market risk, credit risk, liquidity risk or fair value estimation and disclosures on financial instruments and associated risks are not necessary.

#### *Capital management*

Capital consists of equity attributable to the equity shareholders. The Company seeks to maintain at all times a prudent relationship between total capital and the risks of its business. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

# DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

## NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2013 to 30 June 2013

### 10. Ultimate controlling party

The Company is owned by Bedell Trustees Limited, in its capacity as trustee of the DZ BANK Perpetual Funding Issuer (Jersey) Charitable Trust. In the opinion of the directors the ultimate controlling party is Bedell Trustees Limited, in its capacity as trustee of the DZ BANK Perpetual Funding Issuer (Jersey) Charitable Trust.

### 11. Related party transactions

Corporate administration services are provided to the Company by Bedell Trust Company Limited, including the provision of the Company secretary, Bedell Secretaries Limited and the directors. Shane Michael Hollywood and Alasdair James Hunter are directors of Bedell Trustees Limited, Bedell Secretaries Limited and partners of Bedell Group. Shane Michael Hollywood is also a director of Bedell Trust Company Limited. The directors' fees are included in the fee expense payable to Bedell Trust Company Limited.

Total fees paid to Bedell Trust Company Limited during the period, by DZB on behalf of the Company, amounted to €15,484 (£13,018) (30 June 2012: €18,640 (£15,302)). Fees were payable to Bedell Trust Company Limited, by DZB on behalf of the Company, in the sum of €1,154 (£987) as at the period end (30 June 2012: €6,626 (£5,354)).

Legal services are provided to the Company by Bedell Cristin, from time to time. Alasdair James Hunter is also a partner of Bedell Cristin.

The directors of the Company are also directors of the Funding Company.