DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

Directors' report and audited financial statements for the year ended 31 December 2011

Bedell Trust Company Limited
PO Box 75, 26 New Street
St. Helier, Jersey
Channel Islands, JE4 8PP

The directors present their report together with the audited financial statements of DZ BANK Perpetual Funding Issuer (Jersey) Limited (the 'Company') for the year ended 31 December 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 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 (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 (together, 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 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 the Company, such redemption will be carried out by transferring to the holders of the Notes pro rata Preferred Securities of the relevant class.

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 financial statements the Company has only redeemed the Class X Notes.

Restatement of financial instruments

The directors have reviewed the Company's accounting policy concerning the recognition or derecognition of its financial instruments. In the opinion of the directors the Company is required by International Accounting Standard 39 Financial Instruments: Recognition and Measurement ('IAS 39') to derecognise its principal financial instruments. Further information on the derecognition of its principal financial instruments is set out in note 2 and note 3.

Directors

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

Shane Michael Hollywood
Alasdair James Hunter

Secretary

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

Bedell Secretaries Limited

Results and dividends

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

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

The directors recommend the payment of a final dividend amounting to €1,000 in respect of the year ended 31 December 2011 (2010: €1,000).

Independent auditor

Ernst & Young LLP has previously been appointed and has expressed willingness to continue in office. A resolution to reappoint Ernst & Young LLP as auditor will be proposed at the next annual general meeting.

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 financial statements.

Future developments

The directors do not anticipate that the Company will issue any additional classes of Notes under the Public Programme.

Statement of directors' responsibilities with regard to the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable Jersey law and International Financial Reporting Standards ('IFRS').

The directors are required by the Companies (Jersey) Law 1991, as amended, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year 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 the 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

27 APR 2012
....
Date

Registered office

26 New Street
St Helier
Jersey
JE2 3RA

The directors' responsibility statement has been included in the financial statements pursuant to the requirements of Article 3(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 financial statements for the year ended 31 December 2011, prepared in accordance with IFRS, 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 financial statements for the year ended 31 December 2011 include a fair review of important events that have occurred during the year ended 31 December 2011 and their impact on the financial statements, together with a description of the principal risks and uncertainties for the year as disclosed in note 10.

Signed on behalf of the board of directors by:

....
Director - Alasdair James Hunter

Date: 27 APR 2012

ERNST & YOUNG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DZ BANK PERPETUAL FUNDING ISSUER (JERSEY) LIMITED

We have audited the financial statements of DZ Bank Perpetual Funding Issuer (Jersey) Limited for the year ended 31 December 2011 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards.

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its result for the year then ended;

- have been properly prepared in accordance with International Financial Reporting Standards; and

- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Ernst & Young

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper returns adequate for our audit have not been received from branches not visited by us; or

- the financial statements are not in agreement with the accounting records and returns; or

- we have not received all the information and explanations we require for our audit.

Christopher James Matthews, FCA
for and on behalf of Ernst & Young LLP
Jersey, Channel Islands
Date: 27 April 2012

	2011 €	Restated 2010 €
Income		
Foreign exchange gain	305	147
Profit for the year	305	147
Other comprehensive income	-	-
Total comprehensive income for the year	305	147

The notes on pages 12 to 19 are an integral part of these financial statements.

	Note	2011 €	Restated 31 December 2010 €	Restated 1 January 2010 €
Assets				
Current assets				
Cash and cash equivalents		**3,335**	4,030	3,883
Total assets		**3,335**	4,030	3,883
Equity				
Share capital	7	**2**	2	2
Retained earnings		**3,333**	4,028	3,881
Total equity		**3,335**	4,030	3,883

The financial statements on pages 8 to 19 were approved by the board of directors and authorised for issue on 27 April 2012, and signed on its behalf by:

Director - Alasdair James Hunter

Alternate director - Ariel Pinel

The notes on pages 12 to 19 are an integral part of these financial statements.

	Share capital	Retained earnings	Total
	€	€	€
Balance as at 1 January 2010	2	3,881	3,883
Profit for the year	-	147	147
Total comprehensive income for the year ended 31 December 2010	**-**	**147**	**147**
Balance as at 31 December 2010	**2**	**4,028**	**4,030**

	Share capital	Retained earnings	Total
	€	€	€
Balance as at 1 January 2011	2	4,028	4,030
Profit for the year	-	305	305
Total comprehensive income for the year ended 31 December 2011	**-**	**305**	**305**
Transactions with owners:			
Dividends paid	-	(1,000)	(1,000)
	-	(1,000)	(1,000)
Balance as at 31 December 2011	**2**	**3,333**	**3,335**

The notes on pages 12 to 19 are an integral part of these financial statements.

	Note	2011 €	Restated 2010 €
Cash flows from operating activities			
Net cash flows generated from operating activities	9	**305**	147
Cash flows from financing activities			
Dividends paid		**(1,000)**	-
Net cash flows used in financing activities		**(1,000)**	-
Net (decrease)/increase in cash and cash equivalents in the year		**(695)**	147
Cash and cash equivalents as at the start of the year		**4,030**	3,883
Cash and cash equivalents as at the end of the year		**3,335**	4,030

The notes on pages 12 to 19 are an integral part of these financial statements.

1 General information

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 financial statements for the year ended 31 December 2011 on pages 8 to 19 have been prepared in accordance with accounting principles generally accepted in the island of Jersey, incorporating IFRS.

Basis of measurement

The financial statements have been prepared under the historical cost convention.

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

A summary of the more important policies in dealing with items that are considered material to the Company are shown below:

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 financial statements.

Adoption of new and revised standards

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

- International Accounting Standard 24 Related Party Disclosures (effective 1 January 2011) ('IAS 24'); and
- 2010 Improvements to International Financial Reporting Standards (majority effective from 1 January 2011) (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

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied in these 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 2015) ('IFRS 9');
- International Financial Reporting Standard 10 Consolidated Financial Statements (effective 1 January 2013) ('IFRS 10'); and

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, IFRS 10 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 other standards, amendments and interpretations issued but not yet effective as at the date the financial statements are authorised for issue. 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 financial statements of the Company.

Critical judgements and accounting estimates

The preparation of these financial statements requires the directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities as at the statement of financial position date. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the event such estimates and assumptions which are based on the best judgement of the directors as at the statement of financial position date deviate from the actual circumstances in the future, the original estimates and assumptions will be modified as appropriate in the year or period in which the circumstances change.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Historically the Company has recognised the Notes as equity instruments in accordance with International Accounting Standard 32: Financial Instruments: Presentation. Following a review of this accounting policy the directors are of the opinion that it is now appropriate to recognise the Notes as financial liabilities in accordance with IAS 39.

The directors have reviewed the Company's accounting policy concerning the recognition or derecognition of its financial instruments. In the opinion of the directors the Company is required by IAS 39 to derecognise its principal financial instruments. Further information on the derecognition of its principal financial instruments is set out in note 3.

Recognition and derecognition of financial assets and liabilities

The Company initially recognises financial assets and liabilities on the date at which they are originated. Purchases and sales of financial assets are recognised on the date on which the Company commits to purchase or sell the asset. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date on which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IAS 39. The Company derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

2 Accounting policies (continued)

Recognition and derecognition of financial assets and liabilities (continued)

Derecognition of financial assets

In accordance with IAS 39 the Company is required to derecognise the Preferred Securities as it has transferred the rights to the cash flows generated from the Preferred Securities under a pass-through arrangement. The Company has retained the contractual right to receive the cash flows generated from the Preferred Securities, but has assumed a contractual obligation to pay any cash flows received to the holders of the Notes without material delay. In addition the Company is prohibited from selling or pledging the Preferred Securities other than as security to the holders of the Notes. Consequently:

- income received on the Preferred Securities and the increase in the fair value of the Preferred Securities have been derecognised in the statement of comprehensive income;
- the Preferred Securities and the revaluation reserve have been derecognised in the statement of financial position; and
- income received on the Preferred Securities has been derecognised in the statement of cash flows.

Further information on the derecognition of financial assets is set out in note 3 and further information in relation to the Preferred Securities is set out in note 5 and note 6.

Derecognition of financial liabilities

The financial liabilities relating to the Notes are deemed to have been extinguished concurrently with the derecognition of the Preferred Securities. This accounting treatment reflects the fact that the holders of the Notes are entitled to only 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 IAS 39.

Consequently:

- the Notes have been derecognised in the statement of financial position; and
- distributions paid on the Notes have been derecognised in the statement of cash flows.

Further information on the derecognition of financial liabilities is set out in note 3 and further information in relation to the Notes is set out in note 8.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits with banks and other financial institutions. As at 31 December 2011 the Company held no cash equivalents. Cash and cash equivalents are recorded at amortised cost.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are revalued at the rate of exchange ruling at the statement of financial position date.

Foreign exchange gains and losses are included in the statement of comprehensive income for the period in which they arise.

2 Accounting policies (continued)

Expenses

All expenses of the Company are borne by DZB with no recourse against the Company.

Dividends

Under International Accounting Standard 10 Events After the Reporting Period ('IAS 10'), proposed dividends are not considered to be a liability until the dividends are approved and declared by the directors of a company for interim dividends or the shareholders of a company, at the annual general meeting, for final dividends. Under IAS 10 dividends are recorded in the period in which they are declared.

3 Derecognition of financial instruments

During the year the directors reviewed the Company's accounting policy concerning the recognition or derecognition of its financial instruments. In the opinion of the directors the Company is required by IAS 39 to derecognise its principal financial instruments as stated in note 2.

As a consequence of this change in accounting policy, the prior year comparative figures have been restated as follows:

	As originally stated 2010 €	Restated 2010 €
Statement of comprehensive income		
Income		
Income received on the Preferred Securities	**16,282,675**	-
Other comprehensive income		
Increase in the fair value of the Preferred Securities	**18,200,000**	-
Statement of changes in equity		
Notes	**560,000,000**	-
Revaluation reserve	**(96,850,000)**	-
Increase in the fair value of the Preferred Securities	**18,200,000**	-
Profit for the year	**16,282,822**	147
Statement of cash flows		
Cash flows from investing activities		
Income received on the Preferred Securities	**18,390,650**	-
Cash flows from financing activities		
Distributions paid on the Notes	**(18,390,650)**	-

3 Derecognition of financial instruments (continued)

	As originally stated at 1 January 2010 €	As restated at 1 January 2010 €	As originally stated at 31 December 2010 €	As restated at 31 December 2010 €
Statement of financial position				
Assets				
Preferred Securities	**444,950,000**	-	**463,150,000**	-
Equity				
Notes	**560,000,000**	-	**560,000,000**	-
Revaluation reserve	**(115,050,000)**	-	**(96,850,000)**	-

4 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 year of assessment (2010: 0%).

5 Income receivable on the Preferred Securities

In accordance with note 2, the Preferred Securities have been derecognised from the statement of financial position. As the Preferred Securities have been derecognised, the income receivable thereon has also been derecognised as such income is due and payable to the holders of the Notes without material delay. The following information is presented in the financial statements in order to provide information to the reader.

	Interest rate	2011 €	2010 €
Class VI	3 month Euribor + 1.10%	**1,166,000**	927,500
Class VII	3 month Euribor + 0.80%	**2,101,000**	1,573,000
Class I	3 month Euribor + 1.00%	**234,900**	176,400
Class VIII	3 month Euribor + 0.80%	**2,099,000**	1,571,000
Class IX	3 month Euribor + 0.50%	**875,000**	626,000
Class II	12 month Euribor +3.25%	**11,914,750**	11,408,775
		18,390,650	16,282,675

6 Preferred Securities

In accordance with note 2, the Preferred Securities have been derecognised from the statement of financial position. The following information is presented in the 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.

6 Preferred Securities (continued)

	Principal amount 2011	**Fair value 2011 €**	Principal amount 2010 €	Fair value 2010 €
Class VI	**50,000,000**	**27,500,000**	50,000,000	35,000,000
Class VII	**100,000,000**	**55,000,000**	100,000,000	69,000,000
Class I	**10,000,000**	**5,500,000**	10,000,000	6,900,000
Class VIII	**100,000,000**	**53,000,000**	100,000,000	69,000,000
Class IX	**50,000,000**	**26,500,000**	50,000,000	34,500,000
	250,000,000	**233,750,000**	250,000,000	248,750,000
	560,000,000	**401,250,000**	560,000,000	463,150,000

Pursuant to the Preferred Securities purchase agreements, the Company has purchased the above Preferred Securities from the Funding Company. The Preferred Securities are non-cumulative, non-voting preference shares of the Funding Company representing ownership interests in the Funding Company.

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 the Conditions to Dividends and directors' approval. The Conditions to Dividends include, among others, satisfaction of certain financial tests relating to DZB and DZ BANK Group.

The Preferred Securities are perpetual, with no fixed maturity date and are not redeemable at any time at the option of the Company. Each class of Preferred Security is supported by DZB through a subordinated support undertaking.

7 Share capital

	2011 €	2010 €
Authorised:		
2 ordinary shares of €1.00 each	**2**	2
Issued and fully paid:		
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.

8 Notes

In accordance with note 2, the Notes have been derecognised from the statement of financial position. The following information is presented in the financial statements in order to provide information to the reader and is based on the scheduled principal amount payable at maturity. 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.

8 Notes (continued)

	Issue date	Principal amount 2011 €	Fair value 2011 €	Principal amount 2010 €	Fair value 2010 €
Class VI	9 January 2006	**50,000,000**	**27,500,000**	50,000,000	35,000,000
Class VII	13 February 2006	**100,000,000**	**55,000,000**	100,000,000	69,000,000
Class I	17 March 2006	**10,000,000**	**5,500,000**	10,000,000	6,900,000
Class VIII	4 September 2006	**100,000,000**	**53,000,000**	100,000,000	69,000,000
Class IX	16 April 2007	**50,000,000**	**26,500,000**	50,000,000	34,500,000
Class II	24 September 2008	**250,000,000**	**233,750,000**	250,000,000	248,750,000
		560,000,000	**401,250,000**	560,000,000	463,150,000

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 IAS 39.

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.

9 Cash flows from operating activities

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

	2011 €	Restated 2010 €
Profit for the year	**305**	147
Net cash flows generated from operating activities	**305**	147

10 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.

11 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.

12 Related party transactions

Corporate administration services are provided to the Company by Bedell Trust Company Limited, including the provision of Bedell Trustees Limited, as trustee of the DZ BANK Perpetual Funding Issuer (Jersey) Charitable Trust, the Company secretary, Bedell Secretaries Limited and the directors. Shane Michael Hollywood and Alasdair James Hunter are 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.

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

Total fees paid to Bedell Trust Company Limited during the year, by DZB on behalf of the Company, amounted to €29,093 (£25,524) (2010: €28,333 (£24,748)). Fees were payable to Bedell Trust Company Limited, by DZB on behalf of the Company, in the sum of €991(£831) as at the year end (2010: €1,043 (£899)).

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