

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

Directors' report and unaudited interim condensed financial statements

for the period from 1 January 2011 to 30 June 2011

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 2011 to 30 June 2011.

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 structured Tier I capital financing programme (the 'Programme'), arranged by and for DZ BANK AG Deutsche Zentral – Genossenschaftsbank, Frankfurt am Main ('DZB'). Under the Programme, the Company issues, from time to time, Tier I perpetual limited recourse securities (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 (each a 'Preferred Security', together 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 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 is available for distribution to the holders of the Notes. The payment of such dividends is subject to the satisfaction of certain financial tests (the 'Conditions to Dividends') detailed in the statement of rights (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 ('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 transferred for security purposes the relevant classes of Preferred Securities to the Collateral Agent.

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

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

The directors have not paid interim dividends on the ordinary shares in respect of the period ended 30 June 2011 (31 December 2010: €nil).

The directors paid interim distributions amounting to €2,882,500 to the holders of the Notes during the period ended 30 June 2011 (2010: €2,351,500).

During the period the directors paid a final dividend amounting to €1,000 in respect of the ordinary shares for the year ended 31 December 2010 (2009: €nil).

The directors do not recommend the payment of a dividend in respect of the ordinary shares for the period ended 30 June 2011 (31 December 2010: €1,000).

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

DIRECTORS' REPORT (continued)

Going concern

The 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 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. It is anticipated that the Company will continue to serve as a special purpose vehicle for the issuance of classes of Notes under the Programme. Accordingly, the Company continues to adopt the going concern basis in preparing the interim condensed financial statements.

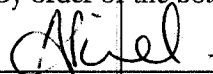
Statement of directors' responsibilities with regard to the financial statements

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: 27 July 2011

Registered office

26 New Street
St Helier
Jersey
JE2 3RA

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

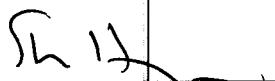
DIRECTORS' RESPONSIBILITY STATEMENT

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 2011 to 30 June 2011, 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 2011 to 30 June 2011 include a fair review of important events that have occurred during the period from 1 January 2011 to 30 June 2011 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: 27 July 2011

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

UNAUDITED INTERIM STATEMENT OF COMPREHENSIVE INCOME For the period from 1 January 2011 to 30 June 2011

		Unaudited 1 January 2011 to 30 June 2011 €	Unaudited 1 January 2010 to 30 June 2010 €
Income			
Income receivable from the Preferred Securities	4	2,882,500	2,351,500
Foreign exchange gain		74	391
Profit for the period		<u>2,882,574</u>	<u>2,351,891</u>
Other comprehensive expense			
Decrease in the fair value of the Preferred Securities	6,9	(13,500,000)	(40,600,000)
Other comprehensive expense for the period		<u>(13,500,000)</u>	<u>(40,600,000)</u>
Total comprehensive expense for the period		<u>(10,617,426)</u>	<u>(38,248,109)</u>

The notes on pages 10 to 15 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 2011

	Notes	Unaudited 30 June 2011 €	Audited 31 December 2010 €
Assets			
Non-current assets			
Preferred Securities	6	449,650,000	463,150,000
Current assets			
Cash and cash equivalents		3,104	4,030
Total assets		449,653,104	463,154,030
Equity			
Called up share capital	7	2	2
Notes	8	560,000,000	560,000,000
Revaluation reserve	9	(110,350,000)	(96,850,000)
Retained earnings		3,102	4,028
Total equity		449,653,104	463,154,030

The interim condensed financial statements on pages 6 to 15 were approved by the board of directors and authorised for issue on 27 July 2011, and signed on its behalf by:


Director - Shane Michael Hollywood


Director - Alasdair James Hunter

The notes on pages 10 to 15 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 2011 to 30 June 2011

	Called up share capital €	Notes €	Revaluation reserve €	Retained earnings €	Total €
Balance as at 1 January 2010	<u>2</u>	<u>560,000,000</u>	<u>(115,050,000)</u>	<u>3,881</u>	<u>444,953,883</u>
Profit for the year	-	-	-	16,282,822	16,282,822
Other comprehensive income					
Increase in the fair value of the Preferred Securities	-	-	18,200,000	-	18,200,000
Total comprehensive income for the year ended 31 December 2010	<u>-</u>	<u>560,000,000</u>	<u>18,200,000</u>	<u>16,282,822</u>	<u>34,482,822</u>
Transactions with owners:					
Distributions paid on the Notes	-	-	-	(16,282,675)	(16,282,675)
Balance as at 31 December 2010	<u>2</u>	<u>560,000,000</u>	<u>(96,850,000)</u>	<u>4,028</u>	<u>463,154,030</u>
Profit for the period	-	-	-	2,882,574	2,882,574
Other comprehensive expense					
Decrease in the fair value of the Preferred Securities	-	-	(13,500,000)	-	(13,500,000)
Total comprehensive expense for the period ended 30 June 2011	<u>-</u>	<u>-</u>	<u>(13,500,000)</u>	<u>2,882,574</u>	<u>(10,617,426)</u>
Transactions with owners:					
Distributions paid on the Notes	-	-	-	(2,882,500)	(2,882,500)
Dividend paid	-	-	-	(1,000)	(1,000)
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,883,500)</u>	<u>(2,883,500)</u>
Balance as at 30 June 2011	<u>2</u>	<u>560,000,000</u>	<u>(110,350,000)</u>	<u>3,102</u>	<u>449,653,104</u>

The notes on pages 10 to 15 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 2011 to 30 June 2011

		Unaudited 1 January 2011 to 30 June 2011 €	Unaudited 1 January 2010 to 30 June 2010 €
Net cash flows generated from operating activities	10	<u>74</u>	<u>391</u>
Cash flows from investing activities			
Income received on the Preferred Securities	4	2,882,500	2,351,500
Net cash flows generated from investing activities		<u>2,882,500</u>	<u>2,351,500</u>
Cash flows from financing activities			
Distributions paid on the Notes	5	(2,882,500)	(2,351,500)
Dividend paid		(1,000)	-
Net cash flows used in financing activities		<u>(2,883,500)</u>	<u>(2,351,500)</u>
Net (decrease)/increase in cash and cash equivalents in the period		<u>(926)</u>	<u>391</u>
Cash and cash equivalents at beginning of the period		4,030	3,883
Cash and cash equivalents at end of the period		<u>3,104</u>	<u>4,274</u>

The notes on pages 10 to 15 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 2011 to 30 June 2011

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 2011 to 30 June 2011 on pages 6 to 15 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 annual financial statements for the year ended 31 December 2010.

The interim condensed financial statements are prepared in Euro (€) which reflects the economic structure of the underlying events and circumstances relevant to the Company.

The same accounting policies and methods of computation are followed in the interim condensed financial statements as used as in the Company's annual financial statements for the year ended 31 December 2010.

Adoption of new and revised standards

At the date of authorisation of these interim condensed financial statements, the following standards which have been applied in these interim condensed financial statements, were in issue and effective:

- International Accounting Standard 24 Related Party Disclosures ('IAS 24'); and
- 2010 Improvements to International Financial Reporting Standards (the '2010 Improvements').

The directors consider that the adoption of IAS 24 and the 2010 Improvements has not had a significant impact upon the Company.

Standards and interpretations in issue not yet adopted

As at the date of authorisation of the interim condensed financial statements, the following standards and interpretations which have not been applied in these interim condensed financial statements, were in issue but not yet effective:

- International Financial Reporting Standard 7 Financial Instruments: Disclosures (amended) (effective 1 July 2011) ('IFRS 7 (amended) 1 July 2011');
- International Financial Reporting Standard 9 Financial Instruments (effective 1 January 2013) ('IFRS 9'); and

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2011 to 30 June 2011

2. Accounting policies (continued)

Standards and interpretations in issue not yet adopted (continued)

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

The directors anticipate that the adoption of IFRS 7 (amended) 1 July 2011, IFRS 9, and IFRS 13 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.

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 (2010: 0%).

4. Income receivable from the Preferred Securities

		Unaudited 1 January 2011 to 30 June 2011 €	Unaudited 1 January 2010 to 30 June 2010 €
	Interest rate		
Class VI	3 month Euribor + 1.10%	526,000	459,000
Class VII	3 month Euribor + 0.80%	931,000	749,000
Class I	3 month Euribor + 1.00%	106,000	85,000
Class VIII	3 month Euribor + 0.80%	942,000	752,000
Class IX	3 month Euribor + 0.50%	377,500	306,500
		2,882,500	2,351,500

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2011 to 30 June 2011

5. Distributions paid on the Notes

	Unaudited 1 January 2011 to 30 June 2011 €	Unaudited 1 January 2010 to 30 June 2010 €
Class VI	526,000	459,000
Class VII	931,000	749,000
Class I	106,000	85,000
Class VIII	942,000	752,000
Class IX	377,500	306,500
	<u>2,882,500</u>	<u>2,351,500</u>

6. Preferred Securities

	Unaudited As at 30 June 2011 Cost €	Unaudited As at 30 June 2011 Fair value €	Audited As at 31 December 2010 Cost €	Audited As at 31 December 2010 Fair value €
Level one				
Class VI Preferred Securities	50,000,000	33,000,000	50,000,000	35,000,000
Class VII Preferred Securities	100,000,000	64,000,000	100,000,000	69,000,000
Class I Preferred Securities	10,000,000	6,400,000	10,000,000	6,900,000
Class VIII Preferred Securities	100,000,000	64,000,000	100,000,000	69,000,000
Class IX Preferred Securities	50,000,000	33,500,000	50,000,000	34,500,000
	<u>310,000,000</u>	<u>200,900,000</u>	<u>310,000,000</u>	<u>214,400,000</u>
Level two				
Class II Preferred Securities	250,000,000	248,750,000	250,000,000	248,750,000
Total	<u>560,000,000</u>	<u>449,650,000</u>	<u>560,000,000</u>	<u>463,150,000</u>

7. Called up share capital

	Unaudited 30 June 2011 €	Audited 31 December 2010 €
Authorised:		
2 ordinary shares of €1.00 each	<u>2</u>	<u>2</u>
Issued and fully paid:		
2 ordinary shares of €1.00 each	<u>2</u>	<u>2</u>

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2011 to 30 June 2011

8. Notes

	Issue date	Unaudited 30 June 2011 €	Audited 31 December 2010 €
Class VI	9 January 2006	50,000,000	50,000,000
Class VII	13 February 2006	100,000,000	100,000,000
Class I	17 March 2006	10,000,000	10,000,000
Class VIII	4 September 2006	100,000,000	100,000,000
Class IX	16 April 2007	50,000,000	50,000,000
Class II	24 September 2008	250,000,000	250,000,000
		560,000,000	560,000,000

In accordance with International Financial Reporting Standards, the Notes are classified as equity financial instruments. This classification is based on the following:

- the Notes are perpetual, with no scheduled maturity date;
- the holders of the Notes are unable to request the redemption of the Notes;
- the directors have complete discretion whether or not to make distributions on the Notes, except that, when pass-through funds are not received from the Funding Company on their payment date, the directors are contractually prevented from making distributions in accordance with the terms of the Notes; and
- the holders of the Notes can only demand settlement of the obligation in the event of the liquidation of the Company.

The 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 income paid by the Funding Company on the Preferred Securities held by the Company. Upon receipt, the Company will then be in a position to make the distribution payments 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.

Save for the above, the Notes carry 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.

9. Revaluation reserve

	Unaudited 30 June 2011 €	Audited 31 December 2010 €
Balance at 1 January	(96,850,000)	(115,050,000)
Increase in the fair value of the Preferred Securities	-	18,200,000
Decrease in the fair value of the Preferred Securities	(13,500,000)	-
Balance as at 30 June/31 December	(110,350,000)	(96,850,000)

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2011 to 30 June 2011

10. Cash flows generated from operating activities

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

	Unaudited 1 January 2011 to 30 June 2011 €	Unaudited 1 January 2010 to 30 June 2010 €
Profit for the period	2,882,574	2,351,891
Income received on the Preferred Securities	(2,882,500)	(2,351,500)
Net cash flows generated from operating activities	74	391

11. Financial instruments

Fair values estimation

The directors have considered the fair values of the Company's financial instruments. Due to their nature the directors consider that the fair value of the Preferred Securities approximates to the fair value of the Notes and have used the fair values of the Notes as the fair values of the Preferred Securities.

The fair value of the Notes with the exception of the Class II Notes is determined by the use of quoted market values. The Class II Notes are unlisted and their fair value is determined by the use of discounted cash flows. The discounted rates used for the Class II are imputed using inputs from the quoted market values of the listed Notes.

Underlying the definition of fair value (as defined by International Accounting Standard 39 Financial Instruments: Recognition and Measurement) is a presumption that the Company is a going concern without any intention or need to liquidate, to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value is not, therefore, the amount that the Company would receive or pay in a forced transaction, involuntary liquidation or distress sale. However, fair value reflects the credit quality of the financial assets and liabilities measured. The objective of using this valuation technique is to establish what the transaction price would have been at the balance sheet date in an arm's length exchange motivated by normal business considerations.

Given the limited recourse nature of the Programme, any differences between fair value and book value of the financial instruments would have no net effect on the net position of the Company.

DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS For the period from 1 January 2011 to 30 June 2011

11. Financial instruments (continued)

Set out below is a comparison of the carrying amounts and fair values of all the Company's financial instruments:

	Unaudited Cost 30 June 2011 €	Unaudited Fair value 30 June 2011 €	Audited Cost 31 December 2010 €	Audited Fair value 31 December 2010 €
Financial assets				
Preferred Securities	560,000,000	449,650,000	560,000,000	463,150,000
Cash and cash equivalents	3,104	3,104	4,030	4,030
	560,003,104	449,653,104	560,004,030	463,154,030

12. 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.

13. Related party transactions

During the period, the Company received €2,882,500 from the Funding Company, by way of dividends, as set out in note 4 above (30 June 2010: €2,351,500).

Corporate administration services are provided to the Company by Bedell Trust Company Limited, including the provision of Bedell Trustees Limited, the Company secretary, Bedell Secretaries Limited, and the directors. Shane Michael Hollywood and Alasdair James Hunter are also directors of Bedell Trustees Limited and 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 €14,673 (£12,735) (30 June 2010: €14,551 (£12,670)). Fees were payable to Bedell Trust Company Limited, by DZB on behalf of the Company, in the sum of €2,752 (£2,479) as at the period end (30 June 2010: €923 (£750)).

Legal services are provided to the Company by Bedell Cristin, from time to time.

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