

Pricing Supplement No. 320 dated February 20, 2008  
to Prospectus Supplement dated November 13, 2006  
to Prospectus dated October 10, 2006



US\$100,000,000  
ELEMENTS<sup>SM</sup>

## Linked to the Australian Dollar/U.S. Dollar Exchange Rate due February 23, 2023

The ELEMENTS<sup>SM</sup> Linked to the Australian Dollar/U.S. Dollar Exchange Rate due February 23, 2023 (the "Securities") are linked to the Australian dollar/U.S. dollar exchange rate and do not guarantee any return of principal at maturity. The Securities will pay an amount in U.S. dollars at maturity or upon an earlier repurchase by Deutsche Bank AG, London Branch based on the performance of the Australian dollar relative to the U.S. dollar over the term of the Securities as measured by the Australian dollar/U.S. dollar exchange rate. In addition, the Securities will pay a semi-annual U.S. dollar distribution based on the performance of the DB AUD Overnight Index (which includes an adjustment for a fee) and the Australian dollar/U.S. dollar exchange rate. The principal terms of the Securities are as follows:

**Issuer:** Deutsche Bank AG, London Branch ("Deutsche Bank").

**CUSIP Number:** 25154H 715

**Underlying:** The return on the Securities is linked to the performance of the Australian dollar relative to the U.S. dollar as measured by the Exchange Rate and the performance of the Index. At maturity or upon an earlier repurchase by Deutsche Bank, the Securities will pay an amount in respect of principal based on the performance of the Exchange Rate over the term of the Securities. In addition, the Securities will pay a semi-annual U.S. dollar Distribution (or, upon an earlier repurchase, an accrued Distribution) based on the performance of the Index (which includes an adjustment for a fee) and the Exchange Rate. When the Australian dollar appreciates relative to the U.S. dollar, the Exchange Rate, and, other things being equal, the value of the Securities, will increase; when the Australian dollar depreciates relative to the U.S. dollar, the Exchange Rate, and, other things being equal, the value of the Securities, will decrease.

**Exchange Rate:** On any Valuation Date, the Exchange Rate is the Australian dollar/U.S. dollar spot exchange rate expressed as the number of U.S. dollars that can be exchanged for one Australian dollar for settlement in two business days, as reported by the Federal Reserve Bank of New York on Reuters page 1FEE or any successor page at approximately 12:00 p.m. New York time on such Valuation Date. If the foregoing rate source is unavailable, or is published in error, the rate source shall be selected by the Calculation Agent in a commercially reasonable manner and in accordance with general market practice.

**Initial Exchange Rate:** 0.9148, the Exchange Rate on the Inception Date.

**Index:** The DB AUD Overnight Index reflects the performance of an investment in Australian dollars at the Deposit Rate, compounded on each Australian Business Day (as adjusted for a fee). The Index is published on Bloomberg Page DBMMAUON [Index].

**Index Level:** The level of the DB AUD Overnight Index will be calculated daily as follows: The Index Level on the Inception Date is 134.956. On each subsequent Australian Business Day until the Final Valuation Date, the Index Level will equal (1) the Index Level on the immediately preceding Australian Business Day *times* (2) the sum of (a) one and (b) the product of the Deposit Rate *times* the Daycount Fraction.

**Deposit Rate:** On any Australian Business Day, the Deposit Rate is (1) the RBA 30 Rate for the immediately preceding Australian Business Day *minus* (2) the sum of (a) 0.25% per annum and (b) the Annual Investor Fee, subject to a minimum of 0%.

**RBA 30 Rate:** The Interbank Overnight Cash Rate, as reported on Reuters page RBA 30 or any successor page. If the foregoing rate source is unavailable, or is published in error, the rate source shall be selected by Deutsche Bank AG, as sponsor of the Index, in a commercially reasonable manner and in accordance with general market practice.

**Daycount Fraction:** The Daycount Fraction on any Australian Business Day will be the number of calendar days that have elapsed from and including the most recent Australian Business Day to but excluding the current Australian Business Day *divided by* 365.

**Stated Principal Amount:** US\$10.00 per Security.

**Australian Dollar Principal Amount:** A\$10.931, the Stated Principal Amount *divided by* the Initial Exchange Rate.

**Payment at Maturity:** If your Securities have not previously been repurchased by Deutsche Bank, at maturity you will receive a cash payment per Security in U.S. dollars equal to the Principal Value on the Final Valuation Date *plus* the accrued Distribution, if any, to the Final Valuation Date.

**Principal Value:** The Principal Value on any Valuation Date will be an amount in U.S. dollars equal to the Australian Dollar Principal Amount *times* the Exchange Rate on such Valuation Date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this pricing supplement is truthful or complete. Any representation to the contrary is a criminal offense.**

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Nuveen Investments

Merrill Lynch & Co.

As Agents for

Deutsche Bank AG, London Branch

Pricing Supplement dated February 20, 2008

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### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee
Securities .....	\$100,000,000.00	\$3,930.00

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**Distribution:** The accrued Distribution on any Valuation Date will be an amount in U.S. dollars equal to the Australian Dollar Principal Amount *times* the Accrual Factor on such Valuation Date *times* the Exchange Rate on such Valuation Date. Absent manifest error, the determination of the Distribution by the Calculation Agent shall be binding and conclusive on the holders of the Securities and us.

**Accrual Factor:** The Accrual Factor on any Valuation Date is (1) the Index Level on such Valuation Date *divided* by the Index Level on the prior Distribution Valuation Date (or the Inception Date in the case of any Valuation Date prior to the first Distribution Valuation Date) *minus* (2) one.

**Distribution Valuation Dates:** In respect of regularly scheduled Distribution Payment Dates, February 23 and August 23 of each year and the Final Valuation Date, commencing August 23, 2008, or if such day is not a Business Day, the next succeeding Business Day. Distributions will accrue from and including the most recent Distribution Valuation Date, or the Inception Date in the case of the first Distribution Period, to but excluding the immediately following Distribution Valuation Date.

**Distribution Period:** The period from and including the most recent Distribution Valuation Date, or the Inception Date in the case of the first Distribution Period, to but excluding the immediately following Distribution Valuation Date.

**Distribution Payment Dates:** Semi-annually in arrears, two Business Days after each Distribution Valuation Date, including on the Maturity Date, subject to postponement in the event of a Market Disruption Event.

**Secondary Market:** The Securities have been approved for listing, subject to official notice of issuance, on the NYSE Arca under the ticker symbol "ADE". If an active secondary market in the Securities develops, we expect that investors will purchase and sell the Securities primarily in this secondary market.

**Repurchase at Your Option:** Subject to the requirements described below, you may offer US\$2,500,000 stated principal amount (250,000 Securities) or more of your Securities to Deutsche Bank for repurchase during the term of the Securities beginning on February 22, 2008. If you elect to offer your Securities for repurchase, and the requirements for acceptance by Deutsche Bank are met, you will receive a cash payment on the relevant Repurchase Date in an amount equal to the Principal Value on the Repurchase Valuation Date *plus* the accrued but unpaid Distribution to the Repurchase Valuation Date.

**Repurchase at Our Option:** If the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day during the term of the Securities, we will have the right to call the Securities within seven calendar days of such decrease in whole and not in part for an amount equal to the Principal Value on the Repurchase Valuation Date *plus* the accrued but unpaid Distribution to the Repurchase Valuation Date.

**Repurchase Mechanics: Repurchase at Your Option:** To offer your Securities for repurchase, you and your broker must deliver an irrevocable offer for repurchase to Deutsche Bank Securities Inc. ("DBSI") no later than 4:00 p.m., New York City time, on the Business Day immediately preceding the intended Repurchase Valuation Date and follow the procedures set forth under "Specific Terms of the Securities—Repurchase Procedures." If you fail to comply with these procedures, your offer will be deemed ineffective and Deutsche Bank will not be obligated to repurchase your Securities. The last day on which you can deliver an offer for repurchase is the Business Day immediately preceding the Final Valuation Date.

**Repurchase at Our Option:** If we exercise our right to call the Securities, we will deliver an irrevocable call notice to DTC (the holder of the global note). The last day on which we can deliver a call notice is the Business Day immediately preceding the Final Valuation Date.

**Valuation Date:** Valuation Date means each Trading Day from February 21, 2008 to February 21, 2023 inclusive. If there is a Market Disruption Event occurring and continuing on a Valuation Date, such Valuation Date, including the Final Valuation Date, may be postponed as provided herein.

**Final Valuation Date:** February 21, 2023.

**Repurchase Date:** A Repurchase Date is the second Business Day following the applicable Repurchase Valuation Date.

**Repurchase Valuation Date:** The Valuation Date immediately following the Business Day on which either you deliver the repurchase offer to DBSI (provided you deliver the repurchase offer by 4:00 p.m. on that Business Day) or on which we deliver a call notice to DTC.

**Inception Date:** February 20, 2008.

**Initial Settlement Date:** February 22, 2008.

**Maturity Date:** February 23, 2023, subject to adjustment for Market Disruption Events.

**Record Dates:** The Record Date for each Distribution will be the Distribution Valuation Date, whether or not that day is a Business Day.

**Final Record Date:** The Final Record Date will be the Final Valuation Date, whether or not that day is a Business Day.

**Annual Investor Fee:** 0.40% per annum as applied to Australian Dollar Principal Amount

*Your Distribution will be reduced by the Annual Investor Fee and the deduction of 0.25% per annum from the RBA 30 Rate, both as applied to the Australian Dollar Principal Amount. If the RBA 30 Rate decreases to 0.65% per annum or less on any day, you will effectively not receive any Distribution for that day, regardless of the performance of the Exchange Rate and we will have the right to call the Securities.*

**Trading Day:** A Trading Day is a day on which (i) trading is generally conducted on the New York Stock Exchange, NYSE Arca, the Nasdaq Stock Market and the American Stock Exchange and (ii) trading in Australian dollars and U.S. dollars is generally conducted in the interbank market, in each case as determined by the Calculation Agent in its sole discretion.

**Business Day:** A Business Day is a Monday, Tuesday, Wednesday, Thursday or Friday on which commercial banks and foreign exchange markets settle payments in New York City or London, England and that is not a day on which banking institutions in New York City or London, England generally are authorized or obligated by law, regulation or executive order to close.

**Australian Business Day:** An Australian Business Day is any day on which the "high value electronic" payment system (RITS) is open. RITS is open unless it is a bank or public holiday in both Sydney and Melbourne.

**Calculation Agent:** Deutsche Bank AG, London Branch.

**You may lose a substantial portion of your principal if you invest in the Securities. See "Risk Factors" beginning on page PS-11 of this pricing supplement for risks relating to an investment in the Securities.**

We sold a small portion of the Securities on the Inception Date through the agents named below and through one or more dealers purchasing as principals at 100% of their stated principal amount of US\$10.00 each. Additional Securities may be offered and sold from time to time through the agents named below and one or more dealers. We will receive proceeds equal to 100% of the offering price of Securities sold after the Inception Date.

Each agent named on the cover page of this pricing supplement and any dealer in the initial and any subsequent distribution is expected to charge normal commissions for the purchase of the Securities. Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") and Nuveen Investments, LLC ("Nuveen Investments"), each a member of the Financial Industry Regulatory Authority ("FINRA"), formerly known as the NASD, Inc., will receive a portion of the Annual Investor Fee. Please see "Supplemental Plan of Distribution" in this pricing supplement for more information.

In this pricing supplement, "**we**," "**us**" and "**our**" refer to Deutsche Bank AG, including, as the context requires, acting through one of its branches.

The Securities are not deposit liabilities of Deutsche Bank AG and are not insured by the United States Federal Deposit Insurance Corporation or any other governmental agency of the United States, the United Kingdom or any other jurisdiction.

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**Deutsche Bank AG has filed a registration statement (including a prospectus) with the Securities and Exchange Commission, or SEC, for the offering to which this pricing supplement relates. Before you invest, you should read the prospectus in that registration statement and other documents that Deutsche Bank AG has filed with the SEC for more complete information about Deutsche Bank AG and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, Deutsche Bank AG, any agent or any dealer participating in this offering will arrange to send you the prospectus, prospectus supplement and this pricing supplement if you so request by calling toll-free 1-877-ETN-ADVICE (1-877-386-2384).**

## SUMMARY

The following is a summary of terms of the ELEMENTS<sup>SM</sup> Linked to the Australian Dollar/U.S. Dollar Exchange Rate due February 23, 2023 (the "Securities"), which are linked to the performance of the Exchange Rate and the DB AUD Overnight Index, as well as a discussion of risks and other considerations you should take into account when deciding whether to invest in the Securities. The information in this section is qualified in its entirety by the more detailed explanations set forth elsewhere in this pricing supplement and the accompanying prospectus supplement and prospectus. References to the "prospectus" mean our accompanying prospectus, dated October 10, 2006, and references to the "prospectus supplement" mean our accompanying prospectus supplement, dated November 13, 2006, which supplements the prospectus.

We may, without your consent, create and issue securities in addition to those offered by this pricing supplement having the same terms and conditions as the Securities. We may consolidate the additional securities to form a single class with the outstanding Securities.

This section summarizes the following aspects of the Securities:

- What are the Securities and how do they work?
- How do you sell your Securities?
- How do you offer your Securities for repurchase by Deutsche Bank?
- What are some of the risks of the Securities?
- Is this the right investment for you?
- What are the tax consequences of an investment in the Securities?
- What is the Australian dollar?
- What does the Exchange Rate reflect?
- What is the DB AUD Overnight Index?
- How do you calculate the payment on the Securities?

### **What are the Securities and how do they work?**

The Securities are senior unsecured obligations of Deutsche Bank, acting through its London branch, that are linked to the Exchange Rate and the DB AUD Overnight Index. At maturity or upon an earlier repurchase by Deutsche Bank, the Securities will pay an amount in U.S. dollars based on the performance of the Australian dollar relative to the U.S. dollar over the term of the Securities as measured by the Exchange Rate. In addition, the Securities will pay a semi-annual, U.S. dollar Distribution based on the performance of the DB AUD Overnight Index (which includes an adjustment for a fee) and the Exchange Rate. The Securities will be issued in denominations of US\$10.

The Exchange Rate is a spot exchange rate that measures the relative values of two currencies, the Australian dollar and the U.S. dollar. When the Australian dollar appreciates relative to the U.S. dollar, the Exchange Rate, and, other things being equal, the value of the Securities, will increase; when the Australian dollar depreciates relative to the U.S. dollar, the Exchange Rate, and, other things being equal, the value of the Securities, will decrease. On any Valuation Date, the Exchange Rate is the Australian dollar/U.S. dollar spot exchange rate expressed as the number of U.S. dollars that can be exchanged for one Australian dollar for settlement in two business days, as reported by the Federal Reserve Bank of New York on Reuters page 1FEE or any successor page at approximately 12:00 p.m. New York time on such Valuation Date. If the foregoing rate source is unavailable, or is published in error, the rate source shall be selected by the Calculation Agent in a commercially reasonable manner and in accordance with general market practice. The Initial Exchange Rate is 0.9148, the Exchange Rate on the Inception Date.

The Index is the DB AUD Overnight Index which reflects the performance of an investment in Australian dollars at the Deposit Rate, compounded on each Australian Business Day (as adjusted for a fee). The Index is published on Bloomberg Page DBMMAUON [Index]. On any Australian Business Day, the Deposit Rate is (1) the RBA 30 Rate for the immediately preceding

Australian dollar Business Day minus (2) the sum of (a) 0.25% per annum and (b) the Annual Investor Fee of 0.40%, subject to a minimum of 0%. The RBA 30 rate (the Interbank Overnight Cash Rate) is the effective overnight interest rate for the Australian dollar and is reported on Reuters page RBA 30 or any successor page. If the foregoing rate source is unavailable, or is published in error, the rate source shall be selected by the Index Sponsor in a commercially reasonable manner and in accordance with general market practice.

An Australian Business Day is any day on which the "high value electronic" payment system (RITS) is open. RITS is open unless it is a bank or public holiday in both Sydney and Melbourne.

### **Distributions**

We will pay a Distribution on the Securities semi-annually in arrears on each Distribution Payment Date and the Maturity Date to holders of record on the applicable Record Date. Each Distribution Payment Date is scheduled to occur two Business Days after each scheduled Distribution Valuation Date. The Distribution Valuation Dates will be each February 23 and August 23 and the Final Valuation Date, commencing August 23, 2008. The Record Date for each Distribution will be the Distribution Valuation Date, whether or not that day is a Business Day.

Distributions will accrue from and including the most recent Distribution Valuation Date, or the Inception Date in the case of the first Distribution Period, to but excluding the immediately following Distribution Valuation Date. A Distribution Period is the period from and including the most recent Distribution Valuation Date, or the Inception Date in the case of the first Distribution Period, to but excluding the immediately following Distribution Valuation Date.

The accrued Distribution on any Valuation Date will be an amount in U.S. dollars equal to the Australian Dollar Principal Amount *times* the Accrual Factor on such Valuation Date *times* the Exchange Rate on such Valuation Date. Absent manifest error, the determination of the Distribution by the Calculation Agent shall be binding and conclusive on the holders of the Securities and us.

The Accrual Factor on any Valuation Date is (1) the Index Level on such Valuation Date *divided* by the Index Level on the prior Distribution Valuation Date (or the Inception Date in the case of any Valuation Date prior to the first Distribution Valuation Date) *minus* (2) one.

The Annual Investor Fee of 0.40% per annum and the deduction of 0.25% per annum from the RBA 30 Rate will apply to each Distribution through the calculation of the Index Level. The Annual Investor Fee and the deduction of the 0.25% per annum represent a combined charge of 0.65% per annum on the Australian Dollar Principal Amount. The actual amount of this charge in U.S. dollars will fluctuate with the level of the Exchange Rate relative to the Initial Exchange Rate.

### **Payment at Maturity and upon repurchase**

If you hold Securities on the Final Record Date, at maturity you will receive a cash payment per Security in U.S. dollars in an amount equal to the Principal Value on the Final Valuation Date *plus* the accrued Distribution, if any, to the Final Valuation Date.

The Principal Value on any Valuation Date will be an amount in U.S. dollars equal to the Australian Dollar Principal Amount *times* the Exchange Rate on such Valuation Date.

Prior to maturity, you may, subject to certain restrictions, offer your Securities for repurchase by Deutsche Bank during the term of the Securities beginning on February 22, 2008, provided that you offer at least US\$2,500,000 stated principal amount of Securities (250,000 Securities) for repurchase and follow the procedures as described below. If you choose to offer your Securities for repurchase, you will receive a cash payment on such date in an amount equal to the Principal Value on the Repurchase Valuation Date *plus* the accrued but unpaid Distribution to the Repurchase Valuation Date. The Repurchase Valuation Date will be the Valuation Date immediately following the Business Day on which you deliver the repurchase offer to DBSI (provided you deliver the repurchase offer by 4:00 p.m. on that Business Day) and the Repurchase Date will be the second Business Day following the Repurchase Valuation Date. The last day on



which you can deliver an offer for repurchase is the Business Day immediately preceding the Final Valuation Date.

We have the right to repurchase your Securities in whole and not in part if the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day during the term of the Securities within seven calendar days of such decrease. If we exercise our right to call your Securities, you will receive a cash payment on such date in an amount equal to the Principal Value on the Repurchase Valuation Date *plus* the accrued but unpaid Distribution to the Repurchase Valuation Date.

If we exercise our right to call the Securities, we will deliver an irrevocable notice to call the Securities to DTC (the holder of the global note). The Repurchase Valuation Date will be the Valuation Date immediately following the Business Day on which we deliver the call notice to DTC and the Repurchase Date will be the second Business Day following the Repurchase Valuation Date. The last day on which we can deliver a notice to call the Securities is the Business Day immediately preceding the Final Valuation Date.

A Valuation Date is each Trading Day from February 21, 2008 to February 21, 2023 inclusive. The Final Valuation Date will be February 21, 2023. The Maturity Date of the Securities is February 23, 2023. The Final Record Date will be the Final Valuation Date, whether or not that day is a Business Day.

If a Repurchase Valuation Date falls after the Record Date but before the Distribution Payment Date for any particular Distribution Period, the accrued Distribution for that Distribution Period will be paid on the Distribution Payment Date to the holder of record on the Record Date and you will only be paid the Principal Value as of Repurchase Valuation Date on the Repurchase Date.

If a Market Disruption Event (defined below) occurs on any Distribution Valuation Date, the Final Valuation Date or a Repurchase Valuation Date or if such date is not a Trading Day, then the Distribution Valuation Date, Final Valuation Date or Repurchase Valuation Date, as applicable, may, at the discretion of the

Calculation Agent (or will, if such date is not a Trading Day), roll to the next succeeding Trading Day on which no Market Disruption Event occurs for a maximum of five Trading Days and the Distribution Payment Date, Maturity Date or Repurchase Date, as applicable, will correspondingly roll to the day two Business Days after such adjusted Distribution Valuation Date, the Final Valuation Date or a Repurchase Valuation Date, as applicable. If a Market Disruption Event occurs on any Distribution Valuation Date, the Final Valuation Date, or a Repurchase Valuation Date, the Calculation Agent will determine the Distribution or payment upon repurchase or at maturity in a commercially reasonable manner under the circumstances on such date (or on such succeeding date to which such date shall have been rolled pursuant to the terms hereof).

***Your Distribution will be reduced by the Annual Investor Fee and the deduction of 0.25% per annum from the RBA 30 Rate, both as applied to the Australian Dollar Principal Amount. If the RBA 30 Rate decreases to 0.65% per annum or less on any day, you will effectively not receive any Distribution for that day, regardless of the performance of the Exchange Rate and we will have the right to call the Securities.***

#### **How do you sell your Securities?**

The Securities have been approved for listing, subject to official notice of issuance, on NYSE Arca under the ticker symbol "ADE". If an active secondary market in the Securities develops, we expect that investors will purchase and sell the Securities primarily in this secondary market.

#### **How do you offer your Securities for repurchase by Deutsche Bank?**

If you wish to offer your Securities to Deutsche Bank for repurchase, you and your broker must follow the following procedures:

- your broker must deliver an irrevocable Offer for Repurchase, a form of which is attached as Annex A to this pricing supplement, to DBSI by 4:00 p.m., New York City time, on the Business Day immediately preceding the intended Repurchase Valuation Date. The

Repurchase Date will be two Business Days after the Repurchase Valuation Date. You must offer at least US\$2,500,000 stated principal amount of your Securities (250,000 Securities) for repurchase by Deutsche Bank on any Repurchase Date. DBSI must acknowledge receipt from your broker in order for your offer to be effective;

- your broker must book a delivery vs. payment trade with respect to your Securities on the applicable Repurchase Valuation Date at a price equal to the applicable to the Principal Value on the Repurchase Valuation Date plus the accrued but unpaid Distribution to the Repurchase Valuation Date, facing DBSI; and
- your broker must cause your DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m. New York City time on the applicable Repurchase Date (the second Business Day following the Repurchase Valuation Date).

Different brokers and DTC participants may have different deadlines for accepting instructions from their customers. Accordingly, you should consult the brokerage firm or other DTC participant through which you own your interest in the Securities in respect of such deadlines. If DBSI does not receive your offer for repurchase by 4:00 p.m. on the Business Day immediately preceding the intended Repurchase Valuation Date, your notice will not be effective and we will not accept your offer of your Securities for repurchase on the applicable Repurchase Date. Any repurchase instructions that we receive in accordance with the procedures described above will be irrevocable. **The last day on which you can deliver an offer for repurchase is the Business Day immediately preceding the Final Valuation Date.**

#### **What are some of the risks of the Securities?**

An investment in the Securities involves risks. Some of these risks are summarized here, but we urge you to read the more detailed explanation of risks in "Risk Factors" in this pricing supplement.

- **Uncertain principal repayment** – Your principal is not protected. If the Exchange Rate decreases relative to the Initial Exchange Rate you will receive an amount in U.S. dollars less than your original U.S. dollar investment in the Securities upon repurchase or at maturity.
- **Distribution based on the Index and the Exchange Rate** – Because the Distribution payable on the Securities is based on the Index (which includes an adjustment for the Annual Investor Fee and the deduction of 0.25% per annum from the RBA 30 Rate) and the Exchange Rate, the Distribution you receive may be less than the interest you would receive on a conventional debt security that you could purchase today with the same maturity as the Securities.
- **Currency risk** – The return on the Securities is linked to the performance of the Exchange Rate which, in turn, is linked to the values of the U.S. dollar and the Australian dollar. Currency prices may change unpredictably, affecting the Exchange Rate and, consequently, the value of your Securities in unforeseeable ways.
- **Restrictions on repurchases by Deutsche Bank** – You must offer at least US\$2,500,000 stated principal amount of Securities (250,000 Securities) to Deutsche Bank for your offer for repurchase to be considered.
- **Your offer for repurchase is irrevocable** – You will not be able to rescind your offer for repurchase after it is received by DBSI, so you will be exposed to market risk in the event market conditions change after DBSI receives your offer.
- **Call risk** – Your Securities may be called by Deutsche Bank if the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day.
- **Issuer risk** – The Securities are a senior unsecured obligation of Deutsche Bank, acting through its London branch. The repayment of the principal and the payment of any Distributions and returns based on the Exchange Rate at maturity

are dependent on Deutsche Bank and its ability to pay. This risk is in addition to the risks posed by the Exchange Rate and the Index.

- **A trading market for the Securities may not develop** – Although the Securities have been approved for listing, subject to official notice of issuance, on NYSE Arca, a trading market for your Securities may not develop. Our affiliates and the broker-dealers distributing the Securities may engage in limited purchase and resale transactions. However, they are not required to do so and, if they engage in such transactions, they may stop at any time. We are not required to maintain any listing of the Securities on NYSE Arca or any other exchange.

#### **Is this the right investment for you?**

The Securities may be a suitable investment for you if:

- You seek an investment with a return linked to the performance of the Exchange Rate.
- You believe the value of the Australian dollar will appreciate above the Initial Exchange Rate by an amount sufficient to provide to you with a satisfactory return on your investment during the term of the Securities, and that the Index Level (taking into account the Annual Investor Fee and the 0.25% per annum reduction in RBA 30 Rate) will increase during each Distribution Period so as to provide you with a satisfactory Distribution on each Distribution Payment Date (subject to movements in the Exchange Rate).
- You are willing to accept the risk of fluctuations in currency prices in general and the Exchange Rate in particular.

The Securities may not be a suitable investment for you if:

- You are not willing to be exposed to fluctuations in currency prices in general and the Exchange Rate in particular.

- You seek a guaranteed return of your initial U.S. dollar investment.
- You believe the Exchange Rate will decrease during the term of the Securities.
- You believe the Index Level (taking into account the Annual Investor Fee and the 0.25% per annum reduction in RBA 30 Rate) when combined with the Exchange Rate will offer an effective rate of interest which does not adequately compensate you for your initial U.S. dollar investment.
- You prefer the lower risk and therefore accept the potentially lower returns of fixed income investments with comparable maturities and credit ratings.

#### **What are the tax consequences of an investment in the Securities?**

You should review carefully the section in this pricing supplement entitled “Certain U.S. Federal Income Tax Consequences.” The Securities will be treated for U.S. federal income tax purposes as variable rate “foreign currency” debt instruments. Under this treatment, among other things, gain or loss you realize on a sale or retirement of the Securities may be treated as ordinary income or loss.

Under current law, the United Kingdom will not impose withholding tax on payments made with respect to the Securities.

For a discussion of certain German tax considerations relating to the notes, you may refer to the section in the accompanying prospectus supplement entitled “Taxation by Germany of Non-Resident Holders.”

**We do not provide any advice on tax matters. You should consult your tax adviser regarding all aspects of the U.S. federal tax consequences of investing in the notes, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.**

#### **What is the Australian dollar?**

The Australian dollar is the official currency of the Commonwealth of Australia, including Christmas Island, Cocos (Keeling) Islands, and Norfolk Island, as well as the independent Pacific Island states of Kiribati, Nauru and Tuvalu since 1966.



### **What does the Exchange Rate reflect?**

The Exchange Rate is a foreign exchange spot rate that measures the relative values of two currencies, the U.S. dollar and the Australian dollar. When the Australian dollar appreciates relative to the U.S. dollar, the Exchange Rate, and, other things being equal, the value of the Securities, will increase; when the Australian dollar depreciates relative to the U.S. dollar, the Exchange Rate, and, other things being equal, the value of the Securities, will decrease. On any Valuation Date, the Exchange Rate is expressed as a rate that reflects the number of U.S. dollars that can be exchanged for one Australian dollar for settlement in two business days as reported each day by the Federal Reserve Bank of New York on Reuters page 1FEE or any successor page at approximately 12:00 p.m. New York time. If the foregoing rate source is unavailable, or is published in error, the rate source shall be selected by the Calculation Agent in a commercially reasonable manner and in accordance with general market practice.

### **What is the DB AUD Overnight Index?**

The DB Australian dollar Overnight Index reflects the performance of an investment in Australian dollar at the Deposit Rate compounded on each Australian Business Day (as adjusted for the Annual Investor Fee and the deduction of 0.25% per annum from the RBA 30 Rate) and is sponsored and calculated by Deutsche Bank AG, London Branch.

The Index Level will be calculated as follows. The Index Level on the Inception Date is 134.956, as determined by the Index Sponsor. On each subsequent Australian Business Day until the Final Valuation Date, the Index Level will equal (1) the Index Level on the immediately preceding Australian Business Day times (2) the sum of (a) one and (b) the product of the Deposit Rate times the Daycount Fraction.

On any Australian Business Day, the Deposit Rate is (1) the RBA 30 Rate for the immediately preceding Australian Business Day minus (2) the sum of (a) 0.25% per annum and (b) the Annual Investor Fee of 0.40%, subject to a minimum of 0%. The Daycount Fraction on any Australian

Business Day will be the number of calendar days that have elapsed from and including the most recent Australian Business Day to but excluding the current Australian Business Day divided by 365.

The RBA 30 rate (the Interbank Overnight Cash Rate) is the effective overnight interest rate for the Australian dollar and is reported on Reuters page RBA 30. It is computed as a weighted average of rates at which a sample of banks transact in the interbank market for overnight funds. Typically between 15 and 20 of the most active banks are surveyed to obtain the RBA 30 rate. The RBA 30 rate is published on electronic media services (Reuters RBA30/RBA36; Bloomberg RBA9/RBA16) at the conclusion of each trading day and on the Reserve Bank of Australia's website at 9:00 am on the next business day. If the RBA 30 Rate is not available on Reuters page RBA 30 or is published in error, the rate source for the RBA 30 Rate shall be selected by the Index Sponsor in a commercially reasonable manner and in accordance with general market practice.

### **How do you calculate the payments on the Securities?**

Set forth below is an explanation of the steps necessary to calculate the payment on the Securities on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank.

#### *Step 1: Calculate the Distribution*

On any Valuation Date the accrued Distribution will be an amount in U.S. dollars equal to the Australian Dollar Principal Amount *times* the Accrual Factor on such Valuation Date *times* the Exchange Rate on such Valuation Date. Absent manifest error, the determination of the Distribution by the Calculation Agent shall be binding and conclusive on the holders of the Securities and us.

The Accrual Factor on any Valuation Date is equal to (1) the Index Level on such Valuation Date *divided by* the Index Level on the prior Distribution Valuation Date (or the Inception Date in the case of any Valuation Date prior to the first Distribution Valuation Date) *minus* (2) one.

Distributions will be paid on each Distribution Payment Date, subject to adjustment for Market Disruption Events.

An Annual Investor Fee of 0.40% per annum and a reduction of 0.25% per annum from the RBA 30 Rate will apply to each Distribution through the calculation of the Index Level.

*Step 2: Calculate the Principal Value*

The Principal Value on any Valuation Date will be an amount in U.S. dollars equal to the Australian Dollar Principal Amount times the Exchange Rate on such Valuation Date.

The Australian Dollar Principal Amount is equal to the Stated Principal Amount *divided* by the Initial Exchange Rate. The Stated Principal Amount is equal to US\$10.00. The Initial Exchange Rate is 0.9148, the Exchange Rate on the Inception Date and the Australian Dollar Principal Amount is A\$10.931.

On any Valuation Date, the Exchange Rate is the Australian dollar/U.S. dollar Exchange Rate expressed as a rate that reflects the number of U.S. dollars that can be exchanged for one Australian dollar for settlement in two business days, as reported each day by the Federal

Reserve Bank of New York on Reuters page 1FEE or any successor page at approximately 12:00 p.m. New York time. If the foregoing rate source is unavailable, or is published in error, the rate source shall be selected by the Calculation Agent in a commercially reasonable manner and in accordance with general market practice.

*Step 3: Calculate the payment at maturity or upon repurchase*

You will receive a cash payment at maturity or upon repurchase by Deutsche Bank, as applicable, in U.S. dollars equal to the Principal Value on the Final Valuation Date or Repurchase Valuation Date, as applicable, *plus* the accrued Distribution, if any, to the Final Valuation Date or Repurchase Valuation Date, as applicable.

***Your Distribution will be reduced by the Annual Investor Fee and the deduction of 0.25% per annum from the RBA 30 Rate, both as applied to the Australian Dollar Principal Amount. If the RBA 30 Rate decreases to 0.65% per annum or less on any day, you will effectively not receive any Distribution for that day, regardless of the performance of the Exchange Rate and we will have the right to call the Securities.***

### *Hypothetical Examples*

The following examples show how your payment at maturity and your accrued Distribution would be affected by movements in the Exchange Rate and the Index Level. These examples highlight the behavior of the payment at maturity of and distributions on the Securities in different circumstances, but they are not indicative of actual results. For convenience, the results in the “Payment at maturity or upon earlier repurchase” examples have been rounded to the nearest whole dollar and the results in the “Distributions” examples have been rounded to the nearest whole cent.

#### **Assumptions:**

Initial Exchange Rate: A\$0.903 per US\$1

Australian Dollar Principal Amount: A\$11.07

Index Level on Inception Date: 100

#### **Payment at maturity or upon earlier repurchase**

The following examples set out the payment you would receive at maturity or upon earlier repurchase in respect of principal based on the hypothetical Exchange Rate on the relevant Valuation Date.

At maturity (or upon earlier repurchase), you will receive the Principal Value on the relevant Valuation Date.

The Principal Value is equal to: Australian Dollar Principal Amount *times* the Exchange Rate on such Valuation Date.

*The following examples do not take into account any accrued Distribution which could be paid at maturity or upon earlier repurchase and accordingly, do not take into account the Annual Investor Fee or the deduction of 0.25% per annum from the RBA 30 Rate.*

#### **1. The Exchange Rate increases 10% to A\$0.9933 per US\$1 on the Valuation Date and you receive US\$11 per US\$10 Stated Principal Amount**

In this example, the Exchange Rate has increased to A\$0.9933 per US\$1, representing a 10% appreciation of the Australian dollar relative to the U.S. dollar.

Accordingly, your payment in respect of principal would equal:

$$\begin{aligned} \text{Principal Value} &= \text{A\$11.07 times A\$0.9933} \\ &= \text{US\$11.00 (representing a 10\% return on your US\$10 initial investment)} \end{aligned}$$

#### **2. The Exchange Rate decreases 10% to A\$0.8127 per US\$1 on the Valuation Date and you receive US\$9 per US\$10 Stated Principal Amount**

In this example, the Exchange Rate has decreased to A\$0.8127 per US\$1, representing a 10% depreciation of the Australian dollar relative to the U.S. dollar.

Accordingly, your payment in respect of principal would equal:

$$\begin{aligned} \text{Principal Value} &= \text{A\$11.07 times A\$0.8127} \\ &= \text{US\$9.00 (representing a 10\% loss on your US\$10 initial investment)} \end{aligned}$$

## Distributions

The following examples set out the Distribution you would receive on each Distribution Payment Date, based on the hypothetical Exchange Rate and Index Level on the relevant Valuation Date.

On a Valuation Date, your Distribution is calculated as Australian Dollar Principal Amount *times* the Accrual Factor on such Valuation Date *times* the Exchange Rate on such Valuation Date.

The Accrual Factor is equal to (1) the Index Level on such Valuation Date *divided* by the Index Level on the prior Distribution Valuation Date (or the Inception Date in the case of any Valuation Date prior to the first Distribution Valuation Date) *minus* (2) one.

As such, your Distribution is affected both by the Index Level on any day relative to the Index Level on the prior Distribution Valuation Date and the Exchange Rate relative to the Initial Exchange Rate.

*The Index Levels used in the examples below take into account the Annual Investor Fee of 0.40% per annum and the deduction of 0.25% per annum from the RBA 30 Rate.*

### **1. The Index Level increases 2% over the term of the Distribution Period and the Exchange Rate remains unchanged from the Initial Exchange Rate**

In this example, the Index Level has increased 2% over the six month Distribution Period and the Exchange Rate is unchanged from the Initial Exchange Rate. Accordingly, your Distribution would equal:

Distribution = A\$11.07 *times* A\$0.903 *times* Accrual Factor

where,

$$\begin{aligned}\text{Accrual Factor} &= (102/100) - 1 \\ &= 0.020\end{aligned}$$

therefore,

Distribution = US\$0.20 per US\$10 Stated Principal Amount (4% annualized)

### **2. The Index Level increases 2% over the term of the Distribution Period and the Exchange Rate decreases 10% from the Initial Exchange Rate**

In this example, the Index Level has increased 2% over the six month Distribution Period, as in the previous example but, the Exchange Rate has decreased 10% to A\$0.8127 per US\$1, representing a 10% depreciation of the Australian dollar relative to the U.S. dollar. Accordingly, your Distribution would equal:

Distribution = A\$11.07 *times* A\$0.8127 *times* Accrual Factor

where,

$$\begin{aligned}\text{Accrual Factor} &= (102/100) - 1 \\ &= 0.020\end{aligned}$$

therefore,

Distribution = US\$0.18 per US\$10 Stated Principal Amount (3.6% annualized)

The Distribution is less in this example than in example 1 because the Exchange Rate has decreased 10% relative to the Initial Exchange Rate.



**3. The Index Level increases 2% over the term of the Distribution Period and the Exchange Rate increases 10% from the Initial Exchange Rate**

In this example, the Index Level has increased 2% over the six month Distribution Period, as in the previous example but, the Exchange Rate has increased 10% to A\$0.9933 per US\$1, representing a 10% appreciation of the Australian dollar relative to the U.S. dollar. Accordingly, your Distribution would equal:

Distribution = A\$11.07 *times* A\$0.9933 *times* Accrual Factor

where,

$$\begin{aligned}\text{Accrual Factor} &= (102/100) - 1 \\ &= 0.020\end{aligned}$$

therefore,

Distribution = US\$0.22 per US\$10 Stated Principal Amount (4.4% annualized)

The Distribution is more in this example than in example 1 because the Exchange Rate has increased 10% relative to the Initial Exchange Rate.

**4. The Index Level remains unchanged over the term of the Distribution Period and the Exchange Rate increases 10% from the Initial Exchange Rate**

In this example, the Index Level remains unchanged over the six month Distribution Period and the Exchange Rate has increased 10% to A\$0.9933 per US\$1, representing a 10% appreciation of the Australian dollar relative to the U.S. dollar. Accordingly, your Distribution would equal:

Distribution = A\$11.07 *times* A\$0.9933 *times* Accrual Factor

where,

$$\begin{aligned}\text{Accrual Factor} &= (102/100) - 1 \\ &= 0.00\end{aligned}$$

therefore,

Distribution = US\$0.00 per US\$10 Stated Principal Amount

In this example, there is no Distribution because the Index Level was unchanged over the Distribution Period. This occurred even though the Exchange Rate increased 10% from the Initial Exchange Rate. This is because the Index Level needs to increase each Distribution Period for you to receive any Distribution at all, regardless of the performance of the Exchange Rate.

*The Index Level will remain unchanged if the RBA 30 Rate equals 0.65% or less during the entire Distribution Period. This is because Deposit Rate used to calculate the Index equals (1) the RBA 30 Rate less (2) the sum of (a) 0.25% per annum and (b) the Annual Investor Fee of 0.40%. We have the right to repurchase your Securities in whole and not in part if the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day during the term of the Securities within seven calendar days of such decrease.*

## RISK FACTORS

The Securities are senior unsecured obligations of Deutsche Bank, acting through its London branch. The Securities are riskier than ordinary unsecured debt securities. The return on the Securities is linked to the performance of the Exchange Rate and the Index. Investing in the Securities is not equivalent to investing directly in the U.S. dollar, the Australian dollar or other securities or future contracts linked to the Exchange Rate or in an investment linked solely to the RBA 30 rate. See “The Exchange Rate” and “The Index” below for more information.

This section describes the most significant risks relating to an investment in the Securities. **We urge you to read the following information about these risks, together with the other information in this pricing supplement and the accompanying prospectus and prospectus supplement before investing in the Securities.**

***The Principal Value of your Securities is not protected and you may lose a significant portion of your investment in the Securities***

Your Securities are linked to the performance of the Australian dollar relative to the U.S. dollar during the term of the Securities. If the Exchange Rate on the Final Valuation Date or Repurchase Valuation Date, as applicable, has decreased relative to the Initial Exchange Rate, you will receive (excluding any accrued Distributions which may be paid) less than, and potentially substantially less than, the U.S. dollar principal amount of your investment at maturity or upon repurchase of your Securities by Deutsche Bank.

***Deutsche Bank may repurchase your Securities if the RBA 30 Rate decreases to or below 0.65%***

Deutsche Bank has the right to repurchase your Securities in whole and not in part if the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day within seven calendar days of such decrease. The amount you may receive upon a call by Deutsche Bank may be less than the U.S. dollar principal amount you would receive on your investment at maturity or if you had elected to have Deutsche Bank

repurchase your Securities at a time of your choosing. If Deutsche Bank exercises its right to call your Securities, you will receive a cash payment in an amount equal to the Principal Value on the Repurchase Valuation Date *plus* the accrued but unpaid Distribution to the Repurchase Valuation Date. Deutsche Bank has no obligation to take your interests into account when deciding whether to call the Securities. If the RBA 30 Rate is at or below 0.65%, the Exchange Rate may have also depreciated relative to the Initial Exchange Rate, meaning you will receive substantially less than your initial U.S. dollar investment.

***The Distribution payable on the Securities may be less than the interest you would receive on a conventional debt security that you could purchase today with the same maturity as the Securities***

Because the accrued Distribution payable on the Securities is based on the performance of the Index (which takes into account the Annual Investor Fee and the deduction of 0.25% per annum from the RBA 30 Rate) and the Exchange Rate, the accrued Distribution you receive may be less than the interest you would receive on a conventional debt security that you could purchase today with the same maturity as the Securities. Accordingly, the accrued Distribution paid during any Distribution Period and/or in aggregate over the term of the Securities may not compensate you for the risks associated with holding the Securities. If the RBA 30 Rate for the relevant Distribution Period decreases to 0.65% per annum or less on any particular Australian Business Day, the corresponding Deposit Rate will be 0% and you will not receive any Distribution for the period the RBA 30 Rate remains at 0.65% or below. In addition, Deutsche Bank has the right to call your Securities for repurchase if the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day during the term of the Securities within seven calendar days of such decrease.

***You will not benefit from any increase in the Exchange Rate if such increase is not reflected in the Exchange Rate on the applicable Valuation Date***

Any increase in the Exchange Rate from the Initial Exchange Rate will only be reflected in

either the Distribution or the payment at maturity or upon repurchase if such increase is reflected in the Exchange Rate on the applicable Valuation Date. Accordingly, you will not benefit from increases in the Exchange Rate above the Initial Exchange Rate which only occur prior to the applicable Valuation Date.

***The Index Level must increase during each Distribution Period for you to receive a Distribution***

The Index Level must increase during each Distribution Period for you to receive a Distribution. The performance of the Index takes into the account the Annual Investor Fee. Accordingly, for the Index Level to increase over time, the RBA 30 Rate will need to offer a daily return sufficient to offset the Annual Investor Fee and the deduction of 0.25% per annum. Moreover, weak performance by the Index could be compounded by a decline in the Exchange Rate on the applicable Distribution Valuation Date relative to the Initial Exchange Rate. If the Index Level remains flat during any Distribution Period, the value of your Securities will be adversely affected. In addition, Deutsche Bank has the right to call your Securities for repurchase if the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day during the term of the Securities within seven calendar days of such decrease.

***Movements in the Index and the Exchange Rate may offset each other***

In each Distribution Period, positive movements by the Index may be offset by negative movements in the Exchange Rate and vice-versa. Accordingly, even though the Index Level (or Exchange Rate) may increase during a Distribution Period, negative movements in the Exchange Rate (or weak performance of the Index) will mean that you may not receive the full benefit of the increase in the Exchange Rate or the Index, as the case may be.

***There are restrictions on the minimum number of Securities you may offer to Deutsche Bank for repurchase***

If you elect to offer your Securities to Deutsche Bank for repurchase, you must offer at least US\$2,500,000 stated principal amount of Securities (250,000 Securities) to Deutsche

Bank at one time on any Repurchase Date. The minimum repurchase amount of US\$2,500,000 stated principal amount of Securities (250,000 Securities) and the procedures involved in the offer of any repurchase represent substantial restrictions on your ability to cause Deutsche Bank to repurchase your Securities. If you own Securities with an aggregate stated principal amount of less than US\$2,500,000, you will not be able to cause Deutsche Bank to repurchase your Securities. Your offer to Deutsche Bank to repurchase your Securities on a Repurchase Date is only valid if DBSI receives your offer for repurchase from your broker by no later than 4:00 p.m. on the Business Day immediately preceding the intended Repurchase Valuation Date. If DBSI does not receive your offer for repurchase by 4:00 p.m. on the Business Day immediately preceding the intended Repurchase Valuation Date, your offer will not be effective and we will not repurchase your Securities on the applicable Repurchase Date. **The last day on which you can deliver an offer for repurchase is the Business Day immediately preceding the Final Valuation Date.** See "Specific Terms of Your Security – Repurchase Procedures" for more information.

The daily repurchase feature is intended to induce arbitrageurs to counteract any trading of the Securities at a premium or discount to their indicative value. There can be no assurance that arbitrageurs will employ the repurchase feature in this manner.

***The market value of the Securities may be influenced by many unpredictable factors***

The market value of your Securities may fluctuate between the date you purchase them and the applicable Valuation Date. You may also sustain a significant loss if you sell the Securities in the secondary market. Several factors, many of which are beyond our control, will influence the market value of the Securities. We expect that generally the changes in the Exchange Rate will affect the market value of the Securities more than any other factor. Other factors that may influence the market value of the Securities include:

- supply and demand for the Securities, including inventory positions with any market maker;

- economic, financial, political, regulatory or judicial events that affect the Exchange Rate and the RBA 30 Rate;
- the performance of the Index;
- the prevailing rates of interest for both the U.S. dollar and the Australian dollar; and
- the creditworthiness of Deutsche Bank.

These factors interrelate in complex ways, and the effect of one factor on the market value of your Securities may offset or enhance the effect of another factor.

***Historical levels of the Exchange Rate and the Index should not be taken as an indication of the future performance of the Exchange Rate or the Index during the term of the Securities***

It is impossible to predict whether the Exchange Rate or the Index Level, as the case may be, will rise or fall. The actual performance of the Exchange Rate over the term of the Securities and the Index during any Distribution Period and on any Valuation Date, as well as the amount payable on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank, may bear little relation to the historical Exchange Rate or Index Level, as the case may be.

***Your return may not reflect the return on a direct investment in the Australian dollar, U.S. dollar, the Exchange Rate or the Index***

The return on your Securities may not match the return you would have received had you invested directly in the Australian dollar or U.S. dollar denominated instruments, the Exchange Rate, the RBA 30 Rate or the Index. In particular, an investment in the Securities is subject to the Annual Investor Fee and the deduction of 0.25% per annum which reduces your Distribution. Further, changes in the Exchange Rate and the Index will interact so that an adverse movement in one may offset a positive movement in the other, reducing the amount of your Distribution.

***Each of the Exchange Rate and the level of the Index will be influenced by unpredictable factors***

The Exchange Rate is a result of the supply of, and demand for, each currency. Changes in the

Exchange Rate may result from the interactions of many factors including economic, financial, social and political conditions in Australia and the United States. These conditions include, for example, the overall growth and performance of the economies of the United States and Australia, and the constituent nations thereof, the trade and current account balance between the United States and Australia, government deficits or surpluses in the United States and Australia, inflation, interest rate levels, the performance of stock markets in the United States and Australia, the stability of the United States and Australian governments and banking systems, whether the Australian dollar or the U.S. dollar is used as a reserve currency by other nations, wars in which the United States or Australian nations are directly or indirectly involved or that occur anywhere in the world, major natural disasters in the United States or Australia, and other foreseeable and unforeseeable events.

Certain relevant information relating to Australia may not be as well known or as rapidly or thoroughly reported in the United States as compared to U.S. developments. Prospective purchasers of the Securities should be aware of the possible lack of availability of important information that can affect the value of the Australian dollar in relation to the U.S. dollar and must be prepared to make special efforts to obtain such information on a timely basis.

Factors affecting the RBA 30 Rate and therefore the Index Level may include: supply and demand among banks in the Australian market for overnight interbank deposits; general economic, financial, political or regulatory conditions in Australia and elsewhere; changes in interest rates generally; monetary policies of the Reserve Bank of Australia; and inflation and expectations concerning inflation.

***The liquidity, trading value and amounts payable under the Securities could be affected by the actions of sovereign governments, including the United States and Australian governments***

Exchange rates of most developed economies, including the United States and Australia, are



“floating,” meaning that they are permitted to fluctuate in value relative to other currencies. However, governments of other nations, from time to time, do not allow their currencies to float freely in response to economic forces. Governments, including the United States and Australian governments, use a variety of techniques, such as intervention by their central bank or imposition of regulatory controls or taxes, to affect the exchange rates of their respective currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by devaluation or revaluation of a currency. Thus, a special risk in purchasing the Securities is that their liquidity, trading value and amounts payable could be affected by the actions of the United States or Australian governments which could change or interfere with theretofore freely determined currency valuation, fluctuations in response to other market forces and the movement of currencies across borders. There will be no adjustment or change in the terms of the Securities in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of the issuance of a replacement currency or in the event of other developments affecting the Australian dollar, the U.S. dollar or any other currency.

***Factors affecting the Index may also affect the Exchange Rate, compounding the effect on your Distribution***

The Index represents potential investment returns on deposits in Australia. Any negative factors affecting the Index are likely to also affect the Exchange Rate as the returns available on fixed income investments in Australia decline. This in turn would, other things being equal, decrease the demand for the Australian dollar relative to the U.S. dollar. Accordingly, these factors would have a double impact upon your Distribution by first flattening out the Index Level on which your Distribution is based and second by placing downwards pressure on the Exchange Rate relative to the Initial Exchange Rate.

***Even though the U.S. dollar and the Australian dollar are traded around-the-clock, the Securities will trade only during regular trading hours in the United States***

The interbank market for the U.S. dollar and the Australian dollar is a global, around-the-clock market. The Securities have been approved for listing, subject to official notice of issuance, on NYSE Arca, and will trade only during the hours that the NYSE Arca is open. To the extent that NYSE Arca is closed while the markets for the U.S. dollar and the Australian dollar remain open, significant price and rate movements may take place in the underlying foreign exchange markets that will significantly affect the value of the Securities at a time when they cannot be traded.

***Foreign exchange rate information may not be readily available***

There is no systematic reporting of last-sale information for foreign currencies. Reasonable current bid and offer information is available in certain brokers' offices, in bank foreign currency trading offices, and to others who wish to subscribe for this information, but this information will not necessarily reflect the Exchange Rate relevant for determining the value of the Securities. The absence of last-sale information and the limited availability of quotations to individual investors may make it difficult for many investors to obtain timely, accurate data about the state of the underlying foreign exchange markets.

***The Securities may not be a suitable investment for you***

The Securities may not be a suitable investment for you if you are not willing to be exposed to fluctuations in the Exchange Rate; you seek a guaranteed return of your initial U.S. dollar investment; you believe the value of the Australian dollar relative to the U.S. dollar will decrease or will not increase by an amount sufficient to offset the impact of the Annual Investor Fee and the deduction of 0.25% per annum during the term of the Securities; you believe the Index will offer an effective rate of interest which does not adequately compensate you for your initial U.S. dollar investment; or you

prefer the lower risk and more predictable returns of U.S. dollar-based fixed income investments with comparable maturities and credit ratings.

***Changes in our credit ratings may affect the market value of your securities***

Our credit ratings are an assessment of our ability to pay our obligations, including those on the Securities. Consequently, actual or anticipated changes in our credit ratings may affect the market value of your Securities. However, because the return on your Securities is dependent upon certain factors in addition to our ability to pay our obligations on your Securities, an improvement in our credit ratings will not reduce the other investment risks related to your Securities.

***There may not be an active trading market in the Securities; sales in the secondary market may result in significant losses***

Although the Securities have been approved for listing, subject to official notice of issuance, on NYSE Arca, a trading market for your Securities may not develop and no assurances can be given as to the continuation of any listing during the term of the Securities. We are not required to maintain any listing of the Securities on NYSE Arca or any other exchange.

***Trading by Deutsche Bank and other transactions by Deutsche Bank and/or its affiliates in instruments linked to the Australian dollar, the U.S. dollar, the Exchange Rate or the Index may impair the market value of the Securities***

As described below under “Use of Proceeds and Hedging” in this pricing supplement, we expect to enter into transactions to hedge our obligations under the Securities. Such transactions may involve purchases of U.S. dollars or Australian dollars, futures or options on U.S. dollars or Australian dollars, the Exchange Rate or the RBA 30 Rate, or other derivative instruments with returns linked to the performance of the U.S. dollar or the Australian dollar, the Exchange Rate or the RBA 30 Rate, and we may adjust our hedge positions by,

among other things, purchasing or selling any of the foregoing. Although they are not intended to, any of these hedging activities may affect the market price of the U.S. dollar or the Australian dollar and the Exchange Rate and the level of the Index and, therefore, the market value of the Securities. It is possible that our hedging activities could produce substantial returns for us even though the market value of the Securities declines.

We may also issue other securities or financial or derivative instruments with returns linked or related to changes in the performance of any of the foregoing. By introducing competing products into the marketplace in this manner, we could adversely affect the market value of the Securities.

With respect to any of the activities described above, we have no obligation to take the needs or interests of any buyer, seller or holder of the Securities into consideration at any time.

***The liquidity of the market for the Securities may vary materially over time***

As stated on the cover of this pricing supplement, we sold only a small portion of the Securities on the Inception Date, and additional Securities will be offered and sold from time to time through MLPF&S and Nuveen Investments, acting as our agents. Also, the number of Securities outstanding could be reduced at any time due to repurchases of the Securities by Deutsche Bank as described in this pricing supplement. Accordingly, the liquidity of the market for the Securities could vary materially over the term of the Securities. While you may elect to offer your Securities for repurchase by Deutsche Bank prior to maturity, such repurchase is subject to the restrictive conditions and procedures described elsewhere in this pricing supplement, including the condition that you must offer at least US\$2,500,000 stated principal amount of Securities (250,000 Securities) to Deutsche Bank at one time for repurchase on any Repurchase Date. As such, if you hold less than 250,000 Securities, there is no guarantee that you will be able to liquidate your investment prior to maturity.

***We or our affiliates may have economic interests adverse to those of the holders of the Securities***

Deutsche Bank and other affiliates of ours expect to engage in trading activities related to Australian dollars or U.S. dollars, futures or options on Australian dollars, U.S. dollars, the Exchange Rate or the RBA 30 Rate, or other derivative instruments with returns linked to the performance of the Australian dollar, the U.S. dollar, the Exchange Rate or the RBA 30 Rate, for their accounts and for other accounts under their management. Deutsche Bank and these affiliates may also issue or underwrite or assist unaffiliated entities in the issuance or underwriting of other securities or financial instruments linked to the Exchange Rate or the Index. To the extent that we or one of our affiliates serves as issuer, agent or underwriter for such securities or financial instruments, our or their interests with respect to such products may be adverse to those of the holders of the Securities. Any of these trading activities could potentially affect the level of the Exchange Rate or the Index and, accordingly, could affect the value of the Securities and the amount payable to you at maturity.

In addition, we or one or more of our affiliates may publish research reports or otherwise express views or provide recommendations about the Exchange Rate, the Index and currencies generally. Any such views or recommendations may be inconsistent with purchasing or holding the Securities. Any prospective purchaser of Securities should undertake such independent investigation of the merits of this investment as in its judgment is appropriate to make an informed decision with respect to an investment in the Securities.

Additionally, we or one of our affiliates may serve as issuer, agent or underwriter for additional issuances of Securities with returns linked or related to changes in the level of the Exchange Rate or the Index. By introducing competing products into the marketplace in this manner, we or one or more of our affiliates could adversely affect the value of the Securities.

***The business activities of MLPF&S or Nuveen Investments may create conflicts of interest***

MLPF&S and its affiliates and Nuveen Investments and its affiliates expect to engage in trading activities related to Australian dollars or U.S. dollars, futures or options on U.S. dollars or Australian dollars, the Exchange Rate or the Index, or other derivative instruments with returns linked to the performance of the Australian dollar or the U.S. dollar, the Exchange Rate or the RBA 30 Rate that are not for the account of holders of the Securities or on their behalf. These trading activities may present a conflict between the holders' interest in the Securities and the interests that MLPF&S and its affiliates and Nuveen Investments and its affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the level of the Exchange Rate or the Index, could be adverse to the interests of the holders of the Securities. Moreover, MLPF&S and Nuveen Investments have published and in the future expect to publish research reports and trading advice with respect to the Exchange Rate, the RBA 30 Rate or currencies and interest rates generally. This research and trading advice is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Securities. The research and trading advice should not be viewed as a recommendation or endorsement of the Securities in any way and investors must make their own independent investigation of the merits of this investment. Any of these activities by MLPF&S or its affiliates or by Nuveen Investments or its affiliates may affect the market price of the Australian dollar or the U.S. dollar and the Exchange Rate or the level of the Index and, therefore, the market value of the Securities. With respect to any of the activities described above, neither MLPF&S and its affiliates nor Nuveen Investments and its affiliates have any obligation to take the needs of any buyer, seller or holder of the Securities into consideration at any time.

***Deutsche Bank may discontinue the Index and public disclosure of information relating to the Index may change over time***

Deutsche Bank will serve as the Index Sponsor (the "Index Sponsor"). The Index Sponsor is under no obligation to continue to compile and publish the Index and is not required to compile and publish any successor index if the Index is discontinued. If the Index Sponsor discontinues or suspends the compilation or publication of the Index, it may become difficult to determine the market value of the Securities or the amount payable on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank. Initially, Deutsche Bank will serve as the Calculation Agent for the Securities. In the event the Index Sponsor discontinues or suspends the compilation or publication of the Index, the Calculation Agent may designate a comparable successor index selected in its sole discretion (which may, but need not be, an index calculated and maintained by the Index Sponsor or Merrill Lynch & Co.). If the Calculation Agent determines in its sole discretion that no successor index comparable to the Index exists, the amount payable on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank will be determined by the Calculation Agent by a computation methodology that the Calculation Agent determines will as closely as reasonably possible replicate the Index. See "Specific Terms of the Securities – Postponement of Valuation Dates," "Change in the Methodology of the Index" and "– Discontinuance or Modification of the Index" in this pricing supplement.

***The policies of the Index Sponsor and any changes thereto that affect the valuation of the Index could affect the amount payable on your Securities and their market value***

The policies of the Index Sponsor concerning the calculation of the level of the Index and the manner in which changes affecting the Index are reflected could affect the level of the Index and, therefore, the amount payable on your Securities on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank and the market value of your Securities prior to maturity.

In addition, the Index Sponsor may modify the methodology for determining the Index Level. The Index Sponsor may also discontinue or suspend compilation or publication of the Index. Any such changes could adversely affect the value of your Securities.

If events such as these occur, or if the level of the Index is not available or cannot be calculated because of a Market Disruption Event or for any other reason, the Calculation Agent may be required to make such adjustments to the Index or method of calculating the Index as it believes are appropriate to ensure that the Index Level used to determine the amount payable on any Distribution Payment Date, the Maturity Date or upon repurchase by Deutsche Bank is equitable or to make a good faith estimate of the level of the Index using a computation methodology that the Calculation Agent determines will as closely as reasonably possible replicate the Index. The circumstances in which the Calculation Agent will be required to make such a determination are described more fully under "Specific Terms of Your Security – Postponement of Valuation Dates," "– Discontinuance or Modification of the Index," "Change in the Methodology of the Index" and "– Role of Calculation Agent."

***Potential conflicts of interest exist because the Issuer, the Calculation Agent for the Securities and the Index Sponsor are the same legal entity***

Deutsche Bank is the Issuer of the Securities and will serve as the Calculation Agent for the Securities and the Index Sponsor. The Calculation Agent will, among other things, decide the amount paid to you on the Securities on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank. For a more detailed description of the Calculation Agent's role, see "Specific Terms of the Securities – Role of Calculation Agent" in this pricing supplement.

As the Index Sponsor, Deutsche Bank carries out the calculations necessary to promulgate the Index and maintains some discretion in selecting among methods of how to calculate the level of the Index in the event the regular means of



determining the level of the Index is unavailable on the relevant Valuation Date and has even more discretion in the case of a force majeure event relating to the Index. If the Index Sponsor were to discontinue or suspend compilation or calculation or publication of the Index and the Calculation Agent does not appoint another entity to calculate and publish the Index, it may become difficult to determine the level of the Index. If events such as these occur, or if the level of the Index is not available or cannot be calculated because of a Market Disruption Event or for any other reason, the Calculation Agent may be required to make a good faith estimate of the level of the Index using a computation methodology that the Calculation Agent determines will as closely as reasonably possible replicate the Index. The circumstances in which the Calculation Agent will be required to make such a determination are described more fully under “Specific Terms of Your Security – Postponement of Valuation Dates,” “– Discontinuance or Modification of the Index,” “Change in the Methodology of the Index” and “– Role of Calculation Agent.”

There can be no assurance that any determinations made by Deutsche Bank in these various capacities will not affect the level of the Index or the value of the Securities. Because determinations made by Deutsche Bank in these roles may affect the payment on any Distribution Payment Date, at maturity or upon repurchase of your Securities by Deutsche Bank, potential conflicts of interest exist between Deutsche Bank and an investor in the Securities.

The Calculation Agent will exercise its judgment when performing its functions. For example, the

Calculation Agent may have to determine whether a Market Disruption Event has occurred or is continuing on a Valuation Date, including the Final Valuation Date. This determination may, in turn, depend on the Calculation Agent’s judgment as to whether the event has materially interfered with our ability to unwind our hedge positions. Since these determinations by the Calculation Agent may affect the market value of the Securities, the Calculation Agent may have a conflict of interest if it needs to make any such decision.

***If a Market Disruption Event has occurred or exists on a Valuation Date, the Calculation Agent can postpone the determination of the Exchange Rate, the Index Level, the Maturity Date or a Repurchase Date***

The determination of the Exchange Rate or the level of the Index on a Valuation Date, including the Final Valuation Date, may be postponed if the Calculation Agent determines that if such date is not a Trading Day or a Market Disruption Event has occurred or is continuing on such Valuation Date.

If postponement of a Valuation Date occurs, such postponement may continue until the next Trading Day on which there is no Market Disruption Event, up to five scheduled Trading Days. If a Market Disruption Event occurs, the Principal Value and accrued Distribution on the Securities or the relevant Repurchase Date may be determined (or, if not determinable, estimated) by the Calculation Agent in a commercially reasonable manner under the circumstances on such Valuation Date, as postponed. See “Specific Terms of the Securities – Postponement of Valuation Dates.”

## THE EXCHANGE RATE

The following is a description of the Exchange Rate. The information in this description has been taken from publicly available sources, without independent investigation. You, as an investor in the Securities, should make your own independent investigation of the merits of investing in the Securities.

The Exchange Rate is a foreign spot exchange rate that measures the relative values of two currencies, the U.S. dollar and Australian dollar. When the Australian dollar appreciates relative to the U.S. dollar, the Exchange Rate, and, other things being equal, the value of the Securities, will increase; when the Australian dollar depreciates relative to the U.S. dollar, the Exchange Rate, and, other things being equal, the value of the Securities, will decrease. The Exchange Rate is expressed as a rate that reflects the number of U.S. dollars that can be exchanged for one Australian dollar for settlement in two business days, equal to the published value in U.S. dollars per one Australian dollar as reported each day by the Federal Reserve Bank of New York on Reuters page 1FEE or any successor page at approximately 12:00 p.m. New York time. If the foregoing rate source is unavailable, or is published in error, the rate source shall be selected by the Calculation Agent in a commercially reasonable manner and in accordance with general market practice.

U.S. dollars and Australian dollars are traded by all major foreign exchange traders around the world. The following table presents the level of the Exchange Rate at the end of each month since January 2000. We obtained the information set forth below from the Federal Reserve Bank of New York without independent verification. You should not take the historical Exchange Rate as an indication of future performance.

	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>January</b>	0.6370	0.5505	0.5077	0.5871	0.7642	0.7757	0.7582	0.7770	0.8957
<b>February</b>	0.6177	0.5263	0.5181	0.6084	0.7738	0.7917	0.7423	0.7878	
<b>March</b>	0.6071	0.4855	0.5328	0.6044	0.7667	0.7729	0.7164	0.8086	
<b>April</b>	0.5839	0.5124	0.5383	0.6266	0.7207	0.7813	0.7595	0.8301	
<b>May</b>	0.5724	0.5065	0.5673	0.6528	0.7152	0.7558	0.7522	0.8279	
<b>June</b>	0.5974	0.5118	0.5634	0.6736	0.6993	0.7624	0.7423	0.8493	
<b>July</b>	0.5807	0.5099	0.5426	0.6488	0.7027	0.7566	0.7663	0.8516	
<b>August</b>	0.5763	0.5296	0.5505	0.6474	0.7041	0.7553	0.7637	0.8179	
<b>September</b>	0.5428	0.4913	0.5426	0.6801	0.7277	0.7620	0.7459	0.8879	
<b>October</b>	0.5185	0.5031	0.5547	0.7086	0.7484	0.7482	0.7738	0.9341	
<b>November</b>	0.5278	0.5218	0.5609	0.7243	0.7729	0.7380	0.7889	0.8844	
<b>December</b>	0.5587	0.5095	0.5616	0.7520	0.7803	0.7328	0.7886	0.8752	

*The historical levels of the Exchange Rate do not give an indication of future performance of the Exchange Rate. There can be no assurance that the future performance of the Exchange Rate will result in holders of the Securities receiving a positive return on their investment.*

## THE INDEX

The following is a description of the Index including, without limitation, its make-up, method of calculation and changes in its components. The information in this description has been taken from publicly available sources. Such information reflects the policies of, and is subject to change by, Deutsche Bank AG, London Branch, the Index Sponsor. The Index Sponsor has no obligation to continue to compile and publish the Index, and may discontinue compilation or publication of the Index at any time in its sole discretion.

The DB AUD Overnight Index reflects the performance of an investment in Australian dollars at the Deposit Rate, compounded on each Australian Business Day.

### **How the Index is calculated**

The Index Level on the Inception Date is 134.956, as determined by the Index Sponsor. On each subsequent Australian Business Day until the Final Valuation Date, the Index Level will equal (1) the Index Level on the immediately preceding

Australian Business Day *times* (2) the sum of (a) one and (b) the product of the Deposit Rate *times* the Daycount Fraction.

The Deposit Rate on any Australian Business Day will be (1) the RBA 30 Rate for the immediately preceding Australian Business Day *minus* (2) the sum of (a) 0.25% per annum and (b) the Annual Investor Fee, subject to a minimum of 0%.

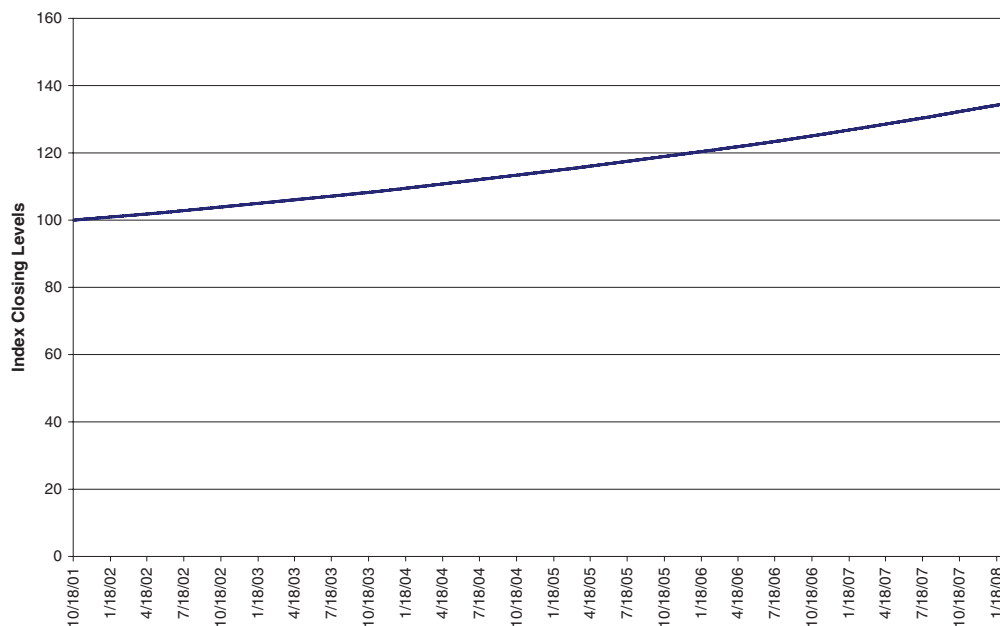
The RBA 30 Rate is the Interbank Overnight Cash Rate, as reported on Reuters page RBA 30 or any successor page. If the foregoing rate source is unavailable, or is published in error, the rate source shall be selected by the Index Sponsor in a commercially reasonable manner and in accordance with general market practice.

The Daycount Fraction on any Australian Business Day will be the number of calendar days that have elapsed from and including the most recent Australian Business Day to but excluding the current Australian Business Day *divided* by 365.

### **Index Performance**

The following graph sets forth the performance of the Index based on retrospective calculations of the daily Index closing levels from October 18, 2001 through February 19, 2008. The Index was created on February 20, 2008 and as such, the performance in this graph for the Index includes retrospective calculations. The retrospective calculations represented below should not be interpreted as an indication of future performance.

DB AUD Overnight Index



## VALUATION OF THE SECURITIES

The market value of the Securities will be affected by several factors, many of which are beyond our control. We expect that generally changes in the Exchange Rate and the Index on any day will affect the market value of the Securities more than any other factor. Other factors that may influence the market value of the Securities include, but are not limited to, supply and demand for the Securities, the Accrual Factor, the volatility of the Exchange Rate, prevailing interest rates, the level of the Index, the volatility of securities markets, economic, financial, political, regulatory or judicial events that affect the Exchange Rate, the general interest rate environment, as well as the perceived creditworthiness of Deutsche Bank. See "Risk Factors" in this pricing supplement for a discussion of the factors that may influence the market value of the Securities prior to maturity.

### Indicative Value

An intraday "Indicative Value" meant to approximate the intrinsic economic value of the Securities will be published under the Bloomberg symbol "ADEIV". **The actual trading price of the Securities may vary significantly from their Indicative Value.** Additionally, the Calculation Agent expects to calculate and publish the closing indicative value of your Securities on each Trading Day. In connection with your Securities, we use the term "indicative value" to refer to the value at a given time determined based on the following equation:

**Indicative Value = Principal Value + accrued Distribution**

where,

Principal Value = Australian Dollar Principal Amount *times* Exchange Rate on such Trading Day;

where,

Australian Dollar Principal Amount = A\$10.931

Exchange Rate = The most recent published calculation of the Exchange Rate, determined as described above;

and

Accrued Distribution = Australian Dollar Principal Amount *times* Accrual Factor on such Trading Day *times* the Exchange Rate on such Trading Day

where,

Accrual Factor = The most recent daily calculation of the Accrual Factor, determined as described above

The Indicative Value calculation will be provided for reference purposes only. It is not intended as a price or quotation, or as an offer or solicitation for the purchase, sale or repurchase of your Securities, nor will it reflect hedging or transaction costs, credit considerations, market liquidity or bid-offer spreads. Published quotations of the Exchange Rate from Reuters may occasionally be subject to delay or postponement. Any such delays or postponements will affect the current Exchange Rate and therefore the Indicative Value of your Securities. The actual trading price of the Securities may vary significantly from their Indicative Value.

As discussed in "Specific Terms of the Securities – Payment Upon Repurchase at Our Option," we have the right to call your Securities for repurchase on a Repurchase Date if the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day within seven calendar days of such decrease. If we exercise our right to call your Securities, you will receive a cash payment on the Repurchase Date in an amount equal to the Principal Value on the Repurchase Valuation Date *plus* the accrued but unpaid Distribution to the Repurchase Valuation Date.

As discussed in "Specific Terms of the Securities – Payment Upon Repurchase at Your Option," beginning on February 22, 2008, you may, subject to certain restrictions, choose to offer your Securities for repurchase by Deutsche Bank on any Repurchase Date during the term of the Securities. If you elect to offer your Securities to Deutsche Bank for repurchase, you must offer at least US\$2,500,000 stated principal amount of Securities (250,000

Securities) at one time for repurchase by Deutsche Bank on any Repurchase Date during the term of the Securities beginning on February 22, 2008. If you offer your Securities for repurchase on a particular Repurchase Date, you will receive a cash payment on such date in an amount equal to the Principal Value on the relevant Repurchase Valuation Date *plus* the accrued but unpaid Distribution to the relevant Repurchase Valuation Date. This repurchase feature is intended to induce arbitrageurs to counteract any trading of the Securities at a premium or discount to their indicative value, though there can be no assurance that arbitrageurs will employ the repurchase feature in this manner.

### **SPECIFIC TERMS OF THE SECURITIES**

In this section, references to “holders” mean those who own the Securities registered in their own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in the Securities registered in street name or in the Securities issued in book-entry form through The Depository Trust Company (“DTC”) or another depository. Owners of beneficial interests in the Securities should read the section entitled “Description of Notes—Form, Legal Ownership and Denomination of Notes” in the accompanying prospectus supplement.

The accompanying prospectus and prospectus supplement contain a detailed summary of additional provisions of the Securities and of the senior indenture, dated as of November 22, 2006, among Deutsche Bank Aktiengesellschaft, Law Debenture Trust Company of New York, as trustee (referred to as the trustee), and Deutsche Bank Trust Company Americas, as paying agent, issuing agent and registrar, under which the Securities will be issued (the “indenture”). You should read all the provisions of the accompanying prospectus and prospectus supplement, including information incorporated by reference, and the indenture.

Please note that the information about the price to the public and the proceeds to Deutsche Bank on the front cover of this pricing supplement relates only to the initial sale of the Securities. If

you have purchased the Securities after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

### **Distributions**

We will pay a Distribution on the Securities semi-annually in arrears on each Distribution Payment Date and the Maturity Date to holders of record on the applicable Record Date. Each Distribution Payment Date is scheduled to occur two Business Days after each scheduled Distribution Valuation Date. The Distribution Valuation Dates will be each February 23 and August 23 and the Final Valuation Date, commencing August 23, 2008. The Record Date for each Distribution will be the Distribution Valuation Date, whether or not that day is a Business Day.

If a Market Disruption Event (defined below) occurs on any Distribution Valuation Date or if such date is not a Trading Date, then that Distribution Valuation Date and the associated Distribution Payment Date may, at the discretion of the Calculation Agent, be adjusted in accordance with “– Postponement of Valuation Dates” below.

Distributions will accrue from the most recent Distribution Valuation Date (or the Inception Date in the case of the first Distribution Period) to but excluding the immediately following Distribution Valuation Date. A Distribution Period is the period from and including the most recent Distribution Valuation Date, or the Inception Date in the case of the first Distribution Period, to but excluding the immediately following Distribution Valuation Date.

The accrued Distribution on any Valuation Date will be an amount in U.S. dollars equal to the Australian Dollar Principal Amount *times* the Accrual Factor on such Valuation Date *times* the Exchange Rate on such Valuation Date. Absent manifest error, the determination of the Distribution by the Calculation Agent shall be binding and conclusive on the holders of the Securities and us.

On any Valuation Date, the Accrual Factor will equal (i) the Index Level on such Valuation Date



*divided* by the Index Level on the prior Distribution Valuation Date (or the Inception Date in the case of any Valuation Date prior to the first Distribution Valuation Date) *minus* (ii) one.

The Distribution is subject to the Annual Investor Fee of 0.40% per annum and the deduction of 0.25% per annum from the RBA 30 Rate. The Annual Investor Fee and the deduction of the 0.25% per annum represent a combined charge of 0.65% per annum on the Australian Dollar Principal Amount. The actual amount of this charge in U.S. dollars will fluctuate with the level of the Exchange Rate relative to the Initial Exchange Rate.

#### **Denomination**

We will offer the Securities in denominations of US\$10 Stated Principal Amount.

#### **Payment at Maturity**

If you hold Securities on the Final Record Date, you will receive a cash payment at maturity per Security in U.S. dollars in an amount equal to the Principal Value on the Final Valuation Date *plus* the accrued Distribution, if any, to the Final Valuation Date.

The Principal Value on any Valuation Date will be an amount in U.S. dollars equal to the Australian Dollar Principal Amount *times* the Exchange Rate on such Valuation Date.

The Australian Dollar Principal Amount equals A\$10.931, which is the Stated Principal Amount *divided by* the Initial Exchange Rate.

If a Market Disruption Event (defined below) occurs on the Final Valuation Date or if such date is not a Trading Date, then the Final Valuation Date and the Maturity Date may be adjusted in accordance with “—Postponement of Valuation Dates” below.

If the Maturity Date is not a Business Day, the Maturity Date will be the next following Business Day.

In the event that payment at maturity is deferred beyond the original Maturity Date whether due to a Market Disruption Event, non-Trading Day or non-Business Day, no interest or other amount

will accrue or be payable with respect to that deferred payment.

The Final Record Date will be the Final Valuation Date, whether or not that day is a Business Day.

#### **Payment Upon Repurchase at Our Option**

We have the right to repurchase your Securities in whole and not in part if the RBA 30 Rate decreases to or below 0.65% on any Australian Business Day during the term of the Securities within seven calendar days of such decrease. If we exercise our right to repurchase your Securities, you will receive a cash payment on the Repurchase Date in an amount equal to the Principal Value on the Repurchase Valuation Date *plus* the accrued but unpaid Distribution to the Repurchase Valuation Date.

#### **Payment Upon Repurchase at Your Option**

Prior to maturity, you may, subject to certain restrictions, choose to offer your Securities for repurchase by Deutsche Bank on any Repurchase Date during the term of the Securities, beginning on February 22, 2008. If you choose to offer your Securities for repurchase, you must offer at least US\$2,500,000 stated principal amount of Securities (250,000 Securities) to Deutsche Bank for repurchase on any Repurchase Date. If you offer at least US\$2,500,000 stated principal amount of Securities (250,000 Securities) to Deutsche Bank for repurchase and comply with the repurchase procedures described below, Deutsche Bank will be obligated to repurchase your Securities, and on the Repurchase Date, you will receive a cash payment on the relevant Repurchase Date in an amount equal to the Principal Value on the Repurchase Valuation Date plus the accrued but unpaid Distribution to the Repurchase Valuation Date.

In the event that payment upon repurchase by Deutsche Bank is deferred beyond the Repurchase Date as established by your Offer for Repurchase, no interest or other amount will accrue or be payable with respect to that deferred payment.

## Repurchase Procedures

The Repurchase Valuation Date will be the Valuation Date immediately following the Business Day on which either you deliver the repurchase offer to DBSI (provided you deliver the repurchase offer by 4:00 p.m. on that Business Day) or on which we deliver a call notice to DTC.

The Repurchase Date will be the second Business Day following the applicable Repurchase Valuation Date.

If a Repurchase Valuation Date falls after the Record Date but before the Distribution Payment Date for any particular Distribution Period, the accrued Distribution for that Distribution Period will be paid on the Distribution Payment Date to the holder of record on the Record Date and you will only be paid the Principal Value as of Repurchase Valuation Date on the Repurchase Date.

### *Repurchase at Your Option*

You may, subject to the minimum repurchase amount described above, elect to offer your Securities to Deutsche Bank for repurchase on any Repurchase Date during the term of the Securities, beginning on February 22, 2008. If you wish to offer your Securities to Deutsche Bank for repurchase, you and your broker must follow the following procedures:

- your broker must deliver an irrevocable Offer for Repurchase, a form of which is attached as Annex A to this pricing supplement, to DBSI by 4:00 p.m., New York City time, on the Business Day immediately preceding the intended Repurchase Valuation Date. The Repurchase Date will be two Business Days after the Repurchase Valuation Date. You must offer at least US\$2,500,000 stated principal amount of your Securities (250,000 Securities) for repurchase by Deutsche Bank on any Repurchase Date. DBSI must acknowledge receipt from your broker in order for your offer to be effective;
- your broker must book a delivery vs. payment trade with respect to your

Securities on the applicable Repurchase Valuation Date at a price equal to the Principal Value on the Repurchase Valuation Date plus the accrued but unpaid Distribution to the Repurchase Valuation Date, facing DBSI; and

- your broker must cause your DTC custodian to deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m. New York City time on the applicable Repurchase Date (the second Business Day following the Repurchase Valuation Date).

Different brokers and DTC participants may have different deadlines for accepting instructions from their customers. Accordingly, you should consult the brokerage firm or other DTC participant through which you own your interest in the Securities in respect of such deadlines. If DBSI does not receive your offer for repurchase by 4:00 p.m., on the Business Day immediately preceding the applicable Repurchase Valuation Date, your notice will not be effective and we will not accept your offer of your Securities for repurchase on the applicable Repurchase Date. Any repurchase instructions that we receive in accordance with the procedures described above will be irrevocable. **The last day on which you can deliver an offer for repurchase is the Business Day immediately preceding the Final Valuation Date.**

### *Repurchase at Our Option*

To call the Securities for repurchase, we will deliver an irrevocable notice to call the Securities to DTC (the holder of the global note). We must deliver the notice to DTC within seven calendar days of the decrease in the RBA 30 Rate which triggered our right to call. The last day on which we can deliver a notice to call the Securities is the Business Day immediately preceding the Final Record Date.

### **Postponement of Valuation Dates**

A Valuation Date is each Trading Day from February 21, 2008 to February 21, 2023 inclusive. We refer to February 21, 2023 as the "Final Valuation Date."

If the Calculation Agent has determined in its sole discretion that:

- (a) a Market Disruption Event has occurred on any Valuation Date; or
- (b) any Distribution Valuation Date, the Final Valuation Date or a Repurchase Valuation Date is not a Trading Day,

then the relevant Valuation Date may, at the discretion of the Calculation Agent in the case of (a) above, or will, in the case of (b) above, roll to the next succeeding Trading Day on which no Market Disruption Event occurs for a maximum of five Trading Days and the Distribution Payment Date, Maturity Date or Repurchase Date, if and as applicable, will correspondingly roll to the day two Business Days after such adjusted Distribution Valuation Date, the Final Valuation Date or a Repurchase Valuation Date, as applicable.

If a Market Disruption Event occurs on any Valuation Date, the Calculation Agent may determine the Distribution or payment upon repurchase or at maturity in a commercially reasonable manner under the circumstances on such date (or on such succeeding date to which such date shall have been rolled pursuant to the terms hereof).

A Market Disruption Event is any event determined by the Calculation Agent in its sole discretion to be an event which may affect the determinations of the Calculation Agent hereunder, including but not limited to any of the following:

- The Exchange Rate splits into dual or multiple Exchange Rates;
- An event occurs that generally makes it impossible to value the Australian dollar, the U.S. dollar or the Principal Value or the accrued Distribution on any Distribution Valuation Date, Repurchase Valuation Date or the Final Valuation Date, as applicable;
- An event occurs that generally makes it impossible to convert Australian dollars into U.S. dollars through customary legal channels;
- An event occurs that generally makes it impossible to deliver U.S. dollars from

accounts inside Australia to accounts outside Australia, or to deliver an Exchange Rate currency between accounts inside Australia or to a party that is a non-resident of Australia;

- The occurrence of a default, event of default or other similar condition or event with respect to any security or indebtedness of, or guaranteed by, any governmental authority in relation to the Australian dollar or U.S. dollar;
- Any change in, or amendment to, the laws or regulations prevailing in Australia or the United States with respect to the Australian dollar or the U.S. dollar, or any change in any application or official interpretation of such laws or regulations, or any other governmental action that the Calculation Agent determines may cause another Market Disruption Event to occur or that leads or may lead to the introduction of a currency peg regime;
- The RBA 30 Rate is unavailable or is published in error on any Australian Business Day relevant to the calculations hereunder and an alternate rate source for the RBA 30 Rate is not selected by the Index Sponsor in a commercially reasonable manner and in accordance with general market practice;
- The Exchange Rate is unavailable or is published in error on any Valuation Date and an alternate rate source is not selected by the Calculation Agent in a commercially reasonable manner and in accordance with general market practice;
- The occurrence of an event that makes it impossible or not reasonably practicable to obtain a firm quote for a currency exchange rate relevant to the Exchange Rate;
- Any nationalization, confiscation, expropriation, requisition or other action by a relevant governmental authority that deprives Deutsche Bank AG or any of its affiliates of all or substantially all of its assets in Australia or the United States;
- The Calculation Agent determines that there is a material difference in a relevant

currency rate as determined by reference to the rate source for the Exchange Rate and any other market source;

- It becomes impossible to obtain a relevant currency Exchange Rate, either from the source for that rate or by the Calculation Agent itself acting in good faith in a commercially reasonable manner;
- The Calculation Agent determines that it or any of its affiliates would be unable, after using commercially reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind, or dispose of any hedge position relating to the Securities or other relevant Exchange Rate-linked transactions, or to realize, recover or remit the proceeds of any such transactions; and
- Any event that the Calculation Agent determines may lead to any of the foregoing events.
- In addition, the Index Sponsor will not calculate the Index Level upon an event or circumstance (including, without limitation, a systems failure, natural or man-made disaster, Act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance) that is beyond the reasonable control of the Index Sponsor (a "Force Majeure Event") and rendering it impossible or impractical for the Index Sponsor to calculate the Index. If a Force Majeure Event occurs on an Australian Business Day on which the Index Level is calculated, the Index Sponsor may, in its discretion, take one or more of the following actions: (i) make such determinations and/or adjustments as it considers appropriate to determine the Index Level; or (ii) defer publication of information relating to the Index Level until the next Australian Business Day on which it determines that no Force Majeure Event exists.

#### **Change in the Methodology of the Index**

The Index Sponsor may modify the methodology used to determine the Index as it deems appropriate if the Index Sponsor is of the view that such change is required in light of fiscal,

market, regulatory, juridical or financial circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting the Australian dollar, the U.S. dollar or the Exchange Rate). The Index Sponsor may also make modifications to the terms of the Index in any manner that it may deem necessary or desirable, including (without limitation) to correct any manifest or proven error or to cure, correct or supplement any defective provision used to determine the value of the Index. The Index Sponsor will publish notice of any such modification or change and the effective date thereof in the manner described above.

If the Index Level made available on any Australian Business Day is subsequently corrected by the Index Sponsor no later than two Business Days after the Australian Business Day on which the original Index Level was made available, the Index Sponsor may, at its discretion, make such adjustments to the Index Level affected by such correction, acting in good faith and in a commercially reasonable manner.

#### **Discontinuance or Modification of the Index**

If the Index Sponsor discontinues compilation or publication of the Index and the Index Sponsor or any other person or entity (including MLPF&S and Deutsche Bank) calculates and publishes an index that the Calculation Agent determines is comparable to the Index and approves as a successor index, then the Calculation Agent will determine the Index Level on the applicable Valuation Date and the amount payable on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank by reference to such successor index for the period following the discontinuation of the Index.

If the Calculation Agent determines that the publication of the Index is discontinued and that there is no applicable successor index, or that the closing level of the Index is not available because of a Market Disruption Event or for any other reason, on the date on which the level of the Index is required to be determined, or if for any other reason the Index is not available to us or the Calculation Agent on the relevant date, the Calculation Agent will determine the amount



payable by a computation methodology that the Calculation Agent determines will as closely as reasonably possible replicate the Index.

If the Calculation Agent determines that the Index or the method of calculating the Index has been changed at any time in any respect, and whether the change is made by the Index Sponsor under its existing policies or following a modification of those policies, is due to the publication of a successor index, is due to events affecting the Australian dollar, the U.S. dollar or the Exchange Rate, or is due to any other reason – then the Calculation Agent will be permitted (but not required) to make such adjustments to the Index or method of calculating the Index as it believes are appropriate to ensure that the Index Level used to determine the amount payable on any Distribution Payment Date, the Maturity Date or upon repurchase by Deutsche Bank is equitable.

All determinations and adjustments to be made by the Calculation Agent with respect to the Index Level and the amount payable on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank or otherwise relating to the Index Level may be made in the Calculation Agent's sole discretion. See "Risk Factors" in this pricing supplement for a discussion of certain conflicts of interest which may arise with respect to the Calculation Agent.

#### **Default Amount on Acceleration**

If an event of default occurs and the maturity of the Securities is accelerated, we will pay the default amount in respect of the principal of each Security at maturity. We describe the default amount below under "—Default Amount."

For the purpose of determining whether the holders of our Series A global notes, of which the Securities are a part, are entitled to take any action under the indenture, we will treat the stated principal amount of each Security outstanding as the principal amount of that Security. Although the terms of the Securities may differ from those of the other Series A global notes, holders of specified percentages in principal amount of all Series A global notes, together in some cases with other series of our debt securities, will be able to take action

affecting all the Series A global notes, including the Securities. This action may involve changing some of the terms that apply to the Series A global notes, accelerating the maturity of the Series A global notes after a default or waiving some of our obligations under the indenture.

#### *Default Amount*

If a holder of a Security accelerates the maturity of the Security upon an event of default under the indenture referenced in the accompanying prospectus supplement, the amount payable upon acceleration will be equal to the Principal Value on the Valuation Date immediately following the date of acceleration *plus* the accrued but unpaid Distribution to the Valuation Date immediately following the date of acceleration.

#### **Further Issuances**

We may, from time to time, without your consent, create and issue additional securities having the same terms and conditions as the Securities offered by this pricing supplement. If there is substantial demand for the Securities, we may issue additional Securities frequently. Such additional Securities will be fungible with the outstanding Securities.

#### **Manner of Payment and Delivery**

Any payment on or delivery of the Securities at maturity will be made to accounts designated by you and approved by us, or at the office of the trustee in New York City, but only when the Securities are surrendered to the trustee at that office. We also may make any payment or delivery in accordance with the applicable procedures of the depository.

#### **Role of Calculation Agent**

Deutsche Bank AG, London Branch will serve as the Calculation Agent. The Calculation Agent will, in its sole discretion, make all determinations regarding the value of the Securities and the accrued Distribution, including on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank, Market Disruption Events (see "—Postponement of Valuation Dates"), Business Days, Trading Days, the Accrual Factor, the Principal Value,



the default amount, the Initial Exchange Rate, the Exchange Rate, the Annual Investor Fee, the Maturity Date, Repurchase Dates, the amount payable in respect of your Securities on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank and any other calculations or determinations to be made by the Calculation Agent as specified herein. The Calculation Agent will rely upon the published level of the Index. If the Index Sponsor discontinues compilation or publication of the Index, or if we are unable to enter into or to adjust any hedge position with respect to any of the Australian dollar, the U.S. dollar or instruments linked to the Australian dollar, the U.S. dollar or the Exchange Rate (see "Use of Proceeds and Hedging"), the Calculation Agent may designate a successor index selected in its sole discretion (which may, but need not be, an index calculated and maintained by Merrill Lynch & Co. or Deutsche Bank) and shall be solely responsible for determining the value of the Securities based on its calculation of such successor index. Absent manifest error, all determinations of the Calculation Agent will be final and binding on you and us, without any liability on the part of the Calculation Agent. You will not be entitled to any compensation from us for any loss suffered as a result of any of the above determinations by the Calculation Agent.

#### **CLEARANCE AND SETTLEMENT**

DTC participants that hold the Securities through DTC on behalf of investors will follow the settlement practices applicable to equity securities in DTC's settlement system with respect to the primary distribution of the Securities and secondary market trading between DTC participants.

#### **USE OF PROCEEDS AND HEDGING**

We will use the net proceeds we receive from the sale of the Securities for the purposes we describe in the attached prospectus under "Use of Proceeds."

In expectation of the sale of the Securities, we expect to enter into transactions to hedge our obligations under the Securities. Such transactions may involve purchases of Australian dollars, U.S. dollars or instruments

linked to the Australian dollar, the U.S. dollar, the Exchange Rate, the Index or the RBA 30 Rate prior to or on the Inception Date. In addition, from time to time after we issue the Securities, we may enter into additional hedging transactions or unwind those hedging transactions previously entered into. In this regard, we may:

- acquire or dispose of long or short positions in the Australian dollar, U.S. dollar, the Exchange Rate, the Index or the RBA 30 Rate.
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, or other instruments linked to the Australian dollar or the U.S. dollar, the Exchange Rate, the Index or the RBA 30 Rate;
- acquire or dispose of long or short positions in listed or over-the-counter options, futures, or other instruments linked to other similar Exchange Rates or currencies; or
- engage in any combination of the above activities.

We may acquire a long or short position in securities similar to the Securities from time to time and may, in our or their sole discretion, hold or resell those securities.

We may close out our hedge positions on or before the Final Valuation Date. That step may involve sales or purchases of Australian dollars or U.S. dollars, listed or over-the-counter options or futures on the Australian dollar or the U.S. dollar or listed or over-the-counter options, futures, or other instruments linked to the Australian dollar, the U.S. dollar or the Exchange Rate, as well as other instruments designed to track the performance of the Exchange Rate or other currencies or the RBA 30 Rate.

The hedging activity discussed above may adversely affect the Exchange Rate and, as a consequence, the market value of the Securities and the amount payable on any Distribution Payment Date, at maturity or upon repurchase by Deutsche Bank. See "Risk Factors" in this pricing supplement for a discussion of possible adverse effects related to our hedging activities.

## **CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES**

The following is a general discussion of certain U.S. federal income tax consequences of the ownership and disposition of the Securities to an investor who holds the Securities as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended to the date hereof (the “**Code**”). This discussion is based on the Code, administrative pronouncements, judicial decisions and currently effective and proposed Treasury regulations, changes to any of which subsequent to the date of this pricing supplement may affect the tax consequences described below, possibly retroactively. This summary does not address all aspects of U.S. federal income taxation that may be relevant to an investor in light of the investor’s particular circumstances or to certain types of investors subject to special treatment under the U.S. federal income tax laws, such as certain former citizens or residents of the United States, certain financial institutions, real estate investment trusts, regulated investment companies, tax-exempt entities, dealers and certain traders in securities or foreign currencies, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, persons who hold the Securities as a part of a hedging transaction, straddle, conversion or integrated transaction, or U.S. holders (as defined below) who have a “functional currency” other than the U.S. dollar.

As the law applicable to the U.S. federal income taxation of instruments such as the Securities is technical and complex, the discussion below necessarily represents only a general summary. Moreover, the effects of any applicable state, local or non-U.S. tax laws are not discussed. You should consult your tax adviser regarding the U.S. federal income tax consequences of an investment in the Securities, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

### **Tax Treatment of the Securities**

Notwithstanding that payments on the Securities will be made in U.S. dollars, the Securities will be treated for U.S. federal income tax purposes

as variable rate “foreign currency” debt instruments, with the consequences described below.

### **Tax Consequences to U.S. Holders**

The following discussion applies to U.S. holders of the Securities. You are a “U.S. holder” if, for U.S. federal income tax purposes, you are a beneficial owner of a Security who is: (i) a citizen or resident of the United States; (ii) a corporation created or organized under the laws of the United States or any political subdivision thereof; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source. Except where otherwise stated, the discussion assumes that you purchase the Securities for their Principal Value.

As discussed below, the rules governing “foreign currency” debt instruments may require that you recognize ordinary income or loss, based on movements in the Exchange Rate, in connection with a disposition of the Securities (and, in the case of accrual-method taxpayers, upon receipt of interest payments). We refer to such ordinary income or loss as “exchange gain or loss.”

#### *Interest Income*

If you are a cash-method taxpayer, you will be required to recognize interest income when you receive a Distribution or when you receive proceeds attributable to an accrued Distribution upon a disposition of the Securities. You will not have any exchange gain or loss with respect to this interest income.

If you are an accrual-method taxpayer, you should consult your tax adviser regarding the technical rules for accrual of interest income. Generally, your accrual of interest income initially will be calculated in Australian dollars and (absent an election described in the next sentence) translated into U.S. dollars using the average Exchange Rate for the accrual period (or portion thereof ending on the last day of your tax year). You may, however, elect to translate interest income using the Exchange Rate at the end of the accrual period (or the portion thereof ending on the last day of your tax year), or at the time of receipt of a Distribution, if that date of receipt is within five days of the end of the

relevant accrual period. This election would apply to all debt instruments that you hold and subsequently acquire, and cannot be changed without the consent of the Internal Revenue Service (the “IRS”). You should consult your tax adviser regarding the procedure for making this election. You will recognize exchange gain or loss generally equal to the difference between (i) the U.S. dollar amount of interest income you have accrued in respect of a Distribution Period and (ii) the Distribution you actually receive (or, if you sell your Securities, the amount of the proceeds that are attributable to the accrued Distribution).

#### *Disposition of the Securities*

Upon a disposition of Securities, you will recognize gain or loss equal to the difference between your tax basis in the Securities and the amount you receive (excluding amounts attributable to an accrued but unpaid Distribution, which will be treated as described above under “—Interest Income”). Your tax basis in a Security generally will be the U.S. dollar amount you paid for it. The gain or loss you recognize on the disposition will be treated as exchange gain or loss to the extent that the Principal Value at the time you dispose of the Securities exceeds the Principal Value at the time you acquired the Securities. Your exchange gain or loss will not exceed the overall gain or loss you recognize on the disposition. The portion, if any, of your overall gain or loss that exceeds your exchange gain or loss will be treated as capital gain or loss, and will be long-term capital gain or loss if you have held the Securities for more than one year. The deductibility of capital losses is subject to limitations. If you recognize exchange losses above certain thresholds, you may be required to file a disclosure statement disclosing your participation in a reportable transaction with the IRS. You should consult your tax adviser regarding this reporting obligation.

#### *Securities Purchased for an Amount Different from Their Principal Value*

Generally, if you purchase a Security with an accrued Distribution, you should treat a portion of the next Distribution as a return of capital. You should consult your tax adviser regarding the details of this determination, including

possible recognition of exchange gain or loss based on movements in the Exchange Rate between the date of your purchase and the next Distribution date.

If you purchase a Security for an amount in excess of its Principal Value plus any accrued Distribution, this excess will constitute amortizable bond premium. See the discussion in the accompanying prospectus supplement under the heading “United States Federal Income Taxation – Acquisition Premium and Amortizable Bond Premium” for a general discussion regarding the availability and consequences of an election to amortize bond premium. You should consult your tax adviser regarding this election and the computation of exchange gain or loss with respect to debt instruments with amortizable bond premium.

If you purchase a Security for an amount that is less than its Principal Value by more than a specified *de minimis* amount, the Security will be subject to the market discount rules, which are generally discussed in the accompanying prospectus supplement under the heading “United States Federal Income Taxation – Market Discount.” You should consult your tax adviser regarding the market discount rules in general and the special rules applicable to “foreign currency” debt obligations that bear market discount.

#### **Tax Consequences to Non-U.S. Holders**

The following discussion applies to you only if you are a non-U.S. holder of the Securities. You are a “non-U.S. holder” if, for U.S. federal income tax purposes, you are a beneficial owner of Securities who is: (i) a nonresident alien individual; (ii) a foreign corporation; or (iii) a foreign estate or trust. You are not a non-U.S. holder for the purposes of this discussion if you are an individual present in the United States for 183 days or more in the taxable year of disposition of a Security (including at maturity). In this case, you should consult your tax adviser regarding the U.S. federal income tax consequences of the disposition of the Security.

Payments to you on the Securities, and any gain realized on a disposition of the Securities

(including at maturity), will be exempt from U.S. federal withholding or income tax, provided generally that (i) you certify on IRS Form W-8BEN, under penalties of perjury, that you are not a United States person and otherwise satisfy applicable requirements; and (ii) such amounts are not effectively connected with your conduct of a trade or business in the United States.

If you are engaged in a trade or business in the United States, and if income or gain from the Securities is effectively connected with your conduct of that trade or business, you generally will be taxed in the same manner as a U.S. holder. In lieu of IRS Form W-8BEN, you will be required to provide a properly executed IRS Form W-8ECI in order to claim an exemption from withholding. If this paragraph applies to you, you should consult your tax adviser with respect to other U.S. tax consequences of the ownership and disposition of the Securities, including the possible imposition of a 30% branch profits tax if you are a corporation.

#### **Backup Withholding and Information Reporting**

Interest paid on the Securities and the amount received from a disposition of the Securities will be subject to information reporting unless you are an "exempt recipient" (such as a domestic corporation) and may also be subject to backup withholding at the rate specified in the Code if you fail to provide certain identifying information (such as an accurate taxpayer identification number) or meet certain other conditions. If you are a non-U.S. holder and you provide a properly executed IRS Form W-8BEN or W-8ECI, as applicable, you generally will not be subject to backup withholding.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is furnished to the IRS.

#### **SUPPLEMENTAL PLAN OF DISTRIBUTION**

Through MLPF&S and Nuveen Investments, acting as our agents, we sold a small portion of

the Securities on the Inception Date directly to investors and to dealers acting as principals at 100% of their Stated Principal Amount. After the Inception Date, additional Securities will be offered and sold from time to time, at prevailing prices at the time of sale, through MLPF&S and Nuveen Investments, acting as our agents, to investors and to dealers acting as principals for resale to investors. We will receive proceeds equal to 100% of the offering price of Securities sold after the Inception Date. We will deliver Securities against payment therefor on a date that is greater than three Business Days following the date of sale of any Securities. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three Business Days, unless parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to transact in Securities that are to be issued more than three Business Days after the related trade date will be required to specify alternative settlement arrangements to prevent a failed settlement.

MLPF&S and each dealer in the initial and any subsequent distribution are expected to charge normal commissions for the purchase of securities.

Broker-dealers may make a market in the Securities, although none of them are obligated to do so and any of them may stop doing so at any time without notice. This prospectus (including this pricing supplement and the accompanying prospectus supplement and prospectus) may be used by such dealers in connection with market-making transactions. In these transactions, dealers may resell a Security covered by this prospectus that they acquire from other holders after the original offering and sale of the Securities, or they may sell a Security covered by this prospectus in short sale transactions.

Broker-dealers and other persons are cautioned that some of their activities may result in their being deemed participants in the distribution of the Securities in a manner that would render them statutory underwriters and subject them to the prospectus delivery and liability provisions of the Securities Act. Among other activities,

broker-dealers and other persons may make short sales of the Securities and may cover such short positions by borrowing Securities from us or our affiliates or by purchasing Securities from us or our affiliates subject to our obligation to repurchase such Securities at a later date. As a result of these activities, these market participants may be deemed statutory underwriters. If these activities are commenced, they may be discontinued at any time. A determination of whether a particular market participant is an underwriter must take into account all the facts and circumstances pertaining to the activities of the participant in the particular case, and the example mentioned above should not be considered a complete description of all the activities that would lead to designation as an underwriter and subject a market participant to the prospectus-delivery and liability provisions of the Securities Act. This prospectus will be deemed to cover any short sales of Securities by market participants who cover their short positions with Securities borrowed or acquired from us or our affiliates in the manner described above.

Deutsche Bank has retained MLPF&S and Nuveen Investments, each a FINRA member, to provide certain services relating to the distribution of the Securities. MLPF&S and its affiliates and Nuveen Investments will be paid a fee for their services, from the Annual Investor Fee, of up to 0.385% per annum. Deutsche Bank also has entered into a license agreement with MLPF&S pursuant to which MLPF&S has licensed Deutsche Bank to use certain of its intellectual property in connection with the Securities. In connection with this license agreement, MLPF&S will be paid a licensing fee, from the Annual Investor Fee, equal to 0.15% per annum. The amount of the fees that represent underwriting compensation will not exceed a total of 8% of the proceeds to us from the Securities.

From time to time, MLPF&S and its affiliates have, and in the future may, engage in transactions with and perform services for us for which they have been, and may be, paid customary fees.

## **BENEFIT PLAN INVESTOR CONSIDERATIONS**

A fiduciary of a pension, profit-sharing or other employee benefit plan (a "plan") subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), should consider the fiduciary standards of ERISA in the context of the plan's particular circumstances before authorizing an investment in the Securities. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Internal Revenue Code (the "Code").

Section 406 of ERISA and Section 4975 of the Code prohibit plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Internal Revenue Code (also "plans"), from engaging in certain transactions involving "plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code ("parties in interest") with respect to the plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) ("non-ERISA arrangements") are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, non-U.S. or other regulations, rules or laws ("similar laws").

The acquisition of the Securities by a plan with respect to which we or certain of our affiliates is or becomes a party in interest may constitute or result in a prohibited transaction under ERISA or



Section 4975 of the Code, unless those Securities are acquired pursuant to and in accordance with an applicable exemption. Section 408(b)(12) of ERISA and five prohibited transaction class exemptions, or "PTCEs," issued by the U.S. Department of Labor may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Securities. These exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;
- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;
- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;
- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts;
- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers; and
- the statutory exemption under Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Internal Revenue Code for certain arm's-length transactions with a person that is a party in interest solely by reason of providing services to plans or being an affiliate of such a service provider (the "Service Provider Exemption").

Any purchaser or holder of Securities or any interest therein will be deemed to have represented by its purchase and holding of the Securities that it either (1) is not a plan and is not purchasing those Securities on behalf of or with "plan assets" of any plan or (2) with respect to the purchase or holding is eligible for the exemptive relief available under any of the PTCEs or the Service Provider Exemption listed above. In addition, any purchaser or holder of Securities or any interest therein which is a non-ERISA arrangement will be deemed to have represented by its purchase or holding of the Securities that its purchase and holding will not violate the provisions of any similar law.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing Securities on behalf of or with "plan assets" of any plan or non-ERISA arrangement consult with their counsel regarding the availability of exemptive relief under any of the PTCEs or the Service Provider Exemption listed above, or the potential consequences of any purchase or holding under similar laws, as applicable. If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in Securities, you should consult your legal counsel.

The sale of any Securities to a plan or non-ERISA arrangement is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such plans or arrangements generally or any particular plan or arrangement, or that such investment is appropriate for such plans or arrangements generally or any particular plan or arrangement.

## **LEGAL MATTERS**

Davis Polk & Wardwell and Sidley Austin LLP have acted as special counsel to the agents. Davis Polk & Wardwell and Sidley Austin LLP have in the past represented the Issuer and its affiliates and continue to represent the Issuer and its affiliates on a regular basis and in a variety of matters.

**FORM OF OFFER FOR REPURCHASE**

[PART A: TO BE COMPLETED BY THE BENEFICIAL OWNER]

Dated:

Deutsche Bank Securities Inc., as Repurchase Agent ("DBSI")

Fax: 917-512-9226

Re: ELEMENTS<sup>SM</sup> Linked to the Australian Dollar/U.S. Dollar Exchange Rate due February 23, 2023 issued by Deutsche Bank AG (the "ELEMENTS")

The undersigned beneficial owner hereby irrevocably offers to Deutsche Bank AG ("Deutsche Bank") the right to repurchase the ELEMENTS in the amounts and on the date set forth below.

Name of beneficial holder:

Stated principal amount of ELEMENTS offered for repurchase (You must offer at least 250,000 ELEMENTS (USD 2,500,000 stated principal amount) for repurchase at one time for your offer to be valid.):

Applicable Repurchase Valuation Date: \_\_\_\_\_, 20\_\_

Applicable Repurchase Date: \_\_\_\_\_, 20\_\_

Contact Name:

Telephone #:

My ELEMENTS are held in the following DTC Participant's Account (the following information is available from the broker through which you hold your ELEMENTS):

Name:

DTC Account Number (and any relevant sub-account):

Contact Name:

Telephone Number:

Acknowledgement: In addition to any other requirements specified in the Pricing Supplement being satisfied, I acknowledge that the ELEMENTS specified above will not be repurchased unless (i) this offer, as completed and signed by the DTC Participant through which my ELEMENTS are held (the "DTC Participant"), is delivered to DBSI by 4:00 p.m. on the Business Day immediately preceding the Repurchase Valuation Date, (ii) the DTC Participant has booked a "delivery vs. payment" ("DVP") trade on the Repurchase Valuation Date facing DBSI, and (iii) the DTC Participant instructs DTC to deliver the DVP trade to DBSI as booked for settlement via DTC at or prior to 10:00 a.m. on the applicable Repurchase Date.

The undersigned acknowledges that Deutsche Bank and DBSI will not be responsible for any failure by the DTC Participant through which such undersigned's ELEMENTS are held to fulfill the requirements for repurchase set forth above.

\_\_\_\_\_  
[Beneficial Holder]

PART B OF THIS NOTICE IS TO BE COMPLETED BY THE DTC PARTICIPANT IN WHOSE ACCOUNT THE ELEMENTS ARE HELD AND DELIVERED TO DBSI BY 4:00 P.M. ON THE BUSINESS DAY IMMEDIATELY PRECEDING THE REPURCHASE VALUATION DATE

**BROKER'S CONFIRMATION OF REPURCHASE**

[PART B: TO BE COMPLETED BY BROKER]

Dated:

Deutsche Bank Securities Inc., as Repurchase Agent

Re: ELEMENTS<sup>SM</sup> Linked to the Australian Dollar/U.S. Dollar Exchange Rate due February 23, 2023 issued by Deutsche Bank AG (the "ELEMENTS")

Dear Sirs:

The undersigned holder of ELEMENTS<sup>SM</sup> Linked to the Australian Dollar/U.S. Dollar Exchange Rate due February 23, 2023 issued by Deutsche Bank AG, CUSIP No. 25154H 715 (the "ELEMENTS") hereby irrevocably offers to Deutsche Bank AG the right to repurchase, on the Repurchase Date of \_\_\_\_\_, with respect to the stated principal amount of ELEMENTS indicated below as described in the pricing supplement relating to the ELEMENTS (the "Pricing Supplement"). Terms not defined herein have the meanings given to such terms in the Pricing Supplement.

The undersigned certifies to you that it will (i) book a delivery vs. payment trade on the Repurchase Valuation Date with respect to the stated principal amount of ELEMENTS specified below at a price per ELEMENT equal to the repurchase value, facing Deutsche Bank Securities Inc., DTC #0573 and (ii) deliver the trade as booked for settlement via DTC at or prior to 10:00 a.m. New York City time on the Repurchase Date.

Very truly yours,  
[NAME OF DTC PARTICIPANT HOLDER]

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Contact Name:  
Title:  
Telephone:  
Fax:  
E-mail:

Stated principal amount of ELEMENTS offered for repurchase (You must offer at least 250,000 ELEMENTS (US\$2,500,000 stated principal amount) for repurchase at one time for your offer to be valid.):

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DTC # (and any relevant sub-account):

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**US\$100,000,000  
ELEMENTS<sup>SM</sup>  
Linked to the Australian Dollar/U.S. Dollar Exchange Rate  
due February 23, 2023**

**Pricing supplement**

**February 20, 2008**

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**Nuveen Investments**

**Merrill Lynch & Co.**

*As Agents for*

**Deutsche Bank AG, London Branch**

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ELEMENTS<sup>SM</sup> and  are service marks of Merrill Lynch, Pierce, Fenner & Smith Incorporated

CUSIP Number: 25154H 715



## Deutsche Bank AG

### Global Notes, Series A

We, Deutsche Bank AG, may offer our global notes at one or more times. The specific terms of any notes that we offer will be included in a term sheet, pricing supplement and/or product supplement, as the case may be. We refer to such term sheets, pricing supplements and product supplements generally as pricing supplements. The notes will have the following general terms:

- The notes will bear interest at either a fixed rate or a floating rate that varies during the lifetime of the relevant notes, which, in either case, may be zero. Floating rates will be based on rates specified in the applicable pricing supplement.
- The notes will pay interest, if any, on the dates stated in the applicable pricing supplement.
- The applicable pricing supplement will specify whether the notes will be denominated in U.S. dollars or some other currency.
- The notes will be held in global, book-entry form by The Depository Trust Company, unless the pricing supplement provides otherwise.

The pricing supplement may also specify that the notes will have additional terms, including the following:

- The notes may be optionally or mandatorily exchangeable for securities of us or entities that are or are not affiliated with us, a basket or baskets of those securities, other property, or any combination of, or the cash value of, such securities or other property.
- The amount of principal or interest may be determined by reference to one or more currencies, commodities or securities of us or entities that are or are not affiliated with us; or interest rates, or intangibles, articles or goods; or any other financial or economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance; and/or indices or baskets of any of these items, including baskets of indices.
- The notes may be either callable by us or puttable by you.

**Investing in the notes involves risks. See "Foreign Currency Note Risks" beginning on page S-4.**

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these notes, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

These notes are not deposits or savings accounts but are our unsecured obligations. The notes are not insured by the Federal Deposit Insurance Corporation or any other U.S. or foreign governmental agency.

Deutsche Bank Securities Inc. ("**DBSI**") and Deutsche Bank Trust Company Americas ("**DBTCA**"), which are our affiliates, have agreed to use reasonable efforts to solicit offers to purchase these notes as our selling agents to the extent either or both is named in the applicable pricing supplement. DBSI may also act on a firm commitment basis, but only if so specified in the applicable pricing supplement. Certain other selling agents to be named in the applicable pricing supplement may also be used to solicit such offers on either a reasonable efforts or firm commitment basis. The agents may also purchase these notes as principal at prices to be agreed upon at the time of sale. The agents may resell any notes they purchase as principal at prevailing market prices, or at other prices, as the agents determine.

The agents may use this prospectus supplement and the accompanying prospectus in connection with offers and sales of the notes in market-making transactions.

The date of this prospectus supplement is November 13, 2006.



## SUMMARY

The following summary describes the notes we are offering under this program in general terms only. You should read the summary together with the more detailed information contained in this prospectus supplement, in the accompanying prospectus and in the applicable pricing supplement. We refer to the notes offered under this prospectus supplement as our “Series A notes” or “notes.” We refer to the offering of the Series A notes as our “Series A program.”

*As used in this prospectus supplement, the “Bank,” “we” “our” or “us” refer to Deutsche Bank AG, including, as the context may require, acting through one of its branches.*

<b>Issuer</b>	Deutsche Bank AG.
<b>Notes offered</b>	Global notes, Series A
<b>Ranking</b>	The notes rank on a parity with all of our other unsecured and unsubordinated indebtedness. The notes are not deposit liabilities of the Bank and are not insured by the U.S. Federal Deposit Insurance Corporation or any other governmental agency of the United States, Germany or any other jurisdiction.
<b>Interest features</b>	A note will pay interest, if any, on the dates specified in the applicable pricing supplement. A note may bear interest at either a fixed rate or a floating rate that varies during the lifetime of the relevant notes, which, in either case, may be zero.
<b>Linked note features</b>	Payment of principal and/or interest on the notes may be linked to one or more currencies, commodities or securities of us or entities that are or are not affiliated with us; or interest rates, or intangibles, articles or goods; or any other financial or economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance; and/or indices or baskets of any of these items, including baskets of indices.
<b>Exchangeable note features</b>	The notes may be optionally or mandatorily exchangeable for securities of us or entities that are or are not affiliated with us, a basket or baskets of those securities, other property, or any combination of, or the cash value of, such securities or other property.
<b>Redemption/repayment features</b>	The notes may be either callable by us or puttable by you, as specified in the applicable pricing supplement.
<b>Currency and denomination</b>	The notes will be issued in U.S. dollars in minimum denominations of \$1,000 unless we specify otherwise in the applicable pricing supplement.

**Listing**

The notes will not be listed on any securities exchange unless we specify otherwise in the applicable pricing supplement.

**Form of notes**

The notes will be issued only in global form (*i.e.*, in book-entry form) registered in the name of The Depository Trust Company, or its nominee, unless otherwise stated in the applicable pricing supplement.

**Branches**

We may act through one or more of our branches, such as our London branch or such other branch as specified in the applicable pricing supplement.

**How to reach us**

You may contact us at our principal executive offices at Taunusanlage 12; 60325 Frankfurt am Main; Germany (Telephone number +49-69-910-00).

## FOREIGN CURRENCY NOTE RISKS

You should read the following foreign currency risks together with any risk factors set forth in the applicable pricing supplement. You should consult your financial and legal advisors as to any specific risks entailed by an investment in notes that are denominated or payable in, or the payment of which is linked to the value of, foreign currency. These notes are not appropriate investments for investors who are not sophisticated in foreign currency transactions.

The information set forth in this prospectus supplement is directed to prospective purchasers who are United States residents. We disclaim any responsibility to advise prospective purchasers who are residents of countries other than the United States of any matters arising under foreign law that may affect the purchase of or holding of, or receipt of payments on, the notes. These persons should consult their own legal and financial advisors concerning these matters.

### Exchange Rates and Exchange Controls May Affect the Notes' Value or Return

***Securities Involving Foreign Currencies Are Subject to General Exchange Rate and Exchange Control Risks.*** An investment in a note that is denominated or payable in, or the payment of which is linked to the value of, currencies other than U.S. dollars entails significant risks. These risks include the possibility of significant changes resulting from market changes in rates of exchange between the U.S. dollar and the relevant foreign currencies and the possibility of the imposition or modification of exchange controls by either the U.S. or foreign governments. These risks generally depend on market forces and economic and political events over which we have no control.

***Exchange Rates Will Affect Your Investment.*** In recent years, rates of exchange between U.S. dollars and some foreign currencies have been highly volatile and this volatility may continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any note. Depreciation against the U.S. dollar of the currency in which a note is payable would result in a decrease in the effective yield of the note below its coupon rate and could result in an overall loss to you on a U.S. dollar basis. In addition, depending on the specific terms of a currency-linked note, changes in exchange rates relating to any of the relevant currencies could result in a decrease in its effective yield and in your loss of all or a substantial portion of the value of that note.

***We Have No Control Over Exchange Rates.*** Foreign exchange rates can either float or be fixed by sovereign governments. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar and to each other. However, from time to time governments may use a variety of techniques, such as intervention by a country's central bank, the imposition of regulatory controls or taxes or changes in interest rates to influence the exchange rates of their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. These governmental actions could change or interfere with currency valuations and currency fluctuations that would otherwise occur in response to economic forces, as well as in response to the movement of currencies across borders. As a consequence, these government actions could adversely affect the U.S. dollar-equivalent yields or payouts for notes denominated or payable in currencies other than U.S. dollars and currency-linked notes.

We will not make any adjustment or change in the terms of the notes in the event that exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting the U.S. dollar or any applicable foreign currency. You will bear those risks.

***Some Foreign Currencies May Become Unavailable.*** Governments have imposed from time to time, and may in the future impose, exchange controls that could also affect the availability of a specified foreign currency. Even if there are no actual exchange controls, it is possible that the applicable currency for any note not denominated in U.S. dollars would not be available when payments on that note are due.

***Alternative Payment Method Used if Payment Currency Becomes Unavailable.*** If a payment currency is unavailable, we would make required payments in U.S. dollars on the basis of the market exchange rate.

***We Will Provide Currency Exchange Information in Pricing Supplements.*** The applicable pricing supplement will include information regarding current applicable exchange controls, if any, and historic exchange rate information for any note denominated or payable in a foreign currency or requiring payments that are related to the value of a foreign currency. That information will be furnished only for information purposes. You should not assume that any historic information concerning currency exchange rates will be representative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

#### **Currency Conversions May Affect Payments on Some Notes**

The applicable pricing supplement may provide for payments on a non-U.S. dollar denominated note to be made in U.S. dollars or payments on a U.S. dollar denominated note to be made in a currency other than U.S. dollars. In these cases, the exchange rate agent identified in the pricing supplement will convert the currencies. You will bear the costs of conversion through deductions from those payments.

#### **Exchange Rates May Affect the Value of a New York Judgment Involving Non-U.S. Dollar Notes**

The notes will be governed by and construed in accordance with the laws of the State of New York. Unlike many courts in the United States outside the State of New York, the courts in the State of New York customarily enter judgments or decrees for money damages in the foreign currency in which notes are denominated. These amounts would then be converted into U.S. dollars at the rate of exchange in effect on the date the judgment or decree is entered. You would bear the foreign currency risk during litigation.

*Additional risks specific to particular notes issued under our Series A program will be described in the applicable pricing supplement.*

#### **Exchange Rates**

Our financial statements are expressed in euro, which is Germany's currency. For convenience, we translate some amounts denominated in euro appearing in certain documents incorporated by reference herein into U.S. dollars. Fluctuations in the exchange rate between the euro and

the U.S. dollar will affect the U.S. dollar equivalent of the euro amounts expressed in our financial statements and elsewhere. Past fluctuations in foreign exchange rates may not necessarily be predictive of future fluctuations.

The following table shows the period-end, high and low noon buying rates for the euro. In each case, the period-end rate is the noon buying rate announced on the last business day of the period.

<u>in U.S. \$ per €</u>	<u>Period-end</u>	<u>High</u>	<u>Low</u>
2006:			
November (through November 10) .....	1.2861	1.2861	1.2705
October .....	1.2773	1.2773	1.2502
September .....	1.2687	1.2833	1.2648
August .....	1.2793	1.2914	1.2735
July .....	1.2764	1.2822	1.2500
June .....	1.2779	1.2953	1.2522
May .....	1.2833	1.2888	1.2607



## DESCRIPTION OF NOTES

*References in this prospectus supplement to the “Bank,” “we,” “our” or “us” refer to Deutsche Bank AG, including, as the context may require, acting through one of its branches. References to “you” mean those who invest in the notes being offered, whether they are the direct holders or owners of beneficial interests in those notes. References to “holders” mean those who own notes registered in their own names, on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in notes issued in book-entry form through The Depository Trust Company or another depository or in notes registered in street name. Owners of beneficial interests in the notes should read the section entitled “Description of Notes—Form, Legal Ownership and Denomination of Notes.”*

### General Information Regarding Global Notes, Series A

We refer to the Global Notes, Series A offered under this prospectus supplement as our “**Series A notes**” or the “**notes**,” which are a separate series of our debt securities. We refer to the offering of the Series A notes as our “**Series A program**.” Investors should carefully read the general terms and provisions of our debt securities in “Description of Debt Securities” in the accompanying prospectus. This section supplements that description.

*A pricing supplement to this prospectus supplement will add specific terms for each issuance of notes and may modify or replace any of the information in this section and in “Description of Debt Securities” in the accompanying prospectus. If the pricing supplement is inconsistent with this prospectus supplement or the accompanying prospectus, the terms in the pricing supplement will control with regard to the note you purchase. Therefore the statements made in this prospectus supplement may not be the terms that apply to the note you purchase.*

**We Will Issue Notes Under the Indenture.** The Series A notes issued under our Series A program will be governed by the indenture (the “**indenture**”) among us, Law Debenture Trust Company of New York, as trustee, and Deutsche Bank Trust Company Americas, as issuing agent, paying agent and registrar (see “Description of Debt Securities—The Indenture” in the prospectus). The notes issued under the indenture will constitute a single series under that indenture, together with any notes we have issued in the past or that we issue in the future under that indenture that we designate as being part of that series. From time to time, we may create and issue additional notes with the same terms as previous Series A notes, so that the additional notes will be considered as part of the same issuance as the earlier notes.

**Outstanding Indebtedness of the Bank.** The indenture does not limit the amount of additional indebtedness that we may incur.

**How the Notes Rank Against Other Debt.** Notes issued under the indenture will rank on a parity with all of our other senior indebtedness and with all of our other unsecured and unsubordinated indebtedness, except for debts required to be preferred by law.

**This Section Is Only a Summary.** The prospectus and this prospectus supplement provide only summaries of the indenture’s material terms. They do not, however, describe every aspect of the indenture and the notes. The indenture and its associated documents, including the applicable note, contain the full legal text of the matters described in this section and in the

prospectus. A copy of the indenture has been filed with the SEC as part of the registration statement for the notes.

**Some Frequently Used Definitions.** We have defined some of the terms that we use frequently in this prospectus supplement below:

A “**business day**” means, unless otherwise stated in the applicable pricing supplement, for any note, any day other than a day that (i) is a Saturday or Sunday, (ii) is a day on which banking institutions generally in the city of New York or London, England are authorized or obligated by law, regulation or executive order to close or (iii) is a day on which transactions in dollars are not conducted in the city of New York or London, England; and, in addition, (a) for LIBOR notes only, a London Banking Day (as defined below); (b) for notes having a specified currency other than U.S. dollars only, other than notes denominated in euros, any day that in the principal financial center (as defined below) of the country of the specified currency is not a day on which banking institutions generally are authorized or obligated by law, regulation or executive order to close; and (c) for notes denominated in euros, a day on which TARGET is operating.

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*.

“**Depository**” means The Depository Trust Company, New York, New York.

“**Designated LIBOR Currency**” means the currency specified in the applicable pricing supplement as to which LIBOR shall be calculated or, if no such currency is specified in the applicable pricing supplement, United States dollars.

“**Euro LIBOR notes**” means LIBOR notes for which the Designated LIBOR Currency is euros.

“**Euroclear operator**” means Euroclear Bank, as operator of the Euroclear System.

An “**interest payment date**” for any note means a date on which, under the terms of that note, regularly scheduled interest is payable.

A “**London Banking Day**” means any day on which dealings in deposits in the specified currency are transacted in the London interbank market.

“**Principal financial center**” means the capital city of the country issuing the specified currency. However, for Australian dollars, Canadian dollars and Swiss francs, the principal financial center will be Sydney, Toronto and Zurich, respectively.

“**Specified currency**” means the currency or currencies in respect of notes in which the principal, premium (if any) or interest (if any) is not denominated or payable in U.S. dollars.

The “**record date**” for any interest payment date is the date 15 calendar days prior to that interest payment date, whether or not that date is a business day, unless otherwise indicated in the applicable pricing supplement.

“**TARGET**” means the Trans-European Automated Real-time Gross Settlement Express Transfer System.

“**TARGET Settlement Day**” means any day on which TARGET is operating.

References in this prospectus supplement to “U.S. dollar,” or “U.S.\$” or “\$” are to the currency of the United States of America.

## Types of Notes

We may issue the following types of notes:

### Fixed Rate Notes

A note of this type will bear interest at a fixed rate described in the applicable pricing supplement. This type includes zero coupon notes, which bear no interest.

### Floating Rate Notes

A note of this type will bear interest at rates that are determined by reference to an interest rate formula. In some cases, the rates may also be adjusted by adding or subtracting a spread or multiplying by a spread multiplier and may be subject to a minimum rate or a maximum rate. The various interest rate formulas and these other features are described below under “—Interest Rates—Floating Rate Notes.” If the note you purchase is a floating rate note, the formula and any adjustments that apply to the interest rate will be specified in the pricing supplement.

### Linked Notes

A note of this type provides that the principal amount payable at its maturity and/or the amount of interest payable on an interest payment date will be determined by reference to:

- one or more currencies;
- one or more commodities;
- one or more securities of us or entities that are or are not affiliated with us;
- interest rates;
- one or more intangibles, articles or goods; or
- any other financial or economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance; and/or
- indices or baskets of any of these items, including baskets of indices.

If you are a holder of a linked note, you may receive an amount at maturity that is greater than or less than the principal amount of the note depending upon the value or level of the applicable underlying to which the note is linked. That value or level may fluctuate over time. The applicable pricing supplement will include information about the relevant underlying and about how amounts that are to become payable will be determined by reference to the underlying. A linked note may provide for either cash settlement or physical settlement by delivery of the applicable underlying or another property of the type listed above. A linked note may also provide that the form of settlement may be determined at our option or at the holder’s option.

*Investing in linked notes involves special risks. You should carefully read the risk factors section in the pricing supplement for your linked note.*

## Exchangeable Notes

We may issue notes, which we refer to as “exchangeable notes,” that are optionally or mandatorily exchangeable into:

- securities of us or entities that are or are not affiliated with us;
- a basket or baskets of those securities;
- other property, or
- any combination of, or the cash value of, such securities or other property.

The exchangeable notes may or may not bear interest or be issued with original issue discount or at a premium. The general terms of the exchangeable notes are described below. Please note that exchangeable notes may specify other terms in the relevant pricing supplement, which may differ from those described below.

**Optionally Exchangeable Notes.** The holder of an optionally exchangeable note may, during a period, or at a specific time or times, exchange the note for the underlying property at a specified rate of exchange or at a rate of exchange determined pursuant to a formula described in the applicable pricing supplement. If specified in the applicable pricing supplement, we will have the option to redeem the optionally exchangeable note prior to maturity. If the holder of an optionally exchangeable note does not elect to exchange the note prior to maturity or any applicable redemption date, the holder will receive the principal amount of the note plus any accrued interest at maturity or upon redemption, if so specified in the applicable pricing supplement.

**Mandatorily Exchangeable Notes.** At maturity, the holder of a mandatorily exchangeable note must exchange the note for the underlying property at a specified rate of exchange, and, therefore, depending upon the value of the underlying property at maturity, the holder of a mandatorily exchangeable note may receive less than the principal amount of the note at maturity. If so indicated in the applicable pricing supplement, the specified rate at which a mandatorily exchangeable note may be exchanged may vary depending on the value of the underlying property so that, upon exchange, the holder participates in a percentage, which may be less than, equal to, or greater than 100% of the change in value of the underlying property.

**Payments upon Exchange.** The applicable pricing supplement will specify whether upon exchange, at maturity or otherwise, the holder of an exchangeable note may receive, at the specified exchange rate, either the underlying property or the cash value of the underlying property. The underlying property may be our securities or securities of entities that are or are not affiliated with us; a basket or baskets of those securities; other property; or any combination of, or the cash value of, the above. The exchangeable notes may or may not provide for protection against fluctuations in the exchange rate between the currency in which that note is denominated and the currency or currencies in which the market prices of the underlying security or securities are quoted. Exchangeable notes may have other terms, which will be specified in the applicable pricing supplement.

*If an exchangeable note is represented by a global note, the Depositary's nominee will be the holder of that note and therefore will be the only entity that can exercise a right to exchange or other elective rights. In order to ensure that the Depositary's nominee will timely exercise such elective rights, the beneficial owner of the note must instruct the broker or other direct or indirect participant through which it holds an interest in that note to notify the Depositary of its desire to exercise its rights. Different firms have different deadlines for accepting instructions from their customers. Each beneficial owner should consult the broker or other participant through which it holds an interest in a note in order to ascertain the deadline for ensuring that timely notice of elective rights will be delivered to the Depositary.*

**Payments upon Acceleration of Maturity or upon Tax Redemption.** Unless otherwise specified in the applicable pricing supplement, if the principal amount payable at maturity of any exchangeable note is declared due and payable prior to maturity as a result of an event of default or tax redemption (see "Series A Notes Offered on a Global Basis – Tax Redemption"), the amount payable on:

- an optionally exchangeable note will equal the face amount of the note plus accrued interest, if any, to but excluding the date of payment, except that if a holder has exchanged an optionally exchangeable note prior to the date of acceleration or tax redemption without having received the amount due upon exchange, the amount payable will be an amount in cash equal to the amount due upon exchange and will not include any accrued but unpaid interest; and
- a mandatorily exchangeable note will equal an amount determined as if the date of acceleration or tax redemption were the maturity date plus accrued interest, if any, to but excluding the date of payment.

The amount payable if the principal amount payable at maturity of an exchangeable note is declared due and payable prior to maturity as a result of any other type of redemption will be set forth in the applicable pricing supplement.

### **Original Issue Discount Notes**

A fixed rate note, a floating rate note, a linked note or an exchangeable note may be an original issue discount note. A note of this type is issued as a discounted security (bearing no interest or interest at a rate that at the time of issuance is below market rates) to be sold at an issue price materially below its stated principal amount. Special considerations applicable to any such discounted notes will be described in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, in the event of redemption, repayment or acceleration of maturity of an original issue discount note, the amount payable to the holder will be equal to the sum of:

- (i) the issue price (increased by any accruals of discount) or, in the event of any redemption by us of such original issue discount note (if applicable), the issue price (increased by any accruals of discount) multiplied by the initial redemption percentage specified in the applicable pricing supplement (as adjusted by the initial redemption percentage reduction, if applicable) and
- (ii) any unpaid interest on such original issue discount note accrued from the date of issue to the date of such redemption, repayment or acceleration of maturity.



Unless otherwise specified in the applicable pricing supplement, for purposes of determining the amount of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity occurs for an original issue discount note, the discount will be accrued using a constant yield method. The constant yield will be calculated using (i) a 30-day month, 360-day year convention, (ii) a compounding period that, except for the initial period (as defined below), corresponds to the shortest period between interest payment dates for the applicable original issue discount note (with ratable accruals within a compounding period), (iii) a coupon rate equal to the initial coupon rate applicable to such original issue discount note and (iv) an assumption that the maturity of such original issue discount note will not be accelerated. If the period from the date of issue to the initial interest payment date for an original issue discount note, which we refer to as the “**initial period**,” is shorter than the compounding period for such original issue discount note, a proportionate amount of the yield for an entire compounding period will be accrued. If the initial period is longer than the compounding period, then such period will be divided into a regular compounding period and a short period with the short period being treated as provided in the preceding sentence. The accrual of the applicable discount may differ from the accrual of original issue discount for U.S. federal income tax purposes under the Internal Revenue Code of 1986, as amended to the date hereof (the “**Code**”).

Certain original issue discount notes may not be treated as having original issue discount for federal income tax purposes, and notes other than original issue discount notes may be treated as issued with original issue discount for federal income tax purposes. For more information, please see “United States Federal Income Taxation—Original Issue Discount” below.

### **Extension of Maturity**

We may issue from time to time “extendible notes,” with respect to which we will have the option to extend the maturity of a note for one or more periods up to but not beyond the final maturity date set forth in the applicable pricing supplement. If we have such an option with respect to any note, the procedures for extension will be described in the applicable pricing supplement. Amortizing notes may not be designated as extendible notes.

### **Terms Specified in Pricing Supplements**

A pricing supplement will specify the following terms of any issuance of our Series A notes to the extent applicable:

- the specific designation of the notes;
- the issue price (price to public);
- the aggregate principal amount, purchase price and denomination;
- the original issue date;
- the stated maturity date and any terms related to any extension or shortening of the maturity date;
- whether the notes are fixed rate notes, floating rate notes, linked notes and/or exchangeable notes;
- for fixed rate notes, the rate per year at which the notes will bear interest, if any, or the method of calculating that rate and the dates on which interest will be payable;

- for floating rate notes, the base rate, the index maturity, the spread, the spread multiplier, the initial interest rate, the interest reset periods, the interest payment dates, the maximum interest rate, the minimum interest rate and any other terms relating to the particular method of calculating the interest rate for the note;
- for floating rate notes, whether they are renewable notes;
- for linked notes, the principal amount, if any, we will pay you at maturity, the amount of interest, if any, we will pay you on an interest payment date, the formula we will use to calculate these amounts, if any, and whether your note will be payable in cash or other property;
- for exchangeable notes, the terms on which holders of the notes may exchange them into or for securities of us or entities that are or are not affiliated with us, other property or any combination of any of these items; any specific terms relating to the adjustment of the exchange feature; the period during which the holders may effect the exchange; and the other items described in “—Exchangeable Notes” above;
- for currency linked notes, information as to the one or more currencies to which the principal amount payable on any principal payment date or the amount of interest payable on any interest payment date is linked or indexed; the currency in which the face amount of the currency-linked note is denominated; the currency in which principal on the currency-linked note will be paid; and specific historic exchange rate information and any currency risks relating to the specific currencies selected;
- whether the notes may be redeemed, in whole or in part, at our option or repaid at your option, prior to the stated maturity date, and the terms of any redemption or repayment;
- whether the note has been issued with original issue discount or is an amortizing note (and, if the note is an amortizing note, the amortization schedule);
- if any note is not denominated and payable in U.S. dollars, the currency or currencies in which the principal, premium, if any, and interest, if any, will be paid, which we refer to as the “specified currency,” along with any other terms relating to the non-U.S. dollar denomination, including exchange rates as against the U.S. dollar at selected times during the last five years and any exchange controls affecting that specified currency;
- whether and under what circumstances we will pay additional amounts on the notes for any tax, assessment or governmental charge withheld or deducted and, if so, whether we will have the option to redeem those notes rather than pay the additional amounts;
- whether the notes will be listed on any stock exchange;
- if other than the principal amount thereof, the portion of the principal amount of the notes payable upon declaration of acceleration of maturity thereof;
- whether the notes will be issued in global (*i.e.*, book-entry) or certificated (*i.e.*, definitive) form;
- if the notes are in global form, whether the notes will be offered on a global basis to investors through Euroclear and Clearstream, Luxembourg as well as through the Depositary (each as defined below); and
- any other terms on which we will issue the notes.

## Form, Legal Ownership and Denomination of Notes

**Form.** We will issue notes in fully registered, global (i.e., book-entry) form only, unless we specify otherwise in the applicable pricing supplement. Notes in book-entry form will be represented by a global note registered in the name of the Depositary or its nominee, which will be the sole registered owner and the holder of all the notes represented by the global note. An investor therefore will not be a holder of the note, but will own only beneficial interests in a global note, which are held by means of an account with a broker, bank or other financial institution that in turn has an account as a “participant” in the Depositary or with another institution that does. The Depositary maintains a computerized, book-entry system that will reflect the interests in the global notes held by participants in its book-entry system. An investor’s beneficial interest in the global notes will, in turn, be reflected only in the records of the Depositary’s direct or indirect participants through an account maintained by the investor with such participant.

Except as set forth in the accompanying prospectus under “Forms of Securities—Global Securities,” you may not exchange registered global notes or interests in registered global notes for a certificate issued to you in definitive form (a “**certificated note**”). A further description of the Depositary’s procedures for global notes representing book-entry notes is set forth below under “The Depositary” and in the accompanying prospectus under “Forms of Securities—Global Securities.”

**Legal Ownership.** The person or entity in whose name the notes are registered will be considered the holder and legal owner of the notes. Our obligations under the indenture, as well as the obligations of the trustee and those of any third parties employed by us or the trustee, run only to the registered holders of the notes. We do not have obligations to investors who own beneficial interests in global notes, in street name or by any other indirect means. For example, once we make a payment or give a notice to the registered holder, we have no further responsibility for that payment or notice even if that holder is required, under agreements with depositary participants or customers or by law, to pass it along to the indirect holders (e.g., owners of beneficial interests), but does not do so. Similarly, if we need to ask the holders of the notes to vote on a proposed amendment to the notes, we would seek approval only from the registered holders, and not the indirect holders, of the notes.

**Special Considerations for Indirect Holders.** If you hold notes through a bank, broker or other financial institution, either in book-entry form or in street name, you should check with your own institution to find out:

- how it handles securities payments and notices;
- whether it imposes fees or charges;
- how it would handle voting if it were ever required;
- whether and how you can instruct it to send you notes registered in your own name so you can be a direct holder, if that is permitted; and
- how it would pursue rights under the notes if there were a default or other event triggering the need for holders to act to protect their interests.

**Denominations.** Unless we provide otherwise in the applicable pricing supplement, we will issue the notes:

- for U.S. dollar-denominated notes, in denominations of \$1,000 or any amount greater than \$1,000 that is an integral multiple of \$1,000; or

- for notes denominated in a specified currency other than U.S. dollars, in denominations of the equivalent of \$1,000, rounded to an integral multiple of 1,000 units of the specified currency, or any larger integral multiple of 1,000 units of the specified currency, as determined by reference to the market exchange rate, as defined under “—Interest and Principal Payments—Unavailability of Foreign Currency” below, on the business day immediately preceding the date of issuance.

**New York Law to Govern.** The notes and the indenture will be governed by, and construed in accordance with, the laws of the State of New York.

## Interest Rates

### Fixed Rate Notes

Each fixed rate note will bear interest from the date of issuance at the annual rate stated on its face until the principal is paid or made available for payment.

**How Interest Is Calculated.** Unless otherwise indicated in the applicable pricing supplement, interest on fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months.

**How Interest Accrues.** Interest on fixed rate notes will accrue from and including the most recent interest payment date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from and including the issue date or any other date specified in a pricing supplement on which interest begins to accrue. Interest will accrue to but excluding the next interest payment date, or, if earlier, the date on which the principal has been paid or duly made available for payment, except as described below under “—If a Payment Date is Not a Business Day.”

**When Interest Is Paid.** Payments of interest on fixed rate notes will be payable semiannually in arrears on each March 15 and September 15 and on the maturity date or, if applicable, upon earlier redemption or repayment, unless otherwise specified in the applicable pricing supplement. However, if the first interest payment date is less than 15 days after the date of issuance, interest will not be paid on the first interest payment date, but will be paid beginning with the second interest payment date.

**Amount of Interest Payable.** Interest payments for fixed rate notes will include accrued interest from and including the date of issue or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding the relevant interest payment date or date of maturity or earlier redemption or repayment, as the case may be.

**If a Payment Date is Not a Business Day.** If any scheduled interest payment date is not a business day, we will pay interest on the next business day, but interest on that payment will not accrue during the period from and after the scheduled interest payment date. If the scheduled maturity date or date of redemption or repayment is not a business day, we may pay interest, if any, and principal and premium, if any, on the next succeeding business day, but interest on that payment will not accrue during the period from and after the scheduled maturity date or date of redemption or repayment.

**Amortizing Notes.** “Amortizing notes” are notes for which payments combining principal and interest are made in installments over the life of the note. Payments with respect to amortizing notes will be applied first to interest due and payable on the notes and then to the reduction of

the unpaid principal amount of the notes. Information on the additional terms and conditions of any issue of amortizing notes will be provided in the applicable pricing supplement. A table setting forth repayment information in respect of each amortizing note will be included in the applicable pricing supplement.

### **Floating Rate Notes**

Each floating rate note will mature on the date specified in the applicable pricing supplement.

Each floating rate note will bear interest at a floating rate determined by reference to an interest rate or interest rate formula, which we refer to as the “**base rate.**” The base rate may be one or more of the following:

- the certificate of deposit rate,
- the CMT rate,
- the commercial paper rate,
- the eleventh district cost of funds rate,
- EURIBOR,
- the federal funds rate,
- LIBOR,
- the prime rate,
- the Treasury rate, or
- any other rate or interest rate formula specified in the applicable pricing supplement.

***Formula for Interest Rates.*** The interest rate on each floating rate note will be calculated by reference to:

- the specified base rate based on the index maturity,
- plus or minus the spread, if any, and/or
- multiplied by the spread multiplier, if any.

For any floating rate note, “**index maturity**” means the period of maturity of the instrument or obligation from which the base rate is calculated and will be specified in the applicable pricing supplement. The “**spread**” is the number of basis points (one one-hundredth of a percentage point) specified in the applicable pricing supplement to be added to or subtracted from the base rate for a floating rate note. The “**spread multiplier**” is the percentage specified in the applicable pricing supplement by which the base rate will be multiplied to determine the applicable interest rate for such floating rate note.



**Limitations on Interest Rate.** A floating rate note may also have either or both of the following limitations on the interest rate:

- a maximum limitation, or ceiling, on the rate of interest which may accrue during any interest period, which we refer to as the “maximum interest rate”; and/or
- a minimum limitation, or floor, on the rate of interest that may accrue during any interest period, which we refer to as the “minimum interest rate.”

Any applicable maximum interest rate or minimum interest rate will be set forth in the applicable pricing supplement.

In addition, the interest rate on a floating rate note may not be higher than the maximum rate permitted by New York law, as that rate may be modified by United States law of general application. Under current New York law, the maximum rate of interest, subject to some exceptions, for any loan in an amount less than \$250,000 is 16% per annum, and for any loan in the amount of \$250,000 or more but less than \$2,500,000, it is 25% per annum, in each case on a simple interest basis. These limits do not apply to loans of \$2,500,000 or more.

**How Floating Interest Rates Are Reset.** The interest rate in effect from the date of issue to the first interest reset date for a floating rate note will be the initial interest rate specified in the applicable pricing supplement. We refer to this rate as the “initial interest rate.” The interest rate on each floating rate note may be reset daily, weekly, monthly, quarterly, semiannually or annually or on any other periodic basis described in the applicable pricing supplement. We refer to this period as the “interest reset period.” The “interest reset date” in respect of each interest reset period will be, unless otherwise specified in the applicable pricing supplement,

- in the case of a floating rate note that resets daily, each business day;
- in the case of a floating rate note that resets weekly, the Wednesday of each week (except for weekly reset Treasury rate notes, which will reset on the Tuesday of each week, except that if a Treasury Bill auction shall fall on any day that would otherwise be an interest reset date, the interest reset date shall instead be the first following business day);
- in the case of a floating rate note that resets monthly, the third Wednesday of each month (except for monthly reset eleventh district cost of funds rate notes which will be reset on the first calendar day of each month);
- in the case of a floating rate note that resets quarterly, the third Wednesday of March, June, September and December;
- in the case of a floating rate note that resets semiannually, the third Wednesday of the two months specified in the applicable pricing supplement; and
- in the case of a floating rate note that resets annually, the third Wednesday of the month specified in the applicable pricing supplement.

If any interest reset date for any floating rate note would otherwise be a day that is not a business day, such interest reset date, unless otherwise specified in the applicable pricing supplement, will be postponed to the next succeeding day that is a business day, except that in the case of a LIBOR note or a EURIBOR note, if such business day is in the next succeeding calendar month, such interest reset date, unless otherwise specified in the applicable pricing supplement, will be the immediately preceding business day.

The interest rate applicable to each interest reset period commencing on an interest reset date will be the rate per annum determined by the calculation agent on the interest determination date. The **interest determination date** with respect to:

- the certificate of deposit rate, CMT rate, commercial paper rate, federal funds rate and prime rate will be the second business day preceding the applicable interest reset date;
- the eleventh district cost of funds rate will be the last working day of the month immediately preceding the applicable interest reset date on which the Federal Home Loan Bank of San Francisco (the “**FHLB of San Francisco**”) publishes the Eleventh District Index (as defined under “—Eleventh District Cost of Funds Rate Notes” below);
- EURIBOR will be the second TARGET Settlement Day preceding the applicable interest reset date;
- LIBOR will be the second London Banking Day preceding an interest reset date, unless the Designated LIBOR Currency is British pounds, in which case the interest determination date will be the applicable interest reset date; and
- the Treasury rate will be the day of the week in which the applicable interest reset date falls on which Treasury Bills normally would be auctioned; *provided, however*, that if as a result of a legal holiday an auction is held on the Friday of the week preceding the interest reset date, the related interest determination date shall be such preceding Friday.

The interest determination date pertaining to a floating rate note the interest rate of which is determined by reference to two or more base rates will be the most recent business day which is at least two business days prior to the applicable interest reset date for such floating rate note on which each base rate is determinable. Each base rate will be determined as of such date, and the applicable interest rate will take effect on the applicable interest reset date.

The interest rate in effect for the ten calendar days immediately prior to maturity, redemption or repayment will be the one in effect on the tenth calendar day preceding the maturity, redemption or repayment date.

In the detailed descriptions of the various base rates which follow, the “**calculation date**” pertaining to an interest determination date means the earlier of (1) the tenth calendar day after that interest determination date, or, if that day is not a business day, the next succeeding business day, and (2) the business day immediately preceding the applicable interest payment date or maturity date or, for any principal amount to be redeemed or repaid, any redemption or repayment date.

***How Interest Is Calculated.*** Interest on floating rate notes will accrue from and including the most recent interest payment date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from and including the issue date or any other date specified in a pricing supplement on which interest begins to accrue. Interest will accrue to but excluding the next interest payment date or, if earlier, the date on which the principal has been paid or duly made available for payment, except as described below under “—If a Payment Date is Not a Business Day.”

Floating rate notes will have a calculation agent, which will be Deutsche Bank AG, London Branch, unless otherwise specified in the applicable pricing supplement. Upon the request of the holder of any floating rate note, the calculation agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective on the next interest reset date for that floating rate note.

Unless otherwise specified in the applicable pricing supplement, accrued interest will be calculated by multiplying the principal amount of the floating rate note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which interest is being paid. The interest factor for each day is computed by *dividing* the interest rate applicable to that day:

- by 360, in the case of certificate of deposit rate notes, commercial paper rate notes, eleventh district cost of funds rate notes, EURIBOR notes, federal funds rate notes, LIBOR notes and prime rate notes; or
- by the actual number of days in the year, in the case of Treasury rate notes and CMT rate notes.

For these calculations, the interest rate in effect on any interest reset date will be the applicable rate as reset on that date. The interest rate applicable to any other day is the interest rate from the immediately preceding interest reset date or, if none, the initial interest rate.

All percentages used in or resulting from any calculation of the rate of interest on a floating rate note will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (e.g., 9.876545% (or .09876545) being rounded to 9.87655% (or .0987655)), and all U.S. dollar amounts used in or resulting from these calculations on floating rate notes will be rounded to the nearest cent (with one-half cent rounded upward).

**When Interest Is Paid.** Except as provided below or in the applicable pricing supplement, interest will be payable,

- in the case of a floating rate note that resets daily, weekly, or monthly, on the third Wednesday of each month; the third Wednesday of March, June, September and December of each year; or as specified in the applicable pricing supplement,
- in the case of a floating rate note that resets quarterly, on the third Wednesday of March, June, September and December of each year,
- in the case of a floating rate note that resets semiannually, on the third Wednesday of the two months of each year specified in the applicable pricing supplement, and
- in the case of a floating rate note that resets annually, on the third Wednesday of the month specified in the applicable pricing supplement,
- and, in each case, at maturity or, if applicable, upon earlier redemption or repayment.

However, if the first interest payment date is less than 15 days after the date of issuance, interest will not be paid on the first interest payment date, but will be paid on the second interest payment date.

**If a Payment Date Is Not a Business Day.** If any scheduled interest payment date, other than the maturity date or any earlier redemption or repayment date, for any floating rate note falls on a day that is not a business day, it will be postponed to the following business day, except that, in the case of a EURIBOR note or a LIBOR note, if that business day would fall in the next calendar month, the interest payment date will be the immediately preceding business day. If the scheduled maturity date or any earlier redemption or repayment date of a floating rate note falls on a day that is not a business day, the payment of principal, premium, if any, and interest, if any, will be made on the next succeeding business day, but interest on that payment will not accrue during the period from and after the maturity, redemption or repayment date.

### ***Certificate of Deposit Rate Notes***

Certificate of deposit rate notes will bear interest at the interest rates specified in the applicable pricing supplement. Those interest rates will be based on the certificate of deposit rate and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The “certificate of deposit rate” will be determined as of each interest determination date relating to a certificate of deposit rate note and will be the rate on that day for negotiable U.S. dollar certificates of deposit having the index maturity specified in the applicable pricing supplement as published by the Federal Reserve Board in “Statistical Release H.15(519), Selected Interest Rates”, or any successor publication (“**H.15(519)**”), under the heading “CDs (Secondary Market).”

The following procedures will be followed if the certificate of deposit rate cannot be determined as described above:

- If the above rate is not so published by 3:00 P.M., New York City time, on the calculation date pertaining to such interest determination date, the certificate of deposit rate will be the rate on such interest determination date for negotiable U.S. dollar certificates of deposit of the index maturity specified in the applicable pricing supplement as published in the H.15 Daily Update (as defined below), or such other recognized electronic source for the purpose of displaying such rate, under the caption “CDs (Secondary Market).”
- If such rate is not yet published in the H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such calculation date, then the certificate of deposit rate on such interest determination date will be calculated by the calculation agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such interest determination date, of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in The City of New York (which may include us or our affiliates) selected by the calculation agent after consultation with us for negotiable certificates of deposit of major U.S. money center banks of the highest credit standing (in the market for negotiable certificates of deposit) with a remaining maturity closest to the index maturity specified in the applicable pricing supplement in denominations of \$5,000,000.
- If the dealers selected by the calculation agent are not quoting as set forth above, the certificate of deposit rate for such interest determination date will remain the certificate of deposit rate for the immediately preceding interest reset period, or, if there was no interest reset period, the rate of interest payable will be the initial interest rate.

“**H.15 Daily Update**” means the daily update of H.15(519), available through the internet site of the Federal Reserve Board at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.

### ***CMT Rate Notes***

CMT rate notes will bear interest at the interest rates specified in the applicable pricing supplement. That interest rate will be based on the CMT rate and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The "CMT rate" will be determined as of each interest determination date relating to a CMT rate note and will be the rate on such day as displayed on the Designated CMT Telerate Page (as defined below) under the caption "...Treasury Constant Maturities...Federal Reserve Board Release H.15...Mondays Approximately 3:45 P.M.", under the column for the Designated CMT Maturity Index (as defined below) for:

- the rate on such interest determination date, if the Designated CMT Telerate Page is 7051; and
- the weekly or monthly average, as specified in the applicable pricing supplement, for the week or the month, as applicable, ended immediately preceding the week or the month, as applicable, in which the related interest determination date falls, if the Designated CMT Telerate Page is 7052.

The following procedures will be followed if the CMT rate cannot be determined as described above:

- If the above rate is no longer displayed on the relevant page or is not so displayed by 3:00 P.M., New York City time, on the related calculation date, then the CMT rate for such interest determination date will be such treasury constant maturity rate for the Designated CMT Maturity Index as published in H.15(519).
- If such treasury constant maturity rate is no longer published or is not so published in H.15(519) by 3:00 P.M., New York City time on the related calculation date, then the CMT rate on such interest determination date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the interest determination date with respect to such interest reset date as may then be published by either the Federal Reserve Board or the United States Department of the Treasury that the calculation agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in H.15(519).
- If such treasury constant maturity rate is not so provided by 3:00 P.M., New York City time, on the related calculation date, then the CMT rate on the interest determination date will be calculated by the calculation agent and will be a yield to maturity, based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 P.M., New York City time, on such interest determination date reported, according to their written records, by three leading primary United States government securities dealers in The City of New York (which may include us or our affiliates), which we refer to as a "**Reference Dealer**," selected by the calculation agent from five such Reference Dealers selected by the calculation agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed-rate obligations of the United States, which are commonly referred to as "Treasury Notes," with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year.
- If the calculation agent is unable to obtain three such Treasury Note quotations, the CMT rate on such interest determination date will be calculated by the calculation agent and will be a yield to maturity based on the arithmetic mean of the secondary market offered rates as of approximately 3:30 P.M., New York City time, on such interest determination date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the calculation agent and eliminating the highest quotation (or, in the event of equality, one of



the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100 million. If two Treasury Notes with an original maturity have remaining terms to maturity equally close to the Designated CMT Maturity Index, the calculation agent will obtain quotations for the Treasury Note with the shorter remaining term to maturity.

- If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT rate will be based on the arithmetic mean of the offered rates obtained, and neither the highest nor the lowest of such quotes will be eliminated.
- If fewer than three Reference Dealers so selected by the calculation agent are quoting as described above, the CMT rate for that interest determination date will remain the CMT rate for the immediately preceding interest reset period, or, if there was no preceding interest reset period, the rate of interest payable will be the initial interest rate.

**“Designated CMT Maturity Index”** means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20 or 30 years) specified in the applicable pricing supplement with respect to which the CMT rate will be calculated or, if no such maturity is specified in the applicable pricing supplement, 2 years.

**“Designated CMT Telerate Page”** means the display on the Moneyline Telerate service, or any successor service, on the page specified in the applicable pricing supplement (or any other page as may replace such page on such service) for the purpose of displaying Treasury Constant Maturities as reported in H.15(519) or, if no such page is specified in the applicable pricing supplement, page 7052.

### ***Commercial Paper Rate Notes***

Commercial paper rate notes will bear interest at the interest rates specified in the applicable pricing supplement. Those interest rates will be based on the commercial paper rate and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The “commercial paper rate” will be determined as of each interest determination date relating to a commercial paper rate note and will be the money market yield (as defined below) on such date of the rate for commercial paper having the index maturity specified in the applicable pricing supplement as published in H.15(519) under the heading “Commercial Paper—Non-Financial.”

The following procedures will be followed if the commercial paper rate cannot be determined as described above:

- If not so published by 3:00 P.M., New York City time, on the calculation date pertaining to such interest determination date, the commercial paper rate will be the money market yield on such interest determination date of the rate for commercial paper of the index maturity specified in the applicable pricing supplement as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “Commercial Paper—Non-Financial.”

- If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such calculation date, then the commercial paper rate shall be calculated by the calculation agent and shall be the money market yield of the arithmetic mean of the offered rates as of 11:00 A.M., New York City time, on such interest determination date, of three leading dealers in commercial paper in The City of New York (which may include us or our affiliates) selected by the calculation agent (after consultation with us) for commercial paper of the index maturity specified in the applicable pricing supplement placed for an industrial issuer whose bond rating is “AA,” or the equivalent, from a nationally recognized rating agency.
- If the dealers selected by the calculation agent are not quoting as set forth above, the commercial paper rate for that interest determination date will remain the commercial paper rate for the immediately preceding interest reset period, or, if there was no interest reset period, the rate of interest payable will be the initial interest rate.

The “**money market yield**” will be a yield calculated in accordance with the following formula:

$$\text{money market yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the applicable per year rate for commercial paper quoted on a bank discount basis and expressed as a decimal and “M” refers to the actual number of days in the interest period for which interest is being calculated.

#### ***Eleventh District Cost of Funds Rate Notes***

Eleventh district cost of funds rate notes will bear interest at the interest rates specified in the applicable pricing supplement. That interest rate will be based on the eleventh district cost of funds rate and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The eleventh district cost of funds rate will be determined as of each interest determination date relating to an eleventh district cost of funds rate note and will be the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which such interest determination date falls as set forth under the caption “11th District” on the display on the Moneyline Telerate service (or any successor service) on page 7058 (or any other page as may replace such page on such service), which we refer to as “Telerate page 7058” as of 11:00 A.M., San Francisco time, on such interest determination date.

- If such rate does not appear on Telerate page 7058 on such interest determination date, then the eleventh district cost of funds rate on such interest determination date shall be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (which we refer to as the “**Eleventh District Index**”) by the FHLB of San Francisco as such cost of funds for the calendar month immediately preceding such interest determination date.
- If the FHLB of San Francisco fails to announce the Eleventh District Index on or prior to such interest determination date for the calendar month immediately preceding such interest determination date, the eleventh district cost of funds rate will remain the eleventh district cost of funds rate for the immediately preceding interest reset period, or, if there was no interest reset period, the rate of interest payable will be the initial interest rate.

### **EURIBOR Notes**

EURIBOR notes will bear interest at the interest rates specified in the applicable pricing supplement. That interest rate will be based on EURIBOR and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

EURIBOR will be the rate for deposits in euros, as sponsored, calculated and published jointly by the European Banking Federation and ACI—The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, having the index maturity specified in the applicable pricing supplement, commencing on the applicable interest reset date, as the rate appears on the Moneyline Telerate service, or any successor service, on page 248 (or any other page as may replace such page on such service), which is commonly referred to as “**Telerate Page 248**,” as of 11:00 A.M., Brussels time, on the applicable interest determination date.

The following procedures will be followed if the rate cannot be determined as described above:

- If the above rate does not appear on Telerate Page 248, or is not so published by 11:00 A.M., Brussels time, on the applicable interest determination date, EURIBOR for such interest determination date will be the rate calculated by the calculation agent as the arithmetic mean of at least two quotations obtained by the calculation agent after requesting the principal Euro-zone (as defined below) offices of four major banks in the Euro-zone interbank market, which may include us, as selected by the calculation agent, to provide the calculation agent with its offered quotation for deposits in euros for the period of the index maturity designated in the applicable pricing supplement, commencing on the applicable interest reset date, to prime banks in the Euro-zone interbank market at approximately 11:00 A.M., Brussels time, on the applicable interest determination date and in a principal amount not less than the equivalent of U.S.\$1,000,000 in euros that is representative for a single transaction in euros in such market at such time.
- If fewer than two quotations are so provided, the rate on the applicable interest determination date will be calculated by the calculation agent and will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., Brussels time, on such interest determination date by four major banks in the Euro-zone for loans in euros to leading European banks, having the index maturity designated in the applicable pricing supplement, commencing on the applicable interest reset date and in principal amount not less than the equivalent of U.S.\$1,000,000 in euros that is representative for a single transaction in euros in such market at such time.
- If the banks so selected by the calculation agent are not quoting as set forth above, EURIBOR for that interest determination date will remain EURIBOR for the immediately preceding interest reset period, or, if there was no interest reset period, the rate of interest payable will be the initial interest rate.

“**Euro-zone**” means the region comprising member states of the European Union that have adopted a single currency in accordance with the relevant treaty of the European Union, as amended.

### ***Federal Funds Rate Notes***

Federal funds rate notes will bear interest at the interest rates specified in the applicable pricing supplement. Those interest rates will be based on the federal funds rate and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The “federal funds rate” means, for any interest determination date, the rate on that date for federal funds as published in H.15(519) under the heading “Federal Funds (Effective)” as displayed on Moneyline Telerate, or any successor service, on page 120 or any other page as may replace the applicable page on that service, which is commonly referred to as “**Telerate Page 120.**”

The following procedures will be followed if the federal funds rate cannot be determined as described above:

- If such rate does not appear on Telerate Page 120 or is not so published by 3:00 P.M., New York City time, on the calculation date pertaining to such interest determination date, the Federal Funds Rate will be the rate on such interest determination date as published in H.15 Daily Update, or such other recognized electronic service used for the purpose of displaying such rate, under the caption “Federal Funds (Effective).”
- If such rate does not appear on Telerate Page 120 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such calculation date, the Federal Funds Rate will be calculated by the calculation agent and will be the arithmetic mean on such interest determination date of the rates for the last transaction in overnight United States dollar federal funds arranged by each of three leading dealers in federal funds transactions in The City of New York (which may include us or our affiliates) selected by the calculation agent, as of 9:00 A.M., New York City time, on such interest determination date.
- If the dealers selected by the calculation agent are not quoting as set forth above, the federal funds rate for that interest determination date will remain the federal funds rate for the immediately preceding interest reset period, or, if there was no interest reset period, the rate of interest payable will be the initial interest rate.

### ***LIBOR Notes***

LIBOR notes will bear interest at the interest rates specified in the applicable pricing supplement. That interest rate will be based on London Interbank Offered Rate, which is commonly referred to as “**LIBOR,**” and any spread and/or spread multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The calculation agent will determine “LIBOR” for each interest determination date as follows:

- As of the interest determination date, LIBOR will be either:
  - if “LIBOR Reuters” is specified in the applicable pricing supplement, the arithmetic mean of the offered rates (unless the Designated LIBOR Page by its terms provides only for a single rate, in which case such single rate shall be used) for deposits in the Designated LIBOR Currency having an index maturity specified in such pricing supplement, commencing on the applicable interest reset date, that appear (or, if only a single rate is

required as aforesaid, appears) on the Designated LIBOR Page as of 11:00 A.M., London time, on such interest determination date, or

- if “LIBOR Telerate” is specified in the applicable pricing supplement or if neither “LIBOR Reuters” nor “LIBOR Telerate” is specified in the applicable pricing supplement as the method for calculating LIBOR, the rate for deposits in the Designated LIBOR Currency having the index maturity specified in such pricing supplement, commencing on such interest reset date, that appears on the Designated LIBOR Page as of 11:00 A.M., London time, on such LIBOR interest determination date.
- With respect to an interest determination date on which fewer than two offered rates appear, or no rate appears, as the case may be, on the Designated LIBOR Page as specified above, the calculation agent will request the principal London offices of each of four major reference banks (which may include us or our affiliates) in the London interbank market, as selected by the calculation agent, to provide the calculation agent with its offered quotation for deposits in the Designated LIBOR Currency for the period of the index maturity specified in the applicable pricing supplement, commencing on the applicable interest reset date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such interest determination date and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such interest determination date will be the arithmetic mean of such quotations.
- If fewer than two such quotations are so provided, then LIBOR on such interest determination date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable principal financial center, on such interest determination date by three major banks (which may include us or our affiliates) in such principal financial center selected by the calculation agent for loans in the Designated LIBOR Currency to leading European banks, having the index maturity specified in the applicable pricing supplement and in a principal amount that is representative for a single transaction in the Designated LIBOR Currency in such market at such time.
- If the banks so selected by the calculation agent are not quoting as set forth above, LIBOR for that interest determination date will remain LIBOR for the immediately preceding interest reset period, or, if there was no interest reset period, the rate of interest payable will be the initial interest rate.

“**Designated LIBOR Page**” means: (a) if “LIBOR Reuters” is specified in the applicable pricing supplement, the display on the Reuters Monitor Money Rates Service (or any successor service) on the page specified in such pricing supplement (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for the Designated LIBOR Currency, or (b) if “LIBOR Telerate” is specified in the applicable pricing supplement or neither “LIBOR Reuters” nor “LIBOR Telerate” is specified in the applicable pricing supplement as the method for calculating LIBOR, the display on the Moneyline Telerate service, or any successor service, on the page specified in such pricing supplement (or any other page as may replace such page on such service) for the purpose of displaying the London interbank rates of major banks for the Designated LIBOR Currency.

### ***Prime Rate Notes***

Prime rate notes will bear interest at the interest rates specified in the applicable pricing supplement. That interest rate will be based on the prime rate and any spread and/or spread

multiplier, and will be subject to the minimum interest rate and the maximum interest rate, if any.

The “prime rate” means, for any interest determination date, the rate on that date as published in H.15(519) under the heading “Bank Prime Loan.”

The following procedures will be followed if the prime rate cannot be determined as described above:

- If the above rate is not published by 3:00 P.M., New York City time, on the calculation date pertaining to such interest determination date, the prime rate on such interest determination date will be the rate on such interest determination date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption “Bank Prime Loan.”
- If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 P.M., New York City time, on such calculation date, the prime rate shall be calculated by the calculation agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME 1 Page (as hereinafter defined) as such bank’s prime rate or base lending rate as of 11.00 A.M., New York City time, on such interest determination date.
- If fewer than four such rates so appear on the Reuters Screen US PRIME 1 Page for such interest determination date, then the prime rate shall be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such interest determination date by four major money center banks (which may include us or our affiliates) in The City of New York selected by the calculation agent.
- If fewer than four such quotations are so provided, then the prime rate shall be the arithmetic mean of four prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such interest determination date as furnished in The City of New York by the major money center banks, if any, that have provided such quotations and by a reasonable number of substitute banks or trust companies (which may include us or our affiliates), provided such substitute banks or trust companies are organized and doing business under the laws of the United States, or any State thereof, each having total equity capital of at least \$500 million and being subject to supervision or examination by a Federal or state authority, selected by the calculation agent to provide such rate or rates.
- If the banks or trust companies selected by the calculation agent are not quoting as set forth above, the prime rate for that interest determination date will remain the prime rate for the immediately preceding interest reset period, or, if there was no interest reset period, the rate of interest payable will be the initial interest rate.

“Reuters Screen US PRIME 1 Page” means the display designated as page “US PRIME 1” on the Reuters Monitor Money Rates Service, or any successor service, or any other page as may replace the US PRIME 1 Page on that service for the purpose of displaying prime rates or base lending rates of major United States banks.

### ***Treasury Rate Notes***

Treasury rate notes will bear interest at the interest rates specified in the applicable pricing supplement. That interest rate will be based on the Treasury rate and any spread and/or spread



multiplier and will be subject to the minimum interest rate and the maximum interest rate, if any.

The "Treasury rate" will be determined as of each interest determination date relating to a Treasury rate note and will be the rate from the auction held on such interest determination date, which we refer to as the auction, of direct obligations of the United States, which are commonly referred to as "**Treasury Bills**," having the index maturity specified in the applicable pricing supplement as such rate appears under the caption "Investment Rate" on the display on the Moneyline Telerate service, or any successor service, on page 56 (or any other page as may replace such page on such service), which we refer to as "**Telerate Page 56**," or page 57 (or any other page as may replace such page on such service), which we refer to as "**Telerate Page 57**,"

The following procedures will be followed if the Treasury rate cannot be determined as described above.

- If the above rate is not so published by 3:00 P.M., New York City time, on the related calculation date, the Treasury rate shall be calculated by the calculation agent and will be the bond equivalent yield (as defined below) of the rate for such Treasury Bills as published in H.15 Daily Update, or such other recognized electronic source used for the purposes of displaying such rate, under the caption "U.S. Government Securities/Treasury Bills/auction High."
- If such rate is not so published by 3:00 P.M., New York City time, on the related calculation date, the Treasury rate will be calculated by the calculation agent and shall be the bond equivalent yield of the auction rate of such Treasury Bills as announced by the United States Department of the Treasury.
- In the event that the auction rate of Treasury Bills having the index maturity specified in the applicable pricing supplement is not so announced by the United States Department of the Treasury, or if no such auction is held, then the Treasury rate will be calculated by the calculation agent and will be the bond equivalent yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such interest determination date, of three primary United States government securities dealers (which may include us or our affiliates) selected by the calculation agent, for the issue of Treasury Bills with a remaining maturity closest to the index maturity specified in the applicable pricing supplement.
- If the dealers selected by the calculation agent are not quoting as set forth above, the Treasury rate for that interest determination date will remain the Treasury rate for the immediately preceding interest reset period, or, if there was no interest reset period, the rate of interest payable will be the initial interest rate.

The "**bond equivalent yield**" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{bond equivalent yield} = \frac{D \times N}{360 - (D \times M)} \times 100$$

In this formula, "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the interest period for which interest is being calculated.

### **Renewable Notes**

We may also issue “renewable notes,” which will mature on an interest payment date specified in the applicable pricing supplement, unless the maturity of all or a portion of the principal amount of the notes is extended by the holders in accordance with the procedures set forth in the applicable pricing supplement.

## **Interest and Principal Payments**

### **Paying Agent**

We have appointed Deutsche Bank Trust Company Americas, 60 Wall Street, New York, NY 10005 as our current paying agent for the notes. We may appoint one or more financial institutions to act as our paying agents at whose designated offices notes in certificated (*i.e.*, definitive) form may be surrendered for payment at their maturity. We may add, replace or terminate paying agents from time to time. We may also choose to act as our own paying agent. We will notify you of changes in the paying agents.

### **Payments of Interest**

The paying agent will pay interest to the person in whose name the note is registered at the close of business on the applicable record date. However, upon maturity, redemption or repayment, the paying agent will pay any interest due to the person to whom it pays the principal of the note. The paying agent will make the payment of interest on the date of maturity, redemption or repayment, whether or not that date is an interest payment date. The paying agent will make the initial interest payment on a note on the first interest payment date falling after the date of issuance, unless the date of issuance is less than 15 calendar days before an interest payment date. In that case, the paying agent will pay interest on the next succeeding interest payment date to the holder of record on the record date corresponding to the succeeding interest payment date.

*Book-entry and other indirect owners should consult their banks or brokers for information on how they will receive payments on their notes.*

### **Payment Procedures for Notes Denominated in U.S. Dollars**

**Payments on Global Notes.** The paying agent will make payments of principal, premium, if any, and interest, if any, to the account of the Depositary, as holder of the global notes, by wire transfer of immediately available funds or transfer of other property. We expect that the Depositary, upon receipt of any payment, will immediately credit its participants’ accounts in amounts proportionate to their respective beneficial interests in the global notes as shown on the records of the Depositary. We also expect that payments by the Depositary’s participants to owners of beneficial interests in the global notes will be governed by standing customer instructions and customary practices and will be the responsibility of those participants.

**Payments on Certificated Notes.** The paying agent will make U.S. dollar payments on the notes as follows:

- the principal, premium (if any) or interest (if any) due at maturity or, if applicable, earlier redemption or repayment, shall be paid in immediately available funds or transfer of other

property only upon presentation of such certificated note at the corporate trust office of the paying agent;

- the interest (if any) due on each interest payment date (other than interest payable at maturity, early redemption or repayment) shall be paid by check mailed to the record holder of such certificated note on the record date; or
- for holders of the equivalent of at least U.S. \$10,000,000 in aggregate principal amount of certificated notes (having identical tenor and terms), the interest shall be paid on each interest payment date by wire transfer of immediately available funds, if appropriate wire transfer instructions have been received by the paying agent not less than 16 days prior to such interest payment date.

### **Payment Procedures for Notes Denominated in a Foreign Currency**

**Payments on Global Notes.** We will make payments on a global note in accordance with the applicable policies of the Depository as in effect from time to time. Payments made by us on foreign currency notes will be made in U.S. dollars, unless otherwise specified in the applicable pricing supplement or unless the holder elects to receive payments in the specified currency (if this right is set forth in the applicable pricing supplement).

*Beneficial owners should consult their banks or broker-dealers for information on how to request payment in the specified currency and to ascertain the deadline for giving instructions to them in order to ensure that timely notice will be delivered to the Depository.*

**Payments on Certificated Notes.** Payments made by us on foreign currency notes will be made in U.S. dollars, unless otherwise specified in the applicable pricing supplement or unless the holder elects to receive payments in the specified currency (if this right is set forth in the applicable pricing supplement). If so specified, a holder may elect to receive payment in the specified currency for certain specified payments or all payments (in which case a holder would no longer need to file a separate election for each payment). To make such an election, the paying agent must receive a written request from the holder:

- for payments of interest, on a date prior to the record date for the relevant interest payment date; or
- for payments of principal, at least 10 calendar days prior to the maturity date (or any redemption date or repayment date);

*provided*, that any such election is irrevocable as to the next succeeding payment to which it relates. If such election is made as to full payment on a note, the election may thereafter be revoked so long as the paying agent is notified of the revocation within the time period set forth above.

Banks in the United States offer non-U.S. dollar-denominated checking or savings account facilities in the United States only on a limited basis. Accordingly, unless otherwise indicated in the applicable pricing supplement, payments of principal of, premium (if any) and interest (if any) on foreign currency notes to be made in a specified currency other than U.S. dollars will be made to an account at a bank outside the United States that is acceptable to both us and the paying agent, unless we agree to alternative arrangements.

*Indirect holders (including those who hold notes in street name) should consult their banks or broker-dealers for information on how to request payment in the specified currency and to ascertain the deadline for giving instructions to them in order to ensure that timely notice will be delivered to the paying agent.*

If the holder does not elect to be paid in the specified currency, we will make payments in U.S. dollars as follows:

- the principal, premium (if any) or interest (if any) due at maturity or, if applicable, earlier redemption or repayment, shall be paid in immediately available funds only upon presentation of such certificated note at the corporate trust office of the paying agent;
- the interest (if any) due on each interest payment date (other than interest payable at maturity, early redemption or repayment) shall be paid by check mailed to the record holder of such certificated note on the record date; or
- for holders of the equivalent of at least U.S. \$10,000,000 in one or more foreign currencies or currency units in aggregate principal amount of certificated notes (having identical tenor and terms), the interest shall be paid on each interest payment date by wire transfer of immediately available funds, if appropriate wire transfer instructions have been received by the paying agent not less than 16 days prior to such interest payment date.

***Determination of Exchange Rate for Payments in U.S. Dollars for Notes Denominated in a Foreign Currency.*** Deutsche Bank AG, London Branch, will act as exchange rate agent and convert the specified currency into U.S. dollars for holders who will be receiving payments in U.S. dollars rather than the specified currency. Unless otherwise provided in the applicable pricing supplement, the conversion will be based on the highest bid quotation in The City of New York received by the exchange rate agent at approximately 11:00 a.m., New York City time, on the second business day preceding the applicable payment date from three recognized foreign exchange dealers for the purchase by the quoting dealer:

- of the specified currency for U.S. dollars for settlement on the payment date;
- in the aggregate amount of the specified currency payable to those holders or beneficial owners of notes; and
- at which the applicable dealer commits to execute a contract.

One of the dealers providing quotations may be the exchange rate agent, even if such agent is an affiliate of ours. If those bid quotations are not available, payments will be made in the specified currency. The holders or beneficial owners of notes will pay all currency exchange costs by deductions from the amounts payable on the notes.

***Adoption of Euro.*** If a country that is or becomes a member state of the European Union decides to participate in Stage III of the European Economic and Monetary Union (EMU) and adopts or has adopted the euro, then all payment amounts in respect of notes denominated or payable in the currency of such country will be calculated in euros in conformity with legally applicable measures taken pursuant to, or by virtue of, applicable law, and such payment will not constitute an event of default under the indenture or the notes. However, a holder will receive actual payment on such notes in U.S. dollars instead of euros, as described in

“—Payment on Global Notes” and “—Payment on Certificated Notes” above, unless the appropriate election is made to receive the payment in the specified currency.

**Unavailability of Foreign Currency.** The relevant specified currency may not be available to us for making payments of principal of, premium on (if any) or interest (if any) on any note. This could occur (a) due to the imposition of exchange controls or other circumstances beyond our control; (b) if a currency unit is no longer used for the purposes for which it was established; or (c) if the specified currency is no longer used by the government of the country issuing that currency or by public institutions within the international banking community for the settlement of transactions, in each such case as determined in good faith by us.

Except with respect to notes denominated or payable in currencies of existing members of, or candidate countries to the European Union, that adopt the euro (as described in “—Adoption of Euro” above), if the specified currency is unavailable, we may satisfy our obligations to holders of the notes by making those payments on the date of payment in U.S. dollars or such foreign currency or currency unit as may be specified in the applicable pricing supplement. This “**substitute currency**” will become the currency of payment on each payment date occurring after the last date on which the specified currency was available, which we refer to as the “**conversion date**” (but such specified currency will, at our election, resume being the currency of payment on the first such payment date preceded by 15 business days during which the circumstances which gave rise to the change of currency no longer prevail, in each case, as determined in good faith by us).

The substitute currency amount to be paid by us to the paying agent and by the paying agent to the holder of a note with respect to such payment date will be the currency equivalent or currency unit equivalent (each as defined below) of the specified currency as determined by the exchange rate agent (which determination will be delivered in writing to the paying agent not later than the fifth business day prior to the applicable payment date) as of the conversion date or, if later, the date most recently preceding the payment date in question on which such determination is possible of performance, but not more than 15 business days before such payment date. Such conversion date or date preceding a payment date is referred to as the “**valuation date.**” Any payment in a substitute currency under the circumstances described above will not constitute an event of default under the notes.

The “**currency equivalent**” will be determined by the exchange rate agent as of each valuation date and will be obtained by converting the specified currency (unless the specified currency is a currency unit) into the substitute currency at the market exchange rate (as defined below) on the valuation date.

The “**currency unit equivalent**” will be determined by the exchange rate agent as of each valuation date and will be the sum obtained by adding together the results obtained by converting the specified amount of each initial component currency into the substitute currency at the market exchange rate on the valuation date for such component currency.

“**Component currency**” means any currency which, on the conversion date, was a component currency of the relevant currency unit.

“**Market exchange rate**” means, as of any date, for any specified currency (including any currency unit), the noon buying rate for such currency in New York City for cable transfers payable in foreign currencies, as reported by the Federal Reserve Bank of New York. If the market exchange rate is not available for any reason with respect to one or more currencies or currency units for which an exchange rate is required, the exchange rate agent will use, in its

sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City or in the country of issue of the currency or currency unit in question, or such other quotations as the exchange rate agent shall deem appropriate. If there is more than one market for dealing in any currency or currency unit by reason of foreign exchange regulations or otherwise, the market to be used in respect of such currency or currency unit will be that upon which a non-resident issuer of securities designated in such currency or currency unit would, as determined in its sole discretion and without liability on the part of the exchange rate agent, purchase such currency or currency unit in order to make payments in respect of such securities.

**“Specified amount”** of a component currency means the number of units (including decimals) which such component currency represented in the relevant currency unit, on the conversion date or the valuation date or the last date the currency unit was so used, whichever is later. If after such date the official unit of any component currency is altered by way of combination or subdivision, the specified amount of such component currency will be divided or multiplied in the same proportion. If after such date two or more component currencies are consolidated into a single currency, the respective specified amounts of such component currencies will be replaced by an amount in such single currency equal to the sum of the respective specified amounts of such consolidated component currencies expressed in such single currency, and such amount will thereafter be a specified amount and such single currency will thereafter be a component currency. If after such date any component currency will be divided into two or more currencies, the specified amount of such component currency will be replaced by specified amounts of such two or more currencies, the sum of which, at the market exchange rate of such two or more currencies on the date of such replacement, will be equal to the specified amount of such former component currency and such amounts will thereafter be specified amounts and such currencies will thereafter be component currencies.

All determinations referred to above made by us will be at our sole discretion and will, in the absence of manifest error, be conclusive for all purposes and binding on holders.

**Exchange Rate Agent.** If we issue a note in a specified currency other than U.S. dollars, we will appoint a financial institution to act as the exchange rate agent. Unless otherwise specified in the applicable pricing supplement, the exchange rate agent will be Deutsche Bank AG, London Branch. We may change the exchange rate agent from time to time after the original issue date of the note without your consent and without notifying you of the change.

All determinations made by the exchange rate agent will be at its sole discretion unless we state in a pricing supplement that any determination is subject to our approval. In the absence of manifest error, those determinations will be conclusive for all purposes and binding on you and us, without any liability on the party of the exchange rate agent.

### **Redemptions and Repurchases of Notes**

**Optional Redemption.** Unless otherwise indicated in the applicable pricing supplement, the notes will not be redeemable prior to maturity. If redemption is provided for in the applicable pricing supplement, we will have the option to redeem a note on and after the date, if any, fixed at the time of sale, which we refer to as the initial redemption date. Unless otherwise specified in the applicable pricing supplement, on and after a note’s initial redemption date, we will have the option to redeem such note in whole or in part in increments of \$1,000 principal amount (or, if such note is denominated in a foreign currency, in such other amount in one or more foreign



currencies or currency units as shall be set forth in the applicable pricing supplement) at a redemption price determined in accordance with the following, together with accrued and unpaid interest, if any, payable on the date of redemption.

Unless otherwise specified in the applicable pricing supplement, the redemption price for each note or part thereof subject to redemption shall be:

- (i) in the case of an interest-bearing note, the principal amount of such note or part thereof redeemed, or
- (ii) in the case of a non-interest-bearing note, an amount equal to the issue price thereof plus accrued original issue discount to the redemption date,

multiplied in each case by an initial redemption percentage, which shall be the percentage set forth in the applicable pricing supplement, of, in the case of a non-interest-bearing note, the face amount (and in the case of an interest-bearing note, the principal amount) of such note and, if applicable, shall decline on each anniversary of the initial redemption date by the annual redemption percentage reduction set forth in the applicable pricing supplement;

*provided, however,* that in no event shall the redemption price be less than 100% of such principal amount or face amount, as the case may be, unless otherwise specified in the applicable pricing supplement. The initial redemption percentage and any annual redemption percentage reduction with respect to each note subject to redemption prior to maturity will be fixed at the time of sale and set forth in the applicable pricing supplement. We will mail a notice of redemption to each holder by first-class mail, postage prepaid, at least 30 days and not more than 60 days prior to the date fixed for redemption, or within the redemption notice period designated in the applicable pricing supplement, to the address of each holder as that address appears upon the books maintained by the paying agent.

**Repayment at Option of Holder.** If applicable, the pricing supplement relating to each note will indicate that the holder has the option to have us repay the note on one or more optional repayment dates specified prior to its maturity date. Unless otherwise specified in the applicable pricing supplement, the repayment price will be equal to 100% of the principal amount of the note, together with accrued interest to the date of repayment. For notes issued with original issue discount, the repayment price is described under “Description of Notes—Types of Notes—Original Issue Discount Notes.”

Unless otherwise specified in the applicable pricing supplement, for us to repay a note, the paying agent must receive the following at least 30 days but not more than 60 days prior to the repayment date:

- the note with the form entitled “Option to Elect Repayment” (as included in the applicable pricing supplement); or
- a telegram, telex, facsimile transmission or a letter from a member of a national securities exchange, or the National Association of Securities Dealers, Inc. or a commercial bank or trust company in the United States setting forth the name of the holder of the note, the principal amount of the note, the principal amount of the note to be repaid, the certificate number or a description of the tenor and terms of the note, a statement that the option to elect repayment is being exercised and a guarantee that the note to be repaid, together with the duly completed form entitled “Option to Elect Repayment,” with any unmatured coupons will be received by the paying agent not later than the fifth business day after the date of that telegram, telex, facsimile transmission or letter. However, the telegram, telex, facsimile

transmission or letter will only be effective if that note and form duly completed are received by the paying agent by the fifth business day after the date of that telegram, telex, facsimile transmission or letter.

Exercise of the repayment option by the holder of a note will be irrevocable. The holder may exercise the repayment option for less than the entire principal amount of the note but, in that event, the principal amount of the note remaining outstanding after repayment must be an authorized denomination.

**Special Requirements for Optional Repayment of Global Notes.** If a note is represented by a global note, the Depository or the Depository's nominee will be the holder of the note and therefore will be the only entity that can exercise a right to repayment. In order to ensure that the Depository's nominee will timely exercise a right to repayment of a particular note, the beneficial owner of the note must instruct the broker or other direct or indirect participant through which it holds an interest in the note to notify the Depository of its desire to exercise a right to repayment. Different firms have different cut-off times for accepting instructions from their customers and, accordingly, each beneficial owner should consult the broker or other direct or indirect participant through which it holds an interest in a note in order to ascertain the cut-off time by which an instruction must be given in order for timely notice to be delivered to the Depository.

*Street name and other indirect owners should contact their banks or brokers for information about how to exercise a repayment right in a timely manner.*

**Open Market Purchases.** We may purchase notes at any price in the open market or otherwise. Notes so purchased by us may, at our discretion, be held or resold or surrendered to the trustee for cancellation.

### Form, Exchange and Transfer

Certificated (*i.e.*, definitive) notes may be registered or transferred at the office of Deutsche Bank Trust Company Americas, 60 Wall Street, New York, New York, 10005, as our current transfer agent for the transfer and exchange of the notes. If a note is issued as a global note, only the depository will be entitled to transfer and exchange the note as described in this subsection, because it will be the only holder of the note. Global notes may be transferred and exchanged only in the manner and to the extent set forth under "Forms of Securities—Global Securities" in the prospectus.

**Transfer Agent.** We may appoint entities other than, or in addition to, the trustee to perform the functions of a transfer agent, or we may perform them ourselves. We may cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts. If we have designated additional transfer agents for a particular note, they will be named in the applicable pricing supplement.

**Redemptions and Repurchases.** We will not be required to:

- register the transfer or exchange of any note if the holder has exercised the holder's right, if any, to require us to repurchase the note, in whole or in part, except the portion of the note not required to be repurchased;

- register the transfer or exchange of notes to be redeemed for a period of fifteen calendar days preceding the mailing of the relevant notice of redemption; or
- register the transfer or exchange of any registered note selected for redemption in whole or in part, except the unredeemed or unpaid portion of that registered note being redeemed in part.

**Charges.** No service charge will be made for any registration or transfer or exchange of notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the registration of transfer or exchange of notes.

### **Replacement of Notes**

At the expense of the holder, we may, in our discretion, replace any notes that become mutilated, destroyed, lost or stolen or are apparently destroyed, lost or stolen. The mutilated notes must be delivered to the trustee, the paying agent and the registrar, in the case of registered notes, or satisfactory evidence of the destruction, loss or theft of the notes must be delivered to us, the paying agent, the registrar, in the case of registered notes, and the trustee. At the expense of the holder, an indemnity that is satisfactory to us, the principal paying agent, the registrar, in the case of registered notes, and the trustee may be required before a replacement note will be issued.

## THE DEPOSITARY

The Depository Trust Company, New York, New York will be designated as the depository for any registered global note. Each registered global note will be registered in the name of Cede & Co., the Depository's nominee.

***What Is the Depository?*** The Depository is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. The Depository holds securities deposited with it by its direct participants, and it facilitates the settlement of transactions among its direct participants in those securities through electronic computerized book-entry changes in participants' accounts, eliminating the need for physical movement of securities certificates. The Depository's direct participants include both U.S. and non-U.S. securities brokers and dealers, including the agents, banks, trust companies, clearing corporations and other organizations, some of whom and/or their representatives own the Depository. Access to the Depository's book-entry system is also available to others, such as both U.S. and non-U.S. brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to the Depository and its participants are on file with the SEC.

***Beneficial Ownership Interests and the Depository's Book-Entry System.*** Purchases of the notes under the Depository's system must be made by or through its direct participants, which will receive a credit for the notes on the Depository's records. The ownership interest of each actual purchaser of each note (the "beneficial owner") is in turn to be recorded on the records of direct and indirect participants. Beneficial owners will not receive written confirmation from the Depository of their purchase, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the notes are to be made by entries on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in notes, except in the event that use of the book-entry system for the notes is discontinued.

To facilitate subsequent transfers, all notes deposited with the Depository are registered in the name of the Depository's partnership nominee, Cede & Co, or such other name as may be requested by the Depository. The deposit of notes with the Depository and their registration in the name of Cede & Co. or such other nominee of the Depository do not effect any change in beneficial ownership. The Depository has no knowledge of the actual beneficial owners of the notes; the Depository's records reflect only the identity of the direct participants to whose accounts the notes are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

***Notices and Communications.*** Conveyance of notices and other communications by the Depository to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

***Voting.*** Neither the Depository nor Cede & Co. (nor such other nominee of the Depository) will consent or vote with respect to the notes unless authorized by a direct participant in accordance

with the Depositary's procedures. Under its usual procedures, the Depositary mails an omnibus proxy to us as soon as possible after the applicable record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants identified in a listing attached to the omnibus proxy to whose accounts the notes are credited on the record date.

**Payments.** Redemption proceeds, distributions, and other payments on the notes will be made to Cede & Co or such other nominee as may be requested by the Depositary. The Depositary's practice is to credit direct participants' accounts upon the Depositary's receipt of funds or other property and corresponding detail information from us or any agent of ours, on the date payable in accordance with their respective holdings shown on the Depositary's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such participant and not of the Depositary or its nominee, the trustee, any agent of ours, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of redemption proceeds, distributions, and other payments to Cede & Co. or such other nominee as may be requested by the Depositary is the responsibility of us or of any paying agent of ours, disbursement of such payments to direct participants will be the responsibility of the Depositary, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

**Discontinuance of the Depositary.** The Depositary may discontinue providing its services as depositary with respect to the notes at any time by giving reasonable notice to us or our agent. Under such circumstances, in the event that a successor depositary is not obtained by us within 90 days, security certificates are required to be printed and delivered. See "Forms of Securities—Global Securities" in the prospectus.

We may decide to discontinue use of the system of book-entry transfers through the Depositary or any successor depositary. In that event, security certificates will be printed and delivered. See "Forms of Securities—Global Securities" in the prospectus.

*According to the Depositary, the foregoing information relating to the Depositary has been provided to the financial community for informational purposes only and is not intended to serve as a representation, warranty or contract modification of any kind. The information in this section concerning the Depositary and its book-entry system has been obtained from sources we believe to be reliable, but we take no responsibility for the accuracy thereof. The Depositary may change or discontinue the foregoing procedures at any time. See "Form of Securities" in the accompanying prospectus for additional information about the form of notes.*

## **SERIES A NOTES OFFERED ON A GLOBAL BASIS**

If we offer any of the notes under our Series A program on a global basis, we will so specify in the applicable pricing supplement. The additional information contained in this section under “—Book Entry, Delivery and Form” and “—Global Clearance and Settlement Procedures” will apply to every offering on a global basis. The additional provisions described under “—Tax Redemption” and “—Payment of Additional Amounts” will apply to notes offered on a global basis only if we so specify in the applicable pricing supplement.

### **Book-Entry, Delivery and Form**

The notes will be issued in the form of one or more fully registered global notes which will be deposited with, or on behalf of, the Depositary and registered in the name of Cede & Co., the Depositary’s nominee. Beneficial interests in the registered global notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in the Depositary. If specified in the applicable pricing supplement, investors may elect to hold interests in the registered global notes held by the Depositary through Clearstream, Luxembourg or the Euroclear operator if they are participants in those systems, or indirectly through organizations which are participants in those systems. Clearstream, Luxembourg and the Euroclear operator will hold interests on behalf of their participants through customers’ securities accounts in Clearstream, Luxembourg’s and the Euroclear operator’s names on the books of their respective depositaries, which in turn will hold such interests in the registered global notes in customers’ securities accounts in the depositaries’ names on the books of the Depositary. Citibank N.A. will act as depositary for Clearstream, Luxembourg and JPMorgan Chase Bank, N.A. will act as depositary for the Euroclear operator. We refer to each of Citibank, N.A. and JPMorgan Chase Bank, N.A., acting in this depositary capacity, as the “U.S. depositary” for the relevant clearing system. Except as set forth below, the registered global notes may be transferred, in whole but not in part, only to the Depositary, another nominee of the Depositary or to a successor of the Depositary or its nominee.

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a bank. Clearstream, Luxembourg holds securities for its customers, “Clearstream, Luxembourg customers,” and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg customers through electronic book-entry transfers between their accounts, thereby eliminating the need for physical movement of securities. Clearstream, Luxembourg provides to Clearstream, Luxembourg customers, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic securities markets in over 30 countries through established depositary and custodial relationships. As a bank, Clearstream, Luxembourg is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Clearstream, Luxembourg’s U.S. customers are limited to securities brokers and dealers and banks. Indirect access to Clearstream, Luxembourg is also available to other institutions such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream, Luxembourg customer. Clearstream, Luxembourg has established an electronic bridge with the Euroclear operator to facilitate settlement of trades between Clearstream, Luxembourg and the Euroclear operator.



Distributions with respect to the notes held through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg customers in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream, Luxembourg.

The Euroclear operator advises that the Euroclear System was created in 1968 to hold securities for its participants, "Euroclear participants," and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. The Euroclear System is owned by Euroclear Clearance System Public Limited Company and operated through a license agreement by the Euroclear operator, a bank incorporated under the laws of the Kingdom of Belgium. The Euroclear operator is regulated and examined by the Belgian Banking and Finance Commission and the National Bank of Belgium.

The Euroclear operator holds securities and book-entry interests in securities for participating organizations and facilitates the clearance and settlement of securities transactions between Euroclear participants and between Euroclear participants and participants of certain other securities intermediaries through electronic book-entry changes in accounts of such participants or other securities intermediaries.

The Euroclear operator provides Euroclear participants with, among other things, safekeeping, administration, clearance and settlement, securities lending and borrowing and related services.

Non-participants of Euroclear may acquire, hold and transfer book-entry interests in notes through accounts with a direct participant of Euroclear or any other securities intermediary that holds a book-entry interest in the notes through one or more securities intermediaries standing between such other securities intermediary and the Euroclear operator.

Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, collectively, the "terms and conditions." The terms and conditions govern transfers of securities and cash within the Euroclear System, withdrawals of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear operator acts under the terms and conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to the notes held beneficially through the Euroclear System will be credited to the cash accounts of Euroclear participants in accordance with the terms and conditions, to the extent received by the U.S. depository for the Euroclear operator.

Although the Euroclear operator has agreed to the procedures provided below in order to facilitate transfers of securities among Euroclear participants and between Euroclear participants and participants of other intermediaries, it is under no obligation to perform or continue to perform in accordance with such procedures, and such procedures may be modified or discontinued at any time.

Investors electing to acquire securities through an account with the Euroclear operator or some other securities intermediary must follow the settlement procedures of such an intermediary with respect to the settlement of new issues of securities. Investors electing to acquire, hold or

transfer securities through an account with the Euroclear operator or some other securities intermediary must follow the settlement procedures of such an intermediary with respect to the settlement of secondary market transactions of such securities.

Investors who are Euroclear participants may acquire, hold or transfer interests in securities by book-entry to accounts with the Euroclear operator. Investors who are not Euroclear participants may acquire, hold or transfer interests in securities by book-entry to accounts with a securities intermediary who holds a book-entry interest in these securities through accounts with Euroclear.

The Euroclear operator further advises that investors that acquire, hold and transfer interests in securities by book-entry through accounts with the Euroclear operator or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between their intermediary and each other intermediary, if any, standing between themselves and the securities.

The Euroclear operator further advises that, under Belgian law, investors that are credited with securities on the records of the Euroclear operator have a co-property right in the fungible pool of interests in securities on deposit with the Euroclear operator in an amount equal to the amount of interests in securities credited to their accounts. In the event of the insolvency of the Euroclear operator, Euroclear participants would have a right under Belgian law to the return of the amount and type of interests in securities credited to their accounts with the Euroclear operator. If the Euroclear operator does not have a sufficient amount of interests in securities on deposit of a particular type to cover the claims of all participants credited with interests in securities of that type on the Euroclear operator's records, all participants having an amount of interests in securities of that type credited to their accounts with the Euroclear operator will have the right under Belgian law to the return of their pro rata share of the amount of interests in securities actually on deposit.

Under Belgian law, the Euroclear operator is required to pass on the benefits of ownership in any interests in securities on deposit with it (such as dividends, voting rights and other entitlements) to any person credited with those interests in securities on its records.

Individual certificates in respect of the notes will not be issued in exchange for the registered global notes, except in very limited circumstances. If the Depositary notifies us that it is unwilling or unable to continue as a clearing system in connection with the registered global notes or ceases to be a clearing agency registered under the Exchange Act, and a successor clearing system is not appointed by us within 90 days after receiving that notice from the Depositary or upon becoming aware that the Depositary is no longer so registered, we will issue or cause to be issued individual certificates in registered form on registration of transfer of, or in exchange for, book-entry interests in the notes represented by registered global notes upon delivery of those registered global notes for cancellation.

Title to book-entry interests in the notes will pass by book-entry registration of the transfer within the records of Clearstream, Luxembourg, the Euroclear operator or the Depositary, as the case may be, in accordance with their respective procedures. Book-entry interests in the notes may be transferred within Clearstream, Luxembourg and within the Euroclear System and between Clearstream, Luxembourg and the Euroclear System in accordance with procedures established for these purposes by Clearstream, Luxembourg and the Euroclear operator. Book-entry interests in the notes may be transferred within the Depositary in accordance with procedures established for this purpose by the Depositary. Transfers of book-entry interests in

the notes among Clearstream, Luxembourg and the Euroclear operator and the Depositary may be effected in accordance with procedures established for this purpose by Clearstream, Luxembourg, the Euroclear operator and the Depositary.

A further description of the Depositary's procedures with respect to the registered global notes is set forth in this prospectus supplement under "The Depositary." The Depositary has confirmed to us, DBSI, DBTCA and the trustee that it intends to follow those procedures.

### **Global Clearance and Settlement Procedures**

Initial settlement for the notes offered on a global basis will be made in immediately available funds. Secondary market trading between the Depositary's participants will occur in the ordinary way in accordance with the Depositary's rules and will be settled in immediately available funds using the Depositary's Same-Day Funds Settlement System. Secondary market trading between Clearstream, Luxembourg customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and the Euroclear System and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the Depositary on the one hand, and directly or indirectly through Clearstream, Luxembourg customers or Euroclear participants, on the other, will be effected through the Depositary in accordance with the Depositary's rules on behalf of the relevant European international clearing system by its U.S. depositary; however, these cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the clearing system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depositary to take action to effect final settlement on its behalf by delivering interests in the notes to or receiving interests in the notes from the Depositary, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the Depositary. Clearstream, Luxembourg customers and Euroclear participants may not deliver instructions directly to their respective U.S. depositaries.

Because of time-zone differences, credits of interests in the notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a Depositary participant will be made during subsequent securities settlement processing and dated the business day following the Depositary settlement date. Credits of interests or any transactions involving interests in the notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a Depositary participant and settled during subsequent securities settlement processing will be reported to the relevant Clearstream, Luxembourg customers or Euroclear participants on the business day following the Depositary settlement date. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of interests in the notes by or through a Clearstream, Luxembourg customer or a Euroclear participant to a Depositary participant will be received with value on the Depositary settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in the Depositary.

Although the Depositary, Clearstream, Luxembourg and the Euroclear operator have agreed to the foregoing procedures in order to facilitate transfers of interests in the notes among participants of the Depositary, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform the foregoing procedures and these procedures may be changed or discontinued at any time.

## Tax Redemption

If specified in the applicable pricing supplement, we may redeem, in whole but not in part, any of the notes under our Series A program offered on a global basis at our option at any time prior to maturity, upon the giving of a notice of tax redemption as described below, if we determine that, as a result of:

- any change in or amendment to the laws, or any regulations or rulings promulgated under the laws of a relevant jurisdiction (as defined below), or of any political subdivision or taxing authority thereof or therein affecting taxation; or
- any change in official position regarding the application or interpretation of the laws, regulations or rulings referred to above, which change or amendment becomes effective or, in the case of a change in official position, is announced, on or after the date of the applicable pricing supplement,

we have or will become obligated to pay additional amounts, as defined below under “—Payment of Additional Amounts,” with respect to any of those notes as described below under “—Payment of Additional Amounts.” See “Description of Notes—Exchangeable Notes—Payments upon Acceleration of Maturity or upon Tax Redemption.” The redemption price will be equal to 100% of the principal amount of the notes, except as otherwise specified in the applicable pricing supplement, together with accrued interest to the date fixed for redemption.

Prior to the giving of any notice of tax redemption, we will deliver to the trustee:

- a certificate stating that we are entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to our right to so redeem have occurred; and
- an opinion of independent legal counsel satisfactory to the trustee to the effect that we are entitled to effect the redemption based on the statement of facts set forth in the certificate;

*provided* that no notice of tax redemption may be given earlier than 60 days prior to the earliest date on which we would be obligated to pay the additional amounts if a payment in respect of the notes were then due.

Notice of tax redemption will be given not less than 30 nor more than 60 days prior to the date fixed for redemption, which date and the applicable redemption price will be specified in the notice. Notice will be given in accordance with “—Notices” below.

The term “**relevant jurisdiction**” as used herein means Germany or the jurisdiction of residence or incorporation of any successor corporation and the jurisdiction of any relevant issuing branch.

## Payment of Additional Amounts

Every net payment of the principal of and interest on any of the notes under our Series A program offered on a global basis, and any other amounts payable on such note will be made without any withholding or deduction for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or on behalf of any relevant jurisdiction, or by or on behalf of any political subdivision or authority therein or thereof having the power to tax (“**withholding taxes**”) unless such deduction or withholding is required by law. In such event, and if specified in the applicable pricing supplement, we will,

with respect to any of the notes and subject to certain exceptions and limitations set forth below, pay any additional amounts (the “**additional amounts**”) to the beneficial owners of any note as may be necessary in order that every net payment of the principal of and interest on such note and any other amounts payable on such note, after withholding or deduction for or on account of any present or future tax, assessment or governmental charge imposed upon or as a result of the payment by a relevant jurisdiction, as defined above under “—Tax Redemption,” or any political subdivision or taxing authority thereof or therein, will not be less than the amount provided for in such note to be then due and payable.

We will not, however, make any payment of additional amounts to any beneficial owner on account of:

- any present or future tax, assessment or other governmental charge that would not have been so imposed but for
  - any withholding taxes that are payable by reason of a holder or beneficial owner of the notes having some connection with any relevant jurisdiction other than by reason only of the mere holding or beneficial ownership of the notes; or
  - the presentation by or on behalf of the beneficial owner of such note for payment on a date more than 15 days after the date on which payment became due and payable or the date on which payment of such note is duly provided for, whichever occurs later;
- any estate, inheritance, gift, sales, transfer, excise, capital gains, or personal property tax or any similar tax, assessment or governmental charge;
- any tax, assessment or other governmental charge that is payable otherwise than by withholding or deduction from payments on or in respect of such note;
- any tax, assessment or other governmental charge required to be withheld by any paying agent from any payment of principal of, or interest on, such note, if payment can be made without withholding by at least one other paying agent;
- any tax, assessment or other governmental charge that would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence or identity of the beneficial owner of such note, if compliance is required by statute or by regulation of a relevant jurisdiction or of any political subdivision or taxing authority thereof or therein as a precondition to relief or exemption from the tax, assessment or other governmental charge; or
- any combination of the items listed above.

In addition, we will not be required to make any payment of additional amounts with respect to any note presented for payment:

- with respect to any withholding taxes which are deducted or withheld pursuant to (i) European Council Directive 2003/48/EC or any other European Union Directive or Regulation implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or (ii) any international treaty or understanding entered into for the purpose of facilitating cooperation in the reporting and collection of savings income and to which (x) the United States, and (y) the European Union or Germany is a party, or (iii) any provision of law implementing, or complying with, or introduced to conform with, such Directive, Regulation, treaty or understanding; or
- to the extent such deduction or withholding can be avoided or reduced if the holder or beneficial owner of the note makes a declaration of non-residence or other similar claim for exemption to the relevant tax authority or complies with any reasonable certification, documentation, information or other reporting requirement imposed by the relevant tax

authority; provided, however, that the exclusion in this clause will not apply if the certification, information, documentation or other reporting requirement would be materially more onerous (in form, procedure or substance of information required to be disclosed) to the holder or beneficial owner of note than comparable information or other reporting requirements imposed under U.S. tax law, regulation and administrative practice (such as IRS Forms W-8 and W-9)

- by or on behalf of a beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant note to another paying agent in a member state of the European Union.

Nor will we pay additional amounts with respect to any payment on a note to a holder who is a fiduciary or partnership or other than the sole beneficial owner of the payment to the extent the payment would be required by the laws of a relevant jurisdiction (or any political subdivision thereof) to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary or a member of the partnership or a beneficial owner who would not have been entitled to the additional amounts had the beneficiary, settlor, member or beneficial owner been the holder of the note.

### Notices

Notices to holders of the notes will be given by mailing such notices to each holder by first class mail, postage prepaid, at the respective address of each holder as that address appears upon our books. Notices to be given to holders of a global note will be given only to the Depositary, as the registered holder, in accordance with its applicable policies as in effect from time to time. We expect that any such notices will be passed on by the Depositary to the beneficial owners of interests in the notes in accordance with the standard rules and procedures of the Depositary and its direct and indirect participants, including Clearstream, Luxembourg and the Euroclear operator. Notices to be given in respect of notes held in street name will be given only to the bank, broker or other financial institution in whose name the notes are registered, and not the owner of any beneficial interests. Notices to be given to holders of certificated (*i.e.*, definitive) notes will be sent by mail to the respective addresses of the holders as they appear in the note register, and will be deemed given when mailed.

See also “Plan of Distribution—Series A Notes Offered on a Global Basis.”



## UNITED STATES FEDERAL INCOME TAXATION

The following is a general discussion of the material U.S. federal income tax consequences of ownership and disposition of the notes to holders who will hold the notes as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended to the date hereof (the “Code”). This summary is based on the Code, administrative pronouncements, judicial decisions and currently effective and proposed Treasury regulations, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described below, possibly on a retroactive basis. This summary does not address all aspects of U.S. federal income taxation that may be relevant to an investor in light of the investor’s particular circumstances or to certain types of investors subject to special treatment under the U.S. federal income tax laws, such as certain former citizens or residents of the United States, certain financial institutions, insurance companies, real estate investment trusts, regulated investment companies, tax-exempt entities, dealers and certain traders in securities or foreign currencies, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, persons who hold a note as a part of a hedging transaction, straddle, conversion or other integrated transaction, or a U.S. Holder (as defined below) who has a “functional currency” other than the U.S. dollar. You should consult your tax advisor regarding the application of U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or foreign jurisdiction.

The following discussion is subject to any additional discussion regarding U.S. federal income taxation set forth in the applicable product supplement and/or the applicable pricing supplement. Moreover, this discussion does not apply to any note that is not fully principally protected, many linked notes, mandatorily exchangeable notes or extendible notes. The tax treatment of these instruments will be specified in the applicable product supplement and/or the applicable pricing supplement. Accordingly, you should consult the applicable supplements for any additional discussion of U.S. federal income taxation before making a decision to invest in the specific instruments issued thereunder.

### **Tax Consequences to United States Holders**

You are a “United States holder” if, for U.S. federal income tax purposes, you are a beneficial owner of a note who is (i) a citizen or resident of the United States; (ii) a corporation created or organized under the laws of the United States or any political subdivision thereof; or (iii) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

### **Payments of Interest**

Unless otherwise indicated below or discussed in the applicable product supplement and/or pricing supplement, interest paid on a note will be taxable to a United States holder as ordinary interest income at the time it accrues or is received in accordance with the holder’s method of accounting for federal income tax purposes.

The amount of interest taxable as ordinary income will include amounts withheld, if any, in respect of non-U.S. taxes. Interest income earned by a United States holder with respect to a note will constitute foreign source income for U.S. federal income tax purposes if so specified in the applicable product supplement and/or pricing supplement.

Additional amounts paid pursuant to the obligations described under “Series A Notes Offered on a Global Basis—Payment of Additional Amounts” above will be treated as ordinary interest income.

Special rules governing the treatment of interest paid with respect to original issue discount notes, contingent notes and foreign currency notes are described below under “—Original Issue Discount,” “—Contingent Notes” and “—Foreign Currency Notes.”

Special rules governing the treatment of interest paid with respect to certain exchangeable notes, including optional, mandatory and reverse exchangeable notes, may apply and will be described in the applicable product and/or pricing supplement.

### Original Issue Discount

A note that has an “issue price” that is less than its “stated redemption price at maturity” will be considered to have been issued at an original issue discount for federal income tax purposes (and will be referred to as an “**original issue discount note**”) unless the note satisfies a *de minimis* threshold (as described below) or is a “short-term note” (as defined below). The “issue price” of a note will be the first price at which a substantial amount of the notes is sold to the public (not including sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The “stated redemption price at maturity” of a note generally will equal the sum of all payments required under the note other than payments of “qualified stated interest.” “Qualified stated interest” is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually during the entire term of the note and equal to the outstanding principal balance of the note multiplied by a single fixed rate of interest. In addition, qualified stated interest includes, among other things, stated interest on a “variable rate debt instrument” that is unconditionally payable (other than in debt instruments of the issuer) at least annually at a single qualified floating rate of interest or at a rate that is determined using a single fixed formula that is based on objective financial or economic information. In general, a rate is a qualified floating rate if variations in the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the note is denominated.

If the difference between a note’s stated redemption price at maturity and its issue price is less than a *de minimis* amount, *i.e.*,  $\frac{1}{4}$  of 1 percent of the stated redemption price at maturity multiplied by the number of complete years to maturity, then the note will not be considered to have original issue discount. United States holders of notes with a *de minimis* amount of original issue discount will include this original issue discount in income, as capital gain, on a *pro rata* basis as principal payments are made on the note.

A United States holder of original issue discount notes will be required to include any qualified stated interest payments in income in accordance with the holder’s method of accounting for federal income tax purposes. United States holders of original issue discount notes that mature

more than one year from their date of issuance will be required to include original issue discount in income for federal tax purposes as it accrues in accordance with a constant-yield method based on a compounding of interest, regardless of whether cash attributable to this income is received. Under this method, United States holders of original issue discount notes generally will be required to include in income increasingly greater amounts of original issue discount in successive accrual periods.

A United States holder may make an election to include in gross income all interest that accrues on any note (including stated interest, acquisition discount, original issue discount, *de minimis* original issue discount, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) in accordance with such constant-yield method based on the compounding of interest (a “**constant-yield election**”).

A note that matures one year or less from its date of issuance (a “**short-term note**”) will be treated as being issued at a discount and none of the interest paid on the note will be treated as qualified stated interest. In general, a cash method United States holder of a short-term note is not required to accrue the discount for U.S. federal income tax purposes unless it elects to do so. Holders who so elect and certain other holders, including those who report income on the accrual method of accounting for federal income tax purposes, are required to include the discount in income as it accrues on a straight-line basis, unless another election is made to accrue the discount according to a constant-yield method based on daily compounding. In the case of a United States holder who is not required and who does not elect to include the discount in income currently, any gain realized on the sale, exchange, or retirement of the short-term note will be ordinary income to the extent of the discount accrued on a straight-line basis (or, if elected, according to a constant-yield method based on daily compounding) through the date of sale, exchange or retirement. In addition, those United States holders will be required to defer deductions for any interest paid on indebtedness incurred to purchase or carry short-term notes in an amount not exceeding the accrued discount until the accrued discount is included in income.

We may have an unconditional option to redeem, or United States holders may have an unconditional option to require us to redeem, a note prior to its stated maturity date. Under applicable regulations, if we have an unconditional option to redeem a note prior to its stated maturity date, this option will be presumed to be exercised if, by utilizing any date on which the note may be redeemed as the maturity date and the amount payable on that date in accordance with the terms of the note as the stated redemption price at maturity, the yield on the note would be lower than its yield to maturity. If the United States holders have an unconditional option to require us to redeem a note prior to its stated maturity date, this option will be presumed to be exercised if making the same assumptions as those set forth in the previous sentence, the yield on the note would be higher than its yield to maturity. If, notwithstanding these presumptions, such an option were not in fact exercised, the note would be treated solely for purposes of calculating original issue discount as if it were redeemed, and a new note were issued, on the presumed exercise date for an amount equal to the note’s adjusted issue price on that date. The adjusted issue price of an original issue discount note is defined as the sum of the issue price of the note and the aggregate amount of previously accrued original issue discount, less any prior payments other than payments of qualified stated interest. If a note provides for conditional options to redeem (or otherwise calls for alternative payment schedules if a contingency occurs) and the timing and amount of the redemption price (or alternative payments) is known as of the issue date of such note, the payment schedule that is significantly more likely than not to occur is used to determine the yield and maturity of the debt instrument.

## Market Discount

If a United States holder purchases a note (other than a short-term note) for an amount that is less than its stated redemption price at maturity or, in the case of an original issue discount note, its adjusted issue price, the amount of the difference will be treated as market discount for federal income tax purposes, unless this difference is less than a specified *de minimis* amount.

A United States holder will be required to treat any principal payment (or, in the case of an original issue discount note, any payment that does not constitute qualified stated interest) on, or any gain on the sale, exchange, retirement or other disposition of a note, as ordinary income to the extent of the market discount accrued on the note at the time of the payment or disposition unless this market discount has been previously included in income by the United States holder pursuant to an election by the holder to include market discount in income as it accrues, or pursuant to a constant-yield election by the holder as described under “—Original Issue Discount” above. If the note is disposed of in certain nontaxable transactions, accrued market discount will be includible as ordinary income to the United States holder as if such holder had sold the note in a taxable transaction at its then fair market value. In addition, the United States holder may be required to defer, until the maturity of the note or its earlier disposition (including certain nontaxable transactions), the deduction of all or a portion of the interest expense on any indebtedness incurred or maintained to purchase or carry such note.

If a United States holder makes a constant-yield election for a note with market discount, such election will result in a deemed election for all market discount bonds acquired by the holder on or after the first day of the first taxable year to which such election applies.

## Acquisition Premium and Amortizable Bond Premium

A United States holder who purchases a note for an amount that is greater than the note's adjusted issue price but less than or equal to the sum of all amounts payable on the note after the purchase date other than payments of qualified stated interest will be considered to have purchased the note at an acquisition premium. Under the acquisition premium rules, the amount of original issue discount that the United States holder must include in its gross income with respect to the note for any taxable year will be reduced by the portion of acquisition premium properly allocable to that year.

If a United States holder purchases a note for an amount in excess of the sum of all amounts payable on the note after the purchase date (other than payments of qualified stated interest), the holder generally will be considered to have purchased the note with amortizable bond premium equal in amount to such excess. The holder generally may elect to amortize this premium, using a constant-yield method, over the remaining term of the note (where the note is not optionally redeemable prior to its maturity date). If, however, the note may be optionally redeemed prior to maturity after the holder has acquired it, the amount of amortizable bond premium is determined by substituting the redemption date for the maturity date and the redemption price for the amount payable at maturity if and only if the substitution results in a smaller amount of premium attributable to the period before the redemption date. A United States holder may generally use the amortizable bond premium allocable to an accrual period to offset qualified stated interest required to be included in such holder's income with respect to the note in that accrual period. A holder who elects to amortize bond premium must reduce its tax basis in the note by the amount of the premium amortized in any year. An election to amortize bond premium applies to all taxable debt obligations then owned and thereafter

acquired by the holder and may be revoked only with the consent of the United States Internal Revenue Service (the "IRS").

If a United States holder makes a constant-yield election (as described under "—Original Issue Discount" above) for a note with amortizable bond premium, such election will result in a deemed election to amortize bond premium for all of the holder's debt instruments with amortizable bond premium and may be revoked only with the permission of the IRS with respect to debt instruments acquired after revocation.

### **Sale, Exchange or Retirement of the Notes**

Upon the sale, exchange or retirement of a note, a United States holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the holder's adjusted tax basis in the note. For these purposes, the amount realized does not include any amount attributable to accrued interest on the note. Amounts attributable to accrued interest are treated as interest as described under "—Payments of Interest" above.

Except as described below, gain or loss realized on the sale, exchange or retirement of a note generally will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the note has been held for more than one year. Exceptions to this general rule apply to the extent of any accrued market discount or, in the case of a short-term note, to the extent of any accrued discount not previously included in the holder's taxable income. See "—Original Issue Discount" and "—Market Discount" above. In addition, other exceptions to this general rule apply in the case of contingent notes and foreign currency notes. See "—Contingent Notes" and "—Foreign Currency Notes" below.

### **Contingent Notes**

Certain floating rate notes, certain optionally exchangeable notes and certain other notes issued pursuant to this prospectus supplement might be subject to the rules governing contingent payment debt instruments ("contingent notes"). Generally, a contingent note provides for an alternative payment schedule or schedules applicable on the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency relates to payments of interest or of principal. Contingent notes generally will be subject to the original issue discount provisions of the Code and the Treasury regulations issued thereunder, and United States holders will be required to accrue as interest income the original issue discount as set forth below.

**No payment on a contingent note will be qualified stated interest.** Instead, a United States holder must account for interest for U.S. federal income tax purposes based on a "comparable yield" and the differences between actual payments on the note and the note's "projected payment schedule". We will determine the "comparable yield" for the contingent notes at the time of issuance of such notes. The comparable yield is the yield at which we could issue a fixed rate debt instrument with terms similar to those of the contingent note, including the level of subordination, term, timing of payments and general market conditions, but excluding any adjustments for the riskiness of the contingencies or the liquidity of the contingent note. The comparable yield may be greater than or less than the stated interest, if any, with respect to the contingent note.

Solely for purposes of determining the amount of interest income that a United States holder will be required to accrue, we also will construct a “projected payment schedule” in respect of the contingent note representing a series of payments the amount and timing of which would produce a yield to maturity on the contingent note equal to the comparable yield. The applicable product supplement and/or pricing supplement for a contingent note either will specify the relevant comparable yield and projected payment schedule for a given contingent note or will specify the name, address and telephone number of the individual from whom you may obtain such information upon submission of a written request. For U.S. federal income tax purposes, a United States holder will be required to use the comparable yield and the projected payment schedule established by us in determining the holder’s interest accruals and the adjustments thereto in respect of a contingent note, unless the holder timely discloses the use of other estimates to the IRS.

**Neither the comparable yield nor the projected payment schedule will constitute a representation by us regarding the actual amount, if any, that we will pay on a contingent note.**

Subject to a sale, exchange or retirement of a contingent note, United States holders will be required to accrue an amount of original issue discount for U.S. federal income tax purposes, for each accrual period prior to and including the maturity date of such note, that equals:

- the product of (i) the adjusted issue price of the note (as defined below for these purposes) as of the beginning of the accrual period and (ii) the comparable yield of the note, adjusted for the length of the accrual period;
- *divided by* the number of days in the accrual period; and
- *multiplied by* the number of days during the accrual period that said United States holder held the note.

For these purposes, the “adjusted issue price” is the issue price increased by any interest income previously accrued (without regard to any adjustments, as described below), and decreased by the amount of all prior scheduled payments with respect to the contingent note.

A United States holder also will be required to recognize interest income equal to the amount of any net positive adjustment, i.e., the excess of actual payments over projected payments, in respect of a contingent note for a taxable year. A net negative adjustment, i.e., the excess of projected payments over actual payments, in respect of a contingent note for a taxable year:

- will first reduce the amount of interest in respect of the contingent note that a United States holder would otherwise be required to include in income in the taxable year; and
- to the extent of any excess, will give rise to an ordinary loss equal to the excess of:
  - the amount of all previous interest inclusions under the contingent note over
  - the total amount of the United States holder’s net negative adjustments treated as ordinary loss on the contingent note in prior taxable years.

Any net negative adjustment in excess of the amounts described above will be carried forward to offset future interest income in respect of the contingent note or to reduce the amount realized on a sale, exchange or retirement of the contingent note. A net negative adjustment is not subject to the limitation imposed on miscellaneous itemized deductions under Section 67 of the Code.

Where a United States holder purchases a contingent note for a price other than its adjusted issue price, the difference between the purchase price and the adjusted issue price must be



reasonably allocated to the daily portions of interest or projected payments with respect to the contingent note over its remaining term and treated as a positive or negative adjustment, as the case may be, with respect to each period to which it is allocated.

Upon a sale, exchange or retirement of a contingent note (including upon the delivery of securities or other property pursuant to the terms of the contingent note), a United States holder generally will recognize taxable gain or loss equal to the difference between the amount received from the sale, exchange or retirement and the holder's adjusted tax basis in the contingent note. The adjusted tax basis of a contingent note will equal the cost thereof, increased by the amount of interest income previously accrued in respect of the note and decreased by the amount of all prior scheduled payments with respect to the note. The amount received will equal the fair market value (determined at the time of the sale, exchange or retirement) of any property received, including any shares of securities received, plus the amount of any cash received. A holder generally will treat any gain as interest income and any loss first as ordinary loss, to the extent of previous interest inclusions in excess of the total net negative adjustments previously taken into account as ordinary losses, and then as a capital loss. Such losses are not subject to the limitation imposed on miscellaneous itemized deductions under Section 67 of the Code. The deductibility of capital losses, however, is subject to limitations. Additionally, a United States holder who recognizes a loss above certain thresholds may be required to file a disclosure statement with the IRS. United States holders should consult their tax advisors regarding this reporting obligation.

A United States holder's tax basis in any property received, including any shares of securities received, upon a sale, exchange or retirement of a contingent note will equal the fair market value of such property, determined at the time of the exchange. The holder's holding period for such property will commence on the day after its receipt.

### **Foreign Currency Notes**

We refer to notes the interest and principal on which are payable in a single currency other than the U.S. dollar as "foreign currency notes." The following summary does not describe special rules applicable to currency-linked notes, contingent notes payable in a foreign currency, or notes providing for payments in more than one currency. Holders should refer to the applicable product supplement and/or pricing supplement for a discussion of such special rules.

The rules applicable to foreign currency notes could require some or all of the gain or loss on the sale, exchange or retirement of a foreign currency note to be recharacterized as ordinary income or loss. The rules applicable to foreign currency notes are complex and may depend on the holder's particular circumstances. For example, whether a holder should make one of several elections that are available under these rules may depend on the holder's particular circumstances. United States holders are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership and disposition of foreign currency notes.

A United States holder who uses the cash method of accounting and who receives a payment of qualified stated interest (or who receives proceeds from a sale, exchange or other disposition attributable to accrued interest) in a foreign currency with respect to a foreign currency note will be required to include in income the U.S. dollar value of the foreign currency payment (determined based on the spot rate on the date the payment is received) regardless of whether the payment is in fact converted to U.S. dollars at the time, and this U.S. dollar value will be the United States holder's tax basis in the foreign currency.

An accrual method United States holder will be required to include in income the U.S. dollar value of the amount of interest income (including original issue discount or market discount, but reduced by acquisition premium and amortizable bond premium, to the extent applicable) that has accrued and is otherwise required to be taken into account with respect to a foreign currency note during an accrual period. The U.S. dollar value of the accrued income will be determined by translating the income at the average rate of exchange for the accrual period or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the taxable year. The United States holder will recognize ordinary income or loss (which will not be treated as interest income or expense) with respect to accrued interest income on the date the interest payment or proceeds from the sale, exchange or other disposition attributable to accrued interest is actually received. The amount of ordinary income or loss recognized will equal the difference between the U.S. dollar value of the foreign currency payment received (determined based on a spot rate on the date the payment is received) in respect of the accrual period (or, where a holder receives U.S. dollars, the amount of the payment in respect of the accrual period) and the U.S. dollar value of interest income that has accrued during the accrual period (as determined above). Rules similar to these rules apply in the case of a cash method taxpayer required to accrue original issue discount or market discount.

An accrual method United States holder may elect to translate interest income (including original issue discount) into U.S. dollars at the spot rate on the last day of the interest accrual period (or, in the case of a partial accrual period, the spot rate on the last day of the taxable year) or, if the date of receipt is within five business days of the last day of the interest accrual period, the spot rate on the date of receipt. A United States holder that makes this election must apply it consistently to all debt instruments from year to year and cannot change the election without the consent of the IRS.

Original issue discount, market discount, acquisition premium and amortizable bond premium on a foreign currency note are to be determined in the relevant foreign currency. Where the taxpayer elects to include market discount in income currently, the amount of market discount will be determined for any accrual period in the relevant foreign currency and then translated into U.S. dollars on the basis of the average rate in effect during the accrual period. Exchange gain or loss realized with respect to such accrued market discount shall be determined in accordance with the rules relating to accrued interest described above.

If an election to amortize bond premium is made, amortizable bond premium taken into account on a current basis shall reduce interest income in units of the relevant foreign currency. Exchange gain or loss is realized on amortized bond premium with respect to any period by treating the bond premium amortized in the period in the same manner as on the sale, exchange or retirement of the foreign currency note. Any exchange gain or loss will be ordinary income or loss as described below. If the election is not made, any loss realized on the sale, exchange or retirement of a foreign currency note with amortizable bond premium by a United States holder who has not elected to amortize the premium will be a capital loss to the extent of the bond premium.

A United States holder's tax basis in a foreign currency note, and the amount of any subsequent adjustment to the holder's tax basis, will be the U.S. dollar value of the foreign currency amount paid for such foreign currency note, or of the foreign currency amount of the adjustment, determined on the date of the purchase or adjustment. A United States holder who purchases a foreign currency note with previously owned foreign currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such United States holder's tax basis in the foreign currency and the U.S. dollar fair market value of the foreign currency note on the date of purchase.

Gain or loss realized upon the sale, exchange or retirement of a foreign currency note that is attributable to fluctuations in currency exchange rates will be ordinary income or loss and will not be treated as interest income or expense. Gain or loss attributable to fluctuations in exchange rates will equal the difference between (i) the U.S. dollar value of the foreign currency principal amount of the note, determined on the date the payment is received or the note is disposed of, and (ii) the U.S. dollar value of the foreign currency principal amount of the note, determined on the date the United States holder acquired the note. Payments received attributable to accrued interest will be treated in accordance with the rules applicable to payments of interest on foreign currency notes described above. The foreign currency gain or loss will be recognized only to the extent of the total gain or loss realized by the holder on the sale, exchange or retirement of the foreign currency note. The source of the foreign currency gain or loss will be determined by reference to the residence of the holder or the “qualified business unit” of the holder on whose books the note is properly reflected. Any gain or loss realized by holders in excess of the foreign currency gain or loss will be capital gain or loss except to the extent of any accrued market discount or, in the case of short-term note, any discount not previously included in the holder’s income. A United States holder who recognizes a loss upon a sale, exchange or retirement of a foreign currency note above certain thresholds may be required to file a disclosure statement with the IRS. United States holders should consult their tax advisors regarding this reporting obligation.

A United States holder will have a tax basis in any foreign currency received on the sale, exchange or retirement of a foreign currency note equal to the U.S. dollar value of the foreign currency, determined at the time of sale, exchange or retirement. A cash method taxpayer who buys or sells a foreign currency note is required to translate units of foreign currency paid or received into U.S. dollars at the spot rate on the settlement date of the purchase or sale. Accordingly, no exchange gain or loss will result from currency fluctuations between the trade date and the settlement date of the purchase or sale. An accrual-method taxpayer may elect the same treatment for all purchases and sales of foreign currency obligations, provided that the notes are traded on an established securities market. This election may not be changed without the consent of the IRS. Any gain or loss realized by a United States holder on a sale or other disposition of foreign currency (including its exchange for U.S. dollars or its use to purchase foreign currency notes) will be ordinary income or loss.

#### **Mandatorily Exchangeable Notes**

Holders should refer to the applicable product supplement and/or pricing supplement for a discussion of the U.S federal taxation consequences of owning and disposing of a mandatorily exchangeable note.

#### **Reverse Exchangeable Notes**

Holders should refer to the applicable product supplement and/or pricing supplement for a discussion of the U.S federal taxation consequences of owning and disposing of a reverse exchangeable note.

#### **Tax Consequences to Non-United States Holders**

Other than as discussed in the applicable product supplement and/or pricing supplement, the following are the tax consequences of the ownership and disposition of notes for non-United States holders.

As used herein, the term “non-United States holder” means a beneficial owner of notes for U.S. federal income tax purposes that is: (i) a nonresident alien individual, (ii) a foreign corporation or (iii) a foreign estate or trust. A holder is not a non-United States holder if such holder is an individual present in the United States for 183 days or more in the taxable year of disposition. Such a non-United States holder should consult his or her own tax advisor regarding the U.S. federal income tax consequences of the ownership and disposition of a note.

Payments to a non-United States holder on the notes and any gain realized on the sale or exchange of the notes will be exempt from U.S. federal income tax (including withholding tax); *provided, generally*, that such holder fulfills the certification requirement described in the next sentence and such amounts are not effectively connected with such holder’s conduct of a trade or business in the United States. If you are a non-United States holder, you may fulfill the certification requirement referred to in the preceding sentence by certifying on IRS Form W-8BEN, under penalties of perjury, that you are not a United States person and providing your name and address or otherwise satisfying applicable documentation requirements.

If you are engaged in a trade or business in the United States, and if payments on the notes are effectively connected with the conduct of that trade or business, you generally will be taxed in the same manner as a United States holder. If the preceding sentence applies to you, then in order to claim an exemption from withholding tax, you will be required to provide a properly executed IRS Form W-8ECI in lieu of IRS Form W-8BEN. If this paragraph applies to you, you are urged to consult your own tax advisor with respect to other U.S. tax consequences of the ownership and disposition of the Notes, including the possible imposition of a 30% branch profits tax.

### **Backup Withholding and Information Reporting**

Information returns may be filed with the IRS in connection with payments on the notes and the proceeds from a sale or other disposition of the notes. A United States holder may be subject to U.S. backup withholding at the rates specified in the Code on these payments if such holder fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. If you are a non-United States holder and you comply with the certification procedures described in the preceding section, you generally will establish an exemption from backup withholding.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against the holder’s U.S. federal income tax liability, provided that the required information is furnished to the IRS.

**The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder’s particular situation. Holders should consult their own tax advisors with respect to the tax consequences to them of the ownership and disposition of the notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in federal or other tax laws.**

## TAXATION BY GERMANY OF NON-RESIDENT HOLDERS

The following is a general discussion of certain German income tax consequences of the acquisition, ownership and disposition of notes to original purchasers of the notes. This summary is based on the laws currently in force and as applied in practice on the date of this document, which are subject to change, possibly with retroactive effect. The information provided below does not purport to be a complete, exhaustive or final summary of the tax law and practice currently applicable in the Federal Republic of Germany. Investors or other interested parties are required to obtain individual tax advice in connection with the acquisition and holding, as well as the sale or repayment, of notes.

**Interest Payment on Notes.** Payment of interest to individuals who are not tax residents of the Federal Republic of Germany (*i.e.*, persons who have neither their residence nor their customary place of abode in the Federal Republic of Germany) or who are corporations which do not maintain their statutory seat or principal place of management in the Federal Republic of Germany ("**foreign corporations**") and have no connection with the Federal Republic of Germany other than the receipt of payments in respect of the notes, are generally exempt from any taxation by the Federal Republic of Germany, provided that the notes do not fall into a category of income from German sources (*e.g.*, do not form part of a permanent establishment in the Federal Republic of Germany).

**German Interest Withholding Tax.** If interest on a note that is kept or administered in a German securities deposit account by a German bank or a German financial institution (which term includes a German branch of a foreign financial institution but excludes a foreign branch of a German financial institution) is received by a person who is not a resident of the Federal Republic of Germany and who is taxable in the Federal Republic of Germany only with respect to certain German source income, and if, according to German tax law, such interest falls into a category of taxable income from German sources (*e.g.*, income effectively connected with a German trade or business) which is subject to a limited income tax liability on a special basis, such interest is subject to a withholding tax (*Zinsabschlagsteuer*) of 30% (plus a 5.5% solidarity surcharge (*Solidaritätszuschlag*) thereon, so that the effective rate of withholding is 31.65%). Upon the disposition of the notes, interest accrued between interest payment dates (*Stückzinsen*) is also subject to this withholding tax and solidarity surcharge. Such taxes may be credited as prepayment against the German personal or corporate income tax and solidarity surcharge liability of such non-residents.

**Capital Gains.** Capital gains realized by persons who are not tax residents of the Federal Republic of Germany from the sale or other disposition of notes that are not held as part of a permanent establishment or fixed base in the Federal Republic of Germany and are not classified as financial innovations (see below) will not be subject to tax in the Federal Republic of Germany.

**Special Rules for Financial Innovations.** Special rules apply to notes that are classified as financial innovations (*Finanzinnovationen*) under German tax law, such as floating rate notes. Gains derived from the sale or redemption of financial innovations held by a non-resident (provided that the interest falls into a category of income from German sources) are subject to German income tax to the extent such gains are treated as interest income. The amount treated as interest income and accrued during the investor's holding period is calculated on the basis of the yield at launch (if determinable) or, alternatively, on the excess of the sales or repayment proceeds over the acquisition cost, *i.e.*, the market yield. Such gains are subject to a withholding tax (*Zinsabschlagsteuer*) of 30% (plus a 5.5% solidarity surcharge (*Solidaritätszuschlag*) thereon, so that the effective rate of withholding is 31.65%) if the financial innovations are kept or

administered in a German securities deposit account by a German bank or a German financial institution (which term includes a German branch of a foreign financial institution but excludes a foreign branch of a German financial institution). If the German bank or financial institution held the notes in custody for the investor from acquisition to sale or repayment, the withholding tax is levied on an amount equal to the market yield. If the notes have not been so held, the withholding tax will be levied on an amount equal to 30% of the proceeds from the sale or repayment of the notes.

**Other Taxes.** No estate, inheritance or gift taxes with respect to any note will arise under the laws of the Federal Republic of Germany if, in the case of estate and inheritance taxes, both the decedent and the beneficiary, and, in the case of gift taxes, both the donor and the donee, are non-residents of the Federal Republic of Germany and such note is not attributable to a permanent establishment in the Federal Republic of Germany. No stamp, issue, registration or similar taxes or duties will be payable in the Federal Republic of Germany in connection with the issuance, delivery or execution of the notes.

**EU Directive on the Taxation of Savings Income.** On June 3, 2003, the European Council of Economics and Finance Ministers agreed to proposals that will require Member States to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State; except that, for a transitional period, Belgium, Luxembourg and Austria will instead be required to operate a withholding system in relation to such payments (the end of such transitional period is dependent upon the conclusion of other agreements relating to information exchange with certain other countries). Provided that certain conditions are met, the directive is scheduled to take effect on January 1, 2005.



## BENEFIT PLAN INVESTOR CONSIDERATIONS

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), including entities such as collective investment funds, partnerships and separate accounts whose underlying assets include the assets of such plans (collectively, “ERISA Plans”) should consider the fiduciary standards of ERISA in the context of the ERISA Plans’ particular circumstances before authorizing an investment in the notes. Among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the ERISA Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (together with ERISA Plans, “Plans”), from engaging in certain transactions involving the “plan assets” with persons who are “parties in interest” under ERISA or “disqualified persons” under the Code (“Parties in Interest”) with respect to such Plans. As a result of our business, we are a Party in Interest with respect to many Plans. Where we are a Party in Interest with respect to a Plan (either directly or by reason of ownership of our subsidiaries), the purchase and holding of the notes by or on behalf of the Plan would be a prohibited transaction under Section 406(a)(1) of ERISA and Section 4975(c)(1) of the Code, unless exemptive relief were available under an applicable statutory or administrative exemption (as described below) or there was some other basis on which the transaction was not prohibited.

Accordingly, unless otherwise provided in the applicable product supplement or pricing supplement, the notes may not be purchased or held by any Plan, any entity whose underlying assets include “plan assets” by reason of any Plan’s investment in the entity (a “Plan Asset Entity”) or any person investing “plan assets” of any Plan, unless such purchaser or holder is eligible for the exemptive relief available under Prohibited Transaction Class Exemption (“PTCE”) 96-23, 95-60, 91-38, 90-1 or 84-14 issued by the U.S. Department of Labor or there is some other basis on which the purchase and holding of the notes is not prohibited. Each purchaser or holder of the notes or any interest therein will be deemed to have represented by its purchase of the notes that (a) its purchase and holding of the notes is not made on behalf of or with “plan assets” of any Plan or (b) its purchase and holding of the notes will not result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA) are not subject to these “prohibited transaction” rules of ERISA or Section 4975 of the Code, but may be subject to similar rules under other applicable laws or documents (“Similar Laws”). Accordingly, each purchaser or holder of the notes shall be deemed to represent by its acquisition of a note that its acquisition and holding is not prohibited under applicable Similar Laws.

Due to the complexity of the applicable rules, it is particularly important that fiduciaries or other persons considering purchasing the notes on behalf of or with “plan assets” of any Plan consult with their counsel regarding the relevant provisions of ERISA, the Code or any Similar Laws and the availability of exemptive relief under such laws.

Each purchaser and holder of the notes has exclusive responsibility for ensuring that its purchase and holding of the notes does not violate the fiduciary or prohibited transaction rules of ERISA, the Code or any Similar Laws. The sale of any notes to any Plan or plan subject to similar laws is in no respect a representation by us or any of our affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by such plans generally or any particular plan, or that such an investment is appropriate for plans generally or any particular plan.

## PLAN OF DISTRIBUTION

We are offering the Series A notes on a continuing basis through DBSI and DBTCA (to the extent either or both of them is named in the applicable pricing supplement), which we refer to individually as an “agent” and together as the “agents.” In addition, we may offer the Series A notes through certain other agents to be named in the applicable pricing supplement. Any offering through DBSI and DBTCA will be conducted separately pursuant to separate distribution agreements. DBSI and DBTCA will not join together in any syndicate or group for the purpose of selling the securities to investors, and will not grant or receive any selling concessions, discounts or other allowances to or from each other with respect to the distribution of the securities. DBTCA is not a member of the NASD and, accordingly, is not subject to the NASD’s rules or supervisory authority. DBSI is an NASD member and is subject to the NASD’s rules and supervision.

The agents will act on either a reasonable efforts or firm commitment basis to solicit offers to purchase these notes. Unless otherwise indicated in the applicable pricing supplement, agents will act on a reasonable efforts basis. We will have the sole right to accept offers to purchase these notes and may reject any offer in whole or in part. Each agent may reject, in whole or in part, any offer it solicited to purchase notes. We will pay an agent, in connection with sales of these securities resulting from a solicitation that agent made or an offer to purchase the agent received, a commission set forth in the applicable pricing supplement.

We may also sell these notes to an agent (other than DBTCA) as principal for its own account at discounts to be agreed upon at the time of sale within the range of the commissions as disclosed in the applicable pricing supplement. That agent may resell these notes to investors and other purchasers at a fixed offering price or at prevailing market prices, or prices related thereto at the time of resale or otherwise, as that agent determines and as we will specify in the applicable pricing supplement. An agent may offer the notes it has purchased as principal to other dealers. That agent may sell the notes to any dealer at a discount and, unless otherwise specified in the applicable pricing supplement, the discount allowed to any dealer will not be in excess of the discount that agent will receive from us. After the initial public offering of notes that an agent is to resell on a fixed public offering price basis, the agent may change the public offering price, concession and discount.

Each of the agents may be deemed to be an “underwriter” within the meaning of the Securities Act. We and the agents have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act, or to contribute to payments made in respect of those liabilities. We have also agreed to reimburse the agents for specified expenses.

To the extent the total aggregate principal amount of notes offered pursuant to a pricing supplement is not purchased by investors, one or more of our affiliates may agree to purchase for investment the unsold portion. As a result, upon completion of an offering, our affiliates may own up to approximately 10% of the notes offered in that offering.

Unless otherwise provided in the applicable pricing supplement, we do not intend to apply for the listing of these notes on a national securities exchange, but have been advised by DBSI that it intends to make a market in these notes, as applicable laws and regulations permit. DBSI is not obligated to do so, however, and it may discontinue making a market at any time without notice. No assurance can be given as to the liquidity of any trading market for these notes.

DBSI and DBTCA are wholly owned indirect subsidiaries of the Bank. Because DBSI is an affiliate of the Bank, any distribution of the securities offered hereby will be made in compliance with

the applicable provisions of NASD Rule 2720 regarding an NASD member firm's distributing the securities of an affiliate. Following the initial distribution of these notes, each agent may offer and sell those notes in the course of its business as a broker-dealer. An agent (other than DBTCA, which would only act as an agent) may act as principal or agent in those transactions and will make any sales at varying prices related to prevailing market prices at the time of sale or otherwise. The agents may use this prospectus supplement in connection with any of those transactions. No agent is obligated to make a market in any of these notes and any agent that does make a market may discontinue doing so at any time without notice.

Neither of the agents nor any dealer utilized in the initial offering of these notes will confirm sales to accounts over which it exercises discretionary authority without the prior specific written approval of its customer.

In order to facilitate the offering of these notes, the agents may engage in transactions that stabilize, maintain or otherwise affect the price of these notes or any other securities the prices of which may be used to determine payments on these notes. Specifically, the agents may sell more notes than they are obligated to purchase in connection with the offering, creating a short position for their own accounts. A short sale is covered if the short position is no greater than the number or amount of notes available for purchase by the agents under any over-allotment option. The agents can close out a covered short sale by exercising the over-allotment option or purchasing these notes in the open market. In determining the source of notes to close out a covered short sale, the agents will consider, among other things, the open market price of these notes compared to the price available under the over-allotment option. The agents may also sell these notes or any other notes in excess of the over-allotment option, creating a naked short position. The agents must close out any naked short position by purchasing notes in the open market. A naked short position is more likely to be created if the agents are concerned that there may be downward pressure on the price of these notes in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the agents may bid for, and purchase, these notes or any other securities in the open market to stabilize the price of these securities or of any other securities. Finally, in any offering of the notes through a syndicate of underwriters, the underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing these notes in the offering, if the syndicate repurchases previously distributed notes to cover syndicate short positions or to stabilize the price of these notes. Any of these activities may raise or maintain the market price of these notes above independent market levels or prevent or retard a decline in the market price of these notes. The agents are not required to engage in these activities, and may end any of these activities at any time.

Concurrently with the offering of these notes through the agents, we may issue other debt securities under the indenture referred to in this prospectus supplement.

### **Notes Offered on a Global Basis**

If the applicable pricing supplement indicates that any of our notes will be offered on a global basis, those registered global notes will be offered for sale in those jurisdictions outside of the United States where it is legal to make offers for sale of those securities.

Each of the agents has represented and agreed, and any other agent through which we may offer these notes on a global basis will represent and agree, that it will comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the notes or possesses or distributes the applicable pricing supplement, this prospectus supplement or the accompanying prospectus and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes purchases, offers or sales of the notes, and we shall not have responsibility for the agent's compliance with the applicable laws and regulations or obtaining any required consent, approval or permission.

Purchasers of any notes offered on a global basis may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price set forth on the cover page hereof.

## LEGAL MATTERS

Certain legal matters with respect to United States and New York law with respect to the validity of certain of the offered securities will be passed upon for the Bank by Cleary Gottlieb Steen & Hamilton LLP. Certain legal matters with respect to German law will be passed upon for the Bank by Group Legal Services of the Bank. Davis Polk & Wardwell will pass upon certain legal matters with respect to United States and New York law with respect to the validity of certain of the offered securities for any underwriters, dealers or selling agents. Cleary Gottlieb Steen & Hamilton LLP and Davis Polk & Wardwell have in the past represented the Bank and its affiliates and continue to represent the Bank and its affiliates on a regular basis and in a variety of matters.

# Deutsche Bank Aktiengesellschaft



Debt Securities

Warrants

Purchase Contracts

Units

Subordinated Guarantees

**Deutsche Bank Capital Funding Trust VIII**

**Trust Preferred Securities**

**Deutsche Bank Capital Funding LLC VIII**

**Company Preferred Securities**

We, Deutsche Bank Aktiengesellschaft, may, from time to time, offer any of the following securities:

- debt securities which may consist of senior debt securities, including debt securities convertible into, exchangeable for, or linked to, other securities of Deutsche Bank Aktiengesellschaft, securities of any entity affiliated or unaffiliated with Deutsche Bank Aktiengesellschaft, commodities, a basket of such securities or commodities, an index or indices of such securities or commodities, currencies or any combination of the foregoing;
- warrants or warrants in the form of subscription rights to purchase or sell, or whose redemption value is determined by reference to the performance, level or value of, other securities of Deutsche Bank Aktiengesellschaft, securities of any entity affiliated or unaffiliated with Deutsche Bank Aktiengesellschaft, commodities, a basket of such securities or commodities, an index or indices of such securities or commodities or any combination of the foregoing, currencies and any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance;
- purchase contracts to purchase or sell, or whose redemption value is determined by reference to the performance, level or value of, other securities of Deutsche Bank Aktiengesellschaft, securities of any entity affiliated or unaffiliated with Deutsche Bank Aktiengesellschaft, commodities, a basket of such securities or commodities, an index or indices of such securities or commodities or any combination of the foregoing, currencies and any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance;
- units; and
- subordinated guarantees of debt securities.

Deutsche Bank Capital Funding Trust VIII, and any other trust we may organize in the event of certain offerings of capital securities, each of which we refer to as the trust, may offer and sell trust preferred securities representing beneficial interests in the assets of the relevant trust, in one or more offerings.

Deutsche Bank Capital Funding LLC VIII, and any other limited liability company we may organize in the event of certain offerings of capital securities, each of which we refer to as the company, may offer and sell company preferred securities, representing preferred ownership interests in the relevant company, in one or more offerings.

Each of the trust preferred securities and company preferred securities, which we sometimes collectively refer to as the capital securities, will be fully and unconditionally guaranteed on a subordinated basis by Deutsche Bank Aktiengesellschaft.

This prospectus describes the general terms of these securities and the general manner in which the securities will be offered. The specific terms of any securities offered will be included in a supplement to this prospectus. The prospectus supplement will also describe the specific manner in which the securities will be offered. We will not use this prospectus to issue any securities unless it is attached to a prospectus supplement.

Unless stated otherwise in a prospectus supplement, we will not list any of these securities on any securities exchange.

These securities may be offered directly or to or through underwriters, agents or dealers, including Deutsche Bank Securities Inc. The names of any underwriters, agents or dealers will be included in the applicable prospectus supplement.

Investing in the securities involves risks. We may include specific risk factors in an applicable prospectus supplement under the heading "Risk Factors."

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

**These securities are not deposits or savings accounts and are not insured by the Federal Deposit Insurance Corporation or any other U.S. or foreign governmental agency or instrumentality.**

The date of this prospectus is October 10, 2006.



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## SUMMARY

The Bank may offer any of the following securities: debt securities, warrants, purchase contracts, units and subordinated guarantees. In the event of certain offerings of capital securities, a trust may offer trust preferred securities and a Delaware company may issue company preferred securities. The following summary describes these securities in general terms only. You should read the summary together with the more detailed information contained in the rest of this prospectus and the applicable prospectus supplement.

**Debt Securities** We may issue senior debt securities. We will provide one or more prospectus supplements that describe the specific designation; the aggregate principal amount; the purchase price; the maturity; the redemption terms; whether the securities are linked or exchangeable securities and, if so, the securities, (which may be issued by us or an entity affiliated or not affiliated with us), indices, currencies, commodities, interest rates or other measures or instruments to which they are linked or for which they are exchangeable; the amount or manner of calculating the amount payable at maturity and whether that amount may be paid by delivering cash, securities or other property; the interest rate, manner of calculating the interest rate and the time of payment of interest, if any; the terms for any conversion or exchange, including the terms relating to the adjustment of any conversion or exchange mechanism; the listing, if any, on a securities exchange; and any other specific terms of the debt securities.

The debt securities will be issued under a senior indenture between us and a U.S. banking institution, as trustee. The indenture that governs our senior debt securities does not limit the amount of additional indebtedness that we or any of our subsidiaries may incur. We have summarized the general features of the senior indenture under the heading "Description of Debt Securities." We encourage you to read the form of senior indenture, which is an exhibit to our registration statement.

**Warrants** We may offer warrants to purchase or sell, or whose redemption value is determined by reference to the performance, level or value of, one or more of the following:

- securities issued by us or an entity affiliated or not affiliated with us, commodities, a basket or baskets of those securities or commodities, an index or indices of those securities or commodities, or any combination of the foregoing;
- currencies; and
- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance.

In a prospectus supplement, we will inform you of the exercise price and describe other specific terms of the warrants, including whether we will satisfy our obligations, if any, or you will satisfy your obligations, if any, under the warrants by delivering or purchasing the underlying securities, commodities, currencies or instruments, or their cash value. Warrants will not be contractually subordinated in priority of payment to our senior obligations.

**Purchase Contracts** We may offer purchase contracts to purchase or sell, or whose redemption value is determined by reference to the performance, level or value of, one or more of the following:

- securities issued by us or an entity affiliated or not affiliated with us, commodities, a basket or baskets of those securities or commodities, an index or indices of those securities or commodities, or any combination of the foregoing;
- currencies; and
- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance.

In a prospectus supplement, we will describe the specific terms of the purchase contracts, including whether we will satisfy our obligations, if any, or you will satisfy your obligations, if any, under the purchase contracts by delivering or purchasing the underlying securities, commodities, currencies or instruments, or their cash value. Purchase contracts will not be contractually subordinated in priority of payment to our senior obligations.

**Units**

We may offer as units any combination of warrants, purchase contracts, debt securities issued by us, and debt obligations or other securities of an entity affiliated or not affiliated with us. In a prospectus supplement, we will describe the particular combination of warrants, purchase contracts and debt securities issued by us, or debt obligations or other securities of an entity affiliated or not affiliated with us, constituting any units and any other specific terms of the units. Units will not be contractually subordinated in priority of payment to our senior obligations.

**Trust Preferred Securities**

The trusts may issue trust preferred securities. The trust preferred securities will not have a maturity date or be subject to mandatory redemption provisions.

In a prospectus supplement, we will describe the specific terms of any trust preferred securities.

**Company Preferred Securities**

In connection with certain offerings of capital securities, the Delaware companies may issue company preferred securities. The company preferred securities will not have a maturity date or be subject to mandatory redemption provisions.

In a prospectus supplement, we will describe the specific terms of any company preferred securities.

**Subordinated Guarantees**

In connection with certain offerings of capital securities, we may issue subordinated guarantees. The guarantees are for the benefit of the holders of the capital securities of any series issued by the relevant trust or the relevant company.

In a prospectus supplement, we will describe the specific terms of any subordinated guarantee.

**Form**

We may issue debt securities, warrants, purchase contracts and units, and the trusts may issue trust preferred securities and the Delaware companies may issue company preferred securities, in each case in fully registered form or in bearer form and, in either case, in definitive form or global form.

**Terms Specified in Prospectus Supplements**

When we decide to sell particular securities, we will provide a prospectus supplement describing the securities offering and the specific terms of the securities. You should carefully read this prospectus and the applicable prospectus supplement.

We will offer our debt securities, warrants, purchase contracts and units and the trusts will offer their trust preferred securities to investors on terms determined by market and other conditions. Our securities may be sold for U.S. dollars or foreign currency. Principal of, and any premium or interest on, debt securities,

cash amounts payable under warrants or purchase contracts and capital payments payable on capital securities may be payable in U.S. dollars or foreign currency, as we specifically designate in the related prospectus supplement.

Any prospectus supplement we provide will include the name of and compensation to each dealer, underwriter or agent, if any, involved in the sale of the securities being offered and the managing underwriters for any securities sold to or through underwriters. Any underwriters, including managing underwriters, dealers or agents in the United States may include Deutsche Bank Securities Inc. or other affiliates of ours.

**Branches**

We may act directly through our principal office in Frankfurt or through one of our branch offices, such as our London branch, our New York branch, or such other branch as specified in the applicable prospectus supplement.

## ABOUT THIS PROSPECTUS

References in this prospectus to the **"Bank," "we," "our," "us"** or **"Deutsche Bank AG"** refer to Deutsche Bank Aktiengesellschaft (including, as the context may require, acting through one of its branches) and, unless the context requires otherwise, will include the trusts, the companies and our other consolidated subsidiaries. In the sections of this prospectus entitled "Description of Debt Securities," "Description of Warrants," "Description of Purchase Contracts," "Description of Units," "Description of Capital Securities — Description of Subordinated Guarantees in Connection with Capital Securities" and "Description of Capital Securities — Description of Subordinated Debt Obligations in Connection with Certain Capital Securities," references to **"Bank," "we," "our," "us"** or **"Deutsche Bank AG"** refer to Deutsche Bank Aktiengesellschaft (including, as the context may require, acting through one of its branches), as issuer of the securities described in such sections.

References in this prospectus to **"trust"** refer to Deutsche Bank Capital Funding Trust VIII and any other trust organized in the event of certain offerings of capital securities to issue trust preferred securities representing beneficial interests in the assets of the relevant trust. References in this prospectus to **"company"** or **"Delaware company"** refer to Deutsche Bank Capital Funding LLC VIII and any other limited liability company organized in the event of certain offerings of capital securities to issue company preferred securities.

References to **"you"** mean those who invest in the securities being offered, whether they are the direct holders or owners of beneficial interests in those securities. References to **"holders"** mean those who own securities registered in their own names on the books that we or the trustee maintain for this purpose, and not those who own beneficial interests in securities issued in book-entry form through The Depository Trust Company or another depository or in securities registered in street name. Owners of beneficial interests in the securities should read the section entitled "Forms of Securities."

This prospectus is part of a registration statement on Form F-3 that we filed with the Securities and Exchange Commission (the **"Commission"** or **"SEC"**) utilizing a "shelf" registration process. Under this shelf registration process, we may, from time to time, sell any combination of the securities described in the prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide one or more prospectus supplements that will contain specific information about the terms of the offering. *A prospectus supplement may add, modify or replace information contained in this prospectus. If a prospectus supplement is inconsistent with this prospectus, the terms of the prospectus supplement will control. Therefore the statements made in this prospectus may not be the terms that apply to the securities you purchase.* You should read both this prospectus and any prospectus supplement together with additional information described under the heading "Where You Can Find Additional Information" beginning on page 5 of this prospectus before purchasing any of our securities.

Following the initial distribution of an offering of securities, certain affiliates of ours may offer and sell those securities in the course of their businesses. Such affiliates may act as principal or agent in these transactions. This prospectus and the applicable prospectus supplement will also be used in connection with those transactions. Sales in any of those transactions will be made at varying prices related to prevailing market prices and other circumstances at the time of sale.

References to "EUR" and "€" are to the euro, the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the treaty establishing the European Community, as amended by the treaty on European Union. References to "\$" are to United States currency, and the terms "United States" and "U.S." mean the United States of America, its states, its territories, its possessions and all areas subject to its jurisdiction.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the **"Exchange Act"**), and in accordance therewith, we file reports and other information with the SEC. You may read and copy these documents at the SEC's public reference room at 100 F Street, NE, Room 1580, Washington, D.C. 20549. Copies of these materials can also be obtained from the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549 at prescribed rates. Please call the SEC at 1-800-732-0330 for further information about the Public Reference Room. The SEC also maintains an internet website that contains reports and other information regarding us that are filed through the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) System. This website can be accessed at <http://www.sec.gov>. You can find information that we have filed with the SEC by reference to file number 001-15242. Reports and other information concerning the business of Deutsche Bank Aktiengesellschaft may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005.

This prospectus is part of a registration statement on Form F-3 we filed with the SEC. This prospectus omits some information contained in the registration statement in accordance with SEC rules and regulations. You should review the information in and exhibits to the registration statement for further information on us and the securities we are offering. Statements in this prospectus concerning any document we filed as an exhibit to the registration statement or that we otherwise filed with the SEC are not intended to be comprehensive and are qualified in their entirety by reference to these filings. You should review the complete document to evaluate these statements.

The SEC allows us to "incorporate by reference" much of the information we file with the SEC, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference in this prospectus is an important part of this prospectus. Because we are incorporating by reference future filings with the SEC, this prospectus is continually updated and those future filings may modify or supersede some of the information included or incorporated in this prospectus. This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or in any document previously incorporated by reference have been modified or superseded. This prospectus incorporates by reference the documents listed below and any future filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act. Reports on Form 6-K we furnish to the SEC after the date of this prospectus (or portions thereof) are incorporated by reference in this prospectus only to the extent that the report expressly states that it (or such portions) is incorporated by reference in this prospectus. We incorporate by reference in this prospectus:

- (1) Annual Report on Form 20-F of Deutsche Bank AG for the year ended December 31, 2005, filed on March 23, 2006, which we also refer to as our Form 20-F for 2005.
- (2) Description of our Memorandum and Articles of Association in Item 10 of the Annual Report on Form 20-F of Deutsche Bank AG for the year ended December 31, 2003, filed on March 25, 2004.
- (3) Reports on Form 6-K of Deutsche Bank filed on April 3, 2006 and August 2, 2006.

Upon request, we will provide to each person, including any beneficial owners to whom a prospectus is delivered, a copy of any or all of the information that has been incorporated by reference in the prospectus but not delivered with the prospectus.

You may request, at no cost to you, a copy of these documents (other than exhibits not specifically incorporated by reference) by writing or telephoning us at: Deutsche Bank AG, Taunusanlage 12, 60325 Frankfurt am Main, Germany, Attention: Investor Relations (Telephone: +49-69-910-0). Certain of these documents can also be obtained on Deutsche Bank AG's website <http://www.deutsche-bank.com/ir> under "Reports, SEC Filing." Reference to this "uniform resource locator" or "URL" is made as an inactive textual reference for informational purposes only. Other information found at this website is not incorporated by reference in this document.



## USE OF NON-GAAP FINANCIAL MEASURES

This document contains and incorporates by reference non-U.S. GAAP financial measures, which are measures of our historical or future performance, financial position or cash flows that contain adjustments that exclude or include amounts that are included or excluded, as the case may be, from the most directly comparable measure calculated and presented in accordance with U.S. GAAP in our financial statements. For example, the table entitled “Deutsche Bank — The Group at a Glance” appearing in our Interim Report as of June 30, 2006 contains several non-U.S. GAAP financial measures that also appear later in that Interim Report. Examples of our non-U.S. GAAP financial measures are: underlying revenues, provision for credit losses, operating cost base, underlying pre-tax profit, average active equity and ratios based thereon. The ratios adjusted return on average active equity (after tax), pre-tax return on average active equity and underlying pre-tax return on average active equity are all non-U.S. GAAP financial measures for which the most directly comparable ratio calculated based on U.S. GAAP financial measures is return on average total shareholders’ equity (after tax and pre-tax, respectively). The ratio underlying cost-income ratio is a non-U.S. GAAP financial measure for which the most directly comparable ratio based on U.S. GAAP financial measures is cost-income ratio. The following table lists further non-U.S. GAAP financial measures appearing in the table entitled “Deutsche Bank — The Group at a Glance” and later in the Interim Report and the most directly comparable U.S. GAAP financial measures.

<b><u>Non-U.S. GAAP Financial Measure</u></b>	<b><u>Most Directly Comparable U.S. GAAP Financial Measure</u></b>
Underlying revenues	Total net revenues
Provision for credit losses	Provision for loan losses
Operating cost base	Total noninterest expenses
Non-compensation operating costs	Total noninterest expenses
Underlying pre-tax profit	Income before income taxes

For descriptions of these non-U.S. GAAP financial measures, please refer to pages 45 and 46 of our Interim Report as of June 30, 2006 furnished to the SEC on Form 6-K on August 2, 2006 and pages F-60 through F-62 of our Report on Form 20-F for 2005 filed with the SEC on March 23, 2006.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and any prospectus supplements, including the information incorporated by reference, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21 E of the Exchange Act. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations. We use words such as "believe," "anticipate," "expect," "intend," "seek," "estimate," "project," "should," "potential," "reasonably possible," "plan" and similar expressions to identify forward-looking statements. In addition, we may from time to time make forward-looking statements in our periodic reports to the SEC on Forms 20-F and 6-K, annual and interim reports, invitation to annual shareholders' meetings and other information sent to shareholders, offering circulars and prospectuses, press releases and other written materials. Our Management Board, Supervisory Board, officers and employees may also make oral forward-looking statements to third parties, including financial analysts.

Such forward-looking statements may include, without limitation, statements relating to the following:

- our implementation of our strategic initiatives and management agenda;
- the development of aspects of our results of operations;
- our expectations of the impact of risks that affect our business, including the risks of loss on our credit exposures and risks relating to changes in interest and currency exchange rates and in asset prices; and
- other statements relating to our future business development and economic performance.

By their very nature, forward-looking statements involve risks and uncertainties, both general and specific. We base these statements on our current plans, estimates, projections and expectations. You should therefore not place undue reliance on them. Our forward-looking statements speak only as of the date we make them, and we undertake no obligation to update any of them in light of new information or future events.

We caution you that a number of important factors could cause our actual results to differ materially from those we describe in any forward-looking statement. These factors include, among others, the following:

- changes in general economic and business conditions;
- changes and volatility in currency exchange rates, interest rates and asset prices;
- changes in governmental policy and regulation, and political and social conditions;
- changes in our competitive environment;
- the success of our acquisitions, divestitures, mergers and strategic alliances;
- our success in achieving the objectives of our current management agenda and realizing the anticipated benefits therefrom; and
- other factors, including those we refer to in "Item 3: Key Information — Risk Factors" of our most recent Annual Report on Form 20-F and elsewhere in that Annual Report on Form 20-F, this document, and others to which we do not refer.

## **DEUTSCHE BANK AKTIENGESELLSCHAFT**

Deutsche Bank Aktiengesellschaft is a stock corporation organized under the laws of Germany registered in the commercial register of the District Court in Frankfurt am Main under registration number HRB 30 000. Our registered office is in Frankfurt am Main. We maintain our head office at Taunusanlage 12, 60325 Frankfurt am Main, Germany.

Originally founded in Berlin in 1870 as a joint stock company principally dedicated to financing foreign trade, Deutsche Bank in 1952 disincorporated and split into three separate institutions, Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich (pursuant to a 1952 law limiting the scope of credit institutions). In 1957 these institutions reunified under the name Deutsche Bank Aktiengesellschaft.

We are the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, installment financing companies, research and consultancy companies and other domestic and foreign companies. We offer a wide variety of investment, financial and related products and services to private individuals, corporate entities and institutional clients around the world.

We are the largest bank in Germany and one of the largest financial institutions in Europe and the world measured by total assets. As of June 30, 2006, on an unaudited basis, we had total assets of €1,058 billion, total liabilities of €1,029 billion and total shareholders' equity of €29.1 billion, in each case on the basis of U.S. Generally Accepted Accounting Principles, which we refer to as U.S. GAAP.

As of June 30, 2006, our outstanding share capital amounted to €1,330 million consisting of 519,407,866 ordinary shares of no par value, of which 495,734,076 were outstanding. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German Stock Exchanges and are listed on the New York Stock Exchange.

Please refer to our Annual Report on Form 20-F and the other documents incorporated by reference herein for additional information and financial statements relating to us.

## THE TRUSTS

Deutsche Bank Capital Funding Trust VIII is and, unless provided otherwise in the applicable prospectus supplement, any other trust organized in the event of certain offerings of capital securities will be, a Delaware statutory trust. The relevant Delaware companies are sponsors of the trusts. The trusts exist, in the event of certain offerings of capital securities, to issue trust preferred securities representing a beneficial interest in the assets of the relevant trust and entitled to the benefits of a subordinated guarantee of Deutsche Bank AG, which we refer to as the trust preferred guarantee. Company preferred securities, including rights under a subordinated guarantee of the company preferred securities issued by Deutsche Bank AG (which we refer to as the company preferred guarantee) will be the only assets of the trusts. The trusts may pass the dividends or other payments they receive on company preferred securities through to holders as distributions on the trust preferred securities. The trusts cannot engage in other activities (other than those incidental to the foregoing activities). Deutsche Bank AG will pay all expenses and liabilities of the trusts.

Each trust will be treated as a grantor trust for U.S. federal income tax purposes. As a result, holders will be treated as beneficial owners of interests in company preferred securities and rights under a subordinated guarantee for U.S. federal income tax purposes.

The principal executive offices of each trust are located at 60 Wall Street, New York, New York 10005. Their telephone number is 212-250-2077.

## **THE COMPANIES**

Deutsche Bank Capital Funding LLC VIII is, and unless the applicable prospectus supplement provides otherwise, any other company organized in the event of certain offerings of capital securities will be, a Delaware limited liability company. Unless provided otherwise in the applicable prospectus supplement, in the event of certain offerings of capital securities, the companies will issue a class of company preferred securities to the related trust and company common securities to Deutsche Bank AG or one of its branches or subsidiaries and may issue another class of company preferred securities (which we refer to as intra-group company preferred securities) to Deutsche Bank AG or one of its branches or subsidiaries and may acquire and hold subordinated debt obligations issued by Deutsche Bank AG or one of its branches or subsidiaries or other eligible investments. The company preferred securities will afford holders of such securities rights under a subordinated guarantee of Deutsche Bank AG (which we refer to as the company preferred guarantee). Each company will apply the cash generated by the subordinated debt obligations or other eligible investments, if any, to pay dividends to the applicable trust, as the initial holder of the company preferred securities or (if intra-group company preferred securities have been issued and to the extent dividends are not declared on the company preferred securities), to Deutsche Bank AG (or one of its branches or subsidiaries), as the holder of the intra-group company preferred securities.

The principal executive offices of each company are located at 60 Wall Street, New York, New York 10005. Their telephone number is 212-250-2077.

## LIMITATIONS ON ENFORCEMENT OF U.S. LAWS

Deutsche Bank AG is incorporated as a German stock corporation with limited liability (*Aktiengesellschaft*). All members of the Management Board (*Vorstand*) and of the Supervisory Board (*Aufsichtsrat*) of the Bank (as well as certain of the directors, managers and executive officers of the trusts and the companies) are resident outside the United States, and all or a substantial portion of the assets of the Bank and of such persons are located outside the United States. As a result, it may not be possible for holders or beneficial owners of the securities offered in this prospectus to effect service of process upon the Bank or such persons, have any of them appear in a U.S. court or to enforce against any of them in U.S. courts judgments obtained in such courts predicated upon the civil liability provisions of the federal securities or other laws of the United States or any state thereof. We have been advised by Cleary Gottlieb Steen & Hamilton LLP that there is doubt as to enforceability in Germany, in original actions or in actions for enforcement of judgments of U.S. courts, of liability based solely on the federal securities laws of the United States.



## RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratios of earnings to fixed charges for the periods indicated based on U.S. GAAP. For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income before taxes, cumulative effect of accounting changes and minority interests less net income (loss) from equity method investments plus fixed charges. Fixed charges for these purposes consist of interest expense and a portion of rentals, reflecting one-third of net rental expense, deemed representative of the interest component of the rental expense. These ratios are presented both including and excluding interest on deposits.

	<b>Six months ended June 30, 2006</b>	<b>Year ended December 31,</b>				
		<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>
Including Interest on Deposits .....	1.17	1.16	1.16	1.14	1.16	1.05
Excluding Interest on Deposits .....	1.23	1.22	1.23	1.21	1.23	1.08

## CAPITALIZATION & INDEBTEDNESS

### THE FOLLOWING TABLE SETS FORTH OUR UNAUDITED CONSOLIDATED CAPITALIZATION IN ACCORDANCE WITH U.S. GAAP.

	<u>June 30, 2006</u> (in € millions)
Debt <sup>(1)</sup>	
Long-term debt <sup>(2) (3) (4)</sup> .....	121,467
Total debt .....	121,467
Shareholders' equity:	
Common shares (no par value) <sup>(5)</sup> .....	1,330
Additional paid-in-capital .....	14,581
Retained earnings .....	22,023
Common shares in treasury, at cost .....	(2,139)
Equity classified as obligation to purchase common shares .....	(4,319)
Accumulated other comprehensive income:	
Deferred tax on unrealized net gains on securities available for sale relating to 1999 and 2000 tax rate changes in Germany .....	(2,164)
Unrealized net gains on securities available for sale, net of applicable tax and other .....	1,829
Unrealized net gains (losses) on derivatives hedging variability of cash flows, net of tax .....	(52)
Minimum pension liability, net of tax .....	(8)
Foreign currency translation, net of tax .....	<u>(2,017)</u>
Total shareholders' equity .....	<u>29,064</u>
Total capitalization <sup>(6)</sup> .....	<u><u>150,531</u></u>

<sup>1</sup> No third party has guaranteed any of our debt.

<sup>2</sup> €15,806 million (13%) of our long-term debt was secured as of June 30, 2006. €12,189 million (10%) of our long-term debt was secured as of August 31, 2006. There has been no material change in the amount of our secured long-term debt since August 31, 2006.

<sup>3</sup> In accordance with FASB Interpretation No. 46, long-term debt includes €4.1 billion of debt related to trust preferred securities.

<sup>4</sup> As of August 31, 2006 our long-term debt increased to €126,076 million.

<sup>5</sup> Between July 1, 2006 and August 31, 2006 we issued 832,430 common shares under share based compensation plans.

<sup>6</sup> There has been no material change in our capitalization since June 30, 2006.

## **USE OF PROCEEDS**

We will use the net proceeds from the sale of the securities we offer by this prospectus for general corporate purposes, in connection with hedging our obligations under the securities, or for any other purposes described in the applicable prospectus supplement. General corporate purposes may include additions to working capital, investments in or extensions of credit to, our subsidiaries, and the repayment of indebtedness.

The relevant trust will use the net proceeds from the sale of any trust preferred securities to purchase corresponding company preferred securities. The relevant company will use the net proceeds from the sale of the company preferred securities to the relevant trust or directly to investors to purchase subordinated debt obligations of Deutsche Bank AG or one of its branches or subsidiaries. The Bank intends to include the proceeds of any issuance of capital securities in its regulatory capital calculated on a consolidated basis, in accordance with and to the extent permitted by German banking law and regulations.

## DESCRIPTION OF DEBT SECURITIES

This section describes the general terms that will apply to any debt securities that may be offered pursuant to this prospectus by Deutsche Bank AG, directly or through one of its branches. The specific terms of the offered debt securities, and the extent to which the general terms described in this section apply to debt securities, will be described in one or more related prospectus supplements at the time of the offer.

### General

As used in this prospectus, “debt securities” means the senior debentures, notes, bonds and other evidences of indebtedness that Deutsche Bank AG issues, directly or through one of its branches, and in each case, the trustee authenticates and delivers under the senior indenture.

The senior debt securities (and, in the case of debt securities in bearer form, any coupons to these securities) will be our direct, unconditional, unsecured and unsubordinated obligations and will rank on parity with the claims of all our other unsecured creditors other than those claims which are expressly preferred by law of the jurisdiction of our incorporation or, in the case of senior debt securities issued by Deutsche Bank AG through a branch, the law of the jurisdiction where the branch is established.

### The Senior Indenture

Deutsche Bank AG may issue senior debt securities, directly or through one of its branches. The senior debt securities offered pursuant to this prospectus will be issued, in one or more series under, and will be governed by, the senior indenture between Deutsche Bank AG and a trustee. The senior indenture will be qualified under the Trust Indenture Act of 1939, as amended, or the Trust Indenture Act.

We refer to the trustee, including any successor trustee, as the “**trustee.**” We refer to the senior indenture, as it may be supplemented from time to time, as the “**senior indenture.**”

We have summarized below the material provisions of the senior indenture and the senior debt securities, or indicated which material provisions will be described in the related prospectus supplement. These descriptions are only summaries and are qualified in their entirety by the senior indenture. The terms of the senior indenture will include both those stated in that indenture and those made part of that indenture by the Trust Indenture Act. The form of the senior indenture will be filed as an exhibit to the registration statement of which this prospectus forms a part, and you should read the indenture for provisions that may be important to you.

### We May Issue Different Series of Debt Securities

The senior indenture does not limit the amount of debt that may be issued. We may issue debt securities from time to time in one or more distinct series, at a price of 100% of their principal amount or at a premium or a discount. This section summarizes terms of the debt securities that apply generally to all series. The provisions of the senior indenture allow us not only to issue debt securities with terms different from those of debt securities previously issued under that indenture, but also to “reopen” a previously issued series of debt securities and issue additional debt securities of that series. The debt securities will not be secured by any property or assets of Deutsche Bank AG. We will describe many of the specific terms of the applicable series in the applicable prospectus supplement.

### Payments on the Debt Securities

**Denomination and currency.** The debt securities may be denominated and payable in U.S. dollars or other currencies.

**Fixed rate and floating rate debt securities.** Debt securities may bear interest at a fixed rate or a floating rate, which, in either case, may be zero, or at a rate that varies during the lifetime of the debt security. Debt securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate may be sold at a discount below their stated principal amount.

**Linked or exchangeable debt securities.** We may issue debt securities from time to time with the principal amount and/or interest payable on any relevant payment date to be determined by reference to one or more currencies, commodities or securities of us or entities that are or are not affiliated with us, a basket or baskets of those currencies, commodities or securities, or an index or indices of those currencies, commodities or securities, or interest rates, or intangibles, articles, or goods; or any other financial or economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance. Holders of these types of debt securities will receive payments of principal and/or interest (if any) that are determined by reference to the applicable underlying instrument or measurement. Such debt securities may provide either for cash settlement or for physical settlement by delivery of the applicable underlying property or other property of the type listed above. Such debt securities may also provide that the form of settlement may be determined at our option or at your option.

We may issue debt securities that are exchangeable, either mandatorily or at our or the holder's option, into securities of us or entities that are or are not affiliated with us, a basket or baskets of those securities, other property, or any combination of, or the cash value of, such securities or other property.

### **Terms Specified in Prospectus Supplement**

The prospectus supplement will contain, where applicable, the following terms of and other information relating to any offered debt securities:

- whether the debt securities will be issued by Deutsche Bank AG, directly or through one of its branches;
- the specific designation;
- the aggregate principal amount, purchase price and denomination;
- the currency in which the debt securities are denominated and/or in which principal, and premium, if any, and/or interest, if any, is payable;
- the date of maturity (and any provisions relating to extending or shortening the maturity date);
- the interest rate or rates or the method by which the calculation agent (identified in the prospectus supplement) will determine the interest rate or rates, if any;
- the date from which interest accrues and the interest payment dates, if any;
- the place or places for payment of the principal of and any premium, if any, and/or interest, if any, on the debt securities;
- any repayment, redemption, prepayment or sinking fund provisions, including any redemption notice provisions;
- if other than the principal amount thereof, the portion of the principal amount of the debt securities payable upon declaration of acceleration of maturity thereof;
- whether we will issue the debt securities in registered form or bearer form or both and, if we are offering debt securities in bearer form, any restrictions applicable to the exchange of one form for another and to the offer, sale and delivery of those debt securities in bearer form;
- whether we will issue the debt securities in global (i.e., book-entry) or definitive (i.e., certificated) form and under what terms and conditions;

- the terms on which holders of the debt securities may exchange them into or for one or more securities of us or entities that are or are not affiliated with us, a basket or baskets of those securities, other property, or any combination of, or the cash value of, any of the foregoing; the terms on which exchange may occur, including whether exchange is mandatory, at the option of the holder or at our option; the period during which exchange may occur; the initial exchange price or rate; and the circumstances or manner in which the amount of securities or other property, or any combination thereof, deliverable upon exchange, or the cash value thereof, may be adjusted;
- information as to the methods for determining the amount of principal, premium, if any, and/or interest payable on any date and/or currencies, commodities or securities of us or entities that are or are not affiliated with us, the basket or baskets of those currencies, commodities or securities, or the index or indices of those currencies, commodities or securities, or interest rates, or intangibles, articles, or goods, or any other financial or economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance, to which the amount payable on that date is linked;
- the identity of any agents for the debt securities, including the trustee, depositaries, authenticating or paying agents, transfer agents, registrars, determination or other agents;
- the proposed listing, if any, of the debt securities on any securities exchange;
- whether the debt securities are to be sold separately or with other securities as part of units; and
- any other specific terms of the debt securities and any terms required by or advisable under applicable laws or regulations.

The prospectus supplement relating to any series of debt securities may also include, if applicable, a discussion of certain U.S. federal income tax considerations, German income tax consequences and income tax consequences of the jurisdiction of any relevant issuing branch and considerations under the U.S. Employee Retirement Income Security Act of 1974, as amended, or ERISA.

### **Registration and Transfer of Debt Securities**

Holders may present debt securities for exchange and transfer (except bearer securities) in the manner, at the places and subject to the restrictions stated in the debt securities and described in the applicable prospectus supplement. We will provide these services without charge except for any tax or other governmental charge payable in connection with these services and subject to any limitations or requirements provided in the senior indenture or the supplemental indenture thereto or issuer order under which that series of debt securities is issued.

Holders may transfer debt securities in bearer form and/or the related coupons, if any, by delivery to the transferee.

If any of the securities are held in global form, the procedures for transfer of interests in those securities will depend upon the procedures of the depositary for those global securities. See "Forms of Securities."

### **Impact of Significant Corporate Actions and Other Developments**

Under German law, a surviving corporation in a merger or consolidation generally assumes the obligations of its predecessors. There are, however, no covenants in the indenture or other provisions designed to protect holders of the debt securities against a reduction in the creditworthiness of Deutsche Bank AG that would afford holders of debt securities additional protection in the event of a recapitalization transaction, a change of control of the Bank, a merger or consolidation, a sale, lease or conveyance of all or substantially all of the Bank's assets or a highly leveraged transaction or any other transaction that might adversely affect holders of the debt securities.



It may be that Deutsche Bank AG will depend increasingly upon the earnings and cash flow of its subsidiaries to meet its obligations under the debt securities. Since the creditors of any of its subsidiaries would generally have a right to receive payment that is superior to Deutsche Bank AG's right to receive payment from the assets of that subsidiary, holders of debt securities will be effectively subordinated to creditors of Deutsche Bank AG's subsidiaries. In addition, there are various regulatory requirements applicable to some of Deutsche Bank AG's subsidiaries that limit their ability to pay dividends and make loans and advances to Deutsche Bank AG.

### **Events of Default**

The senior indenture provides holders of debt securities with remedies if we fail to perform specific obligations, such as making payments on the debt securities, or if we become bankrupt. Holders should review these provisions and understand which of our actions trigger an event of default and which actions do not. The senior indenture permits the issuance of debt securities in one or more series, and, in many cases, whether an event of default has occurred is determined on a series by series basis.

An event of default is defined under the senior indenture, with respect to any series of debt securities issued under that indenture, as any one or more of the following events (each an "event of default") having occurred and be continuing:

- default is made in the payment of principal, interest or premium in respect of such series of debt securities for 30 days;
- we fail to perform or observe any of our other obligations under the securities and such failure has continued for the period of 60 days following the service on us of notice by the trustee or holders of 33 $\frac{1}{3}$ % of such series requiring the same to be remedied, except that the failure to file with the trustee certain information required to be filed with the trustee pursuant to the Trust Indenture Act of 1939, as amended, will not constitute an event of default (although the trustee may bring suit to enforce such filing obligation); or
- a court in Germany opens insolvency proceedings against us or we apply for or institute such proceedings or offer or make an arrangement for the benefit of our creditors generally.

Any additional or different events of default applicable to a particular series of debt securities will be described in the prospectus supplement relating to such series.

### ***Acceleration of Debt Securities Upon an Event of Default.***

The senior indenture provides that:

- if an event of default due to the default in payment of principal, interest or premium in respect of any series of senior debt securities issued under the senior indenture, or due to the default in the performance or breach of any other covenant or warranty of the Bank applicable to less than all outstanding series of senior debt securities issued under the senior indenture occurs and is continuing, other than a covenant for which the senior indenture specifies that the violation thereof does not give a right to accelerate or declare due and payable any securities issued under the senior indenture, either the trustee or the holders of not less than 33 $\frac{1}{3}$ % in aggregate principal amount of the outstanding senior debt securities of all affected series, voting as one class, by notice in writing to the Bank, may declare the principal of all senior debt securities of each affected series and interest accrued thereon to be due and payable immediately; and
- if an event of default due to a default in the performance of any other of the covenants or agreements in the senior indenture applicable to all outstanding debt securities issued under the senior indenture or due to the specified events of bankruptcy, insolvency or reorganization of the Bank, occurs and is continuing, other than a covenant for which the senior indenture specifies that the violation thereof does not give a right to accelerate or declare due and payable any securities

issued under the senior indenture, either the trustee or the holders of not less than 33 $\frac{1}{3}$ % in aggregate principal amount of all outstanding senior debt securities issued under the senior indenture, voting as one class, by notice in writing to the Bank, may declare the principal of all senior debt securities and interest accrued thereon to be due and payable.

***Annulment of Acceleration and Waiver of Defaults.*** In some circumstances, if any and all events of default under the senior indenture, other than the non-payment of the principal of the securities that has become due as a result of an acceleration, have been cured, waived or otherwise remedied, then the holders of a majority in aggregate principal amount of all series of outstanding debt securities affected, voting as one class, may annul past declarations of acceleration of or waive past defaults of the debt securities.

***Indemnification of Trustee for Actions Taken on Your Behalf.*** The senior indenture provides that the trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of debt securities issued under that indenture relating to the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred upon the trustee. In addition, the senior indenture contains a provision entitling the trustee, subject to the duty of the trustee to act with the required standard of care during a default, to be indemnified by the holders of debt securities issued under that indenture before proceeding to exercise any right or power at the request of holders. Subject to these provisions and some other limitations, the holders of a majority in aggregate principal amount of each affected series of outstanding debt securities, voting as one class, may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee.

***Limitation on Actions by You as an Individual Holder.*** The senior indenture provides that no individual holder of debt securities may institute any action against us under that indenture, except actions for payment of overdue principal and interest at maturity or upon acceleration, unless the following actions have occurred:

- the holder must have previously given written notice to the trustee of the continuing default;
- the holders of not less than a majority in aggregate principal amount of the outstanding debt securities of each affected series, treated as one class, must have (1) requested the trustee to institute that action and (2) offered the trustee reasonable indemnity;
- the trustee must have failed to institute that action within 60 days after receipt of the request referred to above; and
- the holders of a majority in aggregate principal amount of the outstanding debt securities of each affected series, treated as one class, must not have given directions to the trustee inconsistent with those of the holders referred to above.

The senior indenture contains a covenant that we will file annually with the trustee a certificate of no default or a certificate specifying any default that exists.

### **Discharge and Defeasance**

We have the ability to eliminate most or all of our obligations on any series of debt securities prior to maturity if we comply with the following provisions.

***Discharge of Indenture.*** We may discharge all of our obligations, other than as to transfers and exchanges, under the senior indenture after we have:

- paid or caused to be paid the principal of and any interest or premium, if any, on all of the outstanding debt securities issued thereunder in accordance with their terms;
- delivered to the trustee for cancellation all of the outstanding debt securities issued thereunder; or

- if in the case of any series of debt securities on which the exact amount (including the currency of payment) of principal and any interest or premium, if any, due can be determined at the time of making the deposit referred to below, and which shall have become due or payable, or are by their terms to become due and payable or are scheduled for redemption, within one year, we have irrevocably deposited with the trustee, cash or, in the case of a series of debt securities payable only in U.S. dollars, U.S. government obligations, in trust for the benefit of the holders of securities of such series, in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and any interest or premium, if any, on, and any mandatory sinking fund payments for, those securities.

***Defeasance of a Series of Securities at Any Time.*** We may also discharge all of our obligations, other than as to transfers and exchanges, under any series of debt securities at any time, which we refer to as “**defeasance.**”

Defeasance may be effected only if, among other things:

- we irrevocably deposit with the trustee cash or, in the case of debt securities payable only in U.S. dollars, U.S. government obligations, in trust for the benefit of the holders of securities of such series, in an amount certified to be sufficient to pay on each date that they become due and payable, the principal of and any interest or premium, if any, on, and any mandatory sinking fund payments for, all outstanding debt securities of the series being defeased; and
- we deliver to the trustee an opinion of counsel to the effect that:
  - the holders of the series of debt securities being defeased will not recognize income, gain or loss for United States federal income tax purposes as a result of the defeasance; and
  - the defeasance will not otherwise alter those holders’ United States federal income tax treatment of principal and interest payments on the series of debt securities being defeased.

This opinion must be based on a ruling of the Internal Revenue Service or a change in United States federal income tax law occurring after the date of this prospectus, since the above results would not occur under current tax law.

### **Modification of the Indenture**

***Modification without Consent of Holders.*** We and the trustee may enter into supplemental indentures without the consent of the holders of debt securities issued under the senior indenture to:

- secure any senior debt securities;
- evidence the assumption by a successor corporation of our obligations;
- add covenants for the protection of the holders of debt securities;
- cure any ambiguity or correct any inconsistency or manifest error;
- establish the forms or terms of debt securities of any series; or
- evidence the acceptance of appointment by a successor trustee.

***Modification Requiring Consent of Each Holder.*** We and the trustee may not make any of the following changes to any outstanding debt security without the consent of each holder that would be affected by such change:

- change the final maturity of such security;
- reduce the principal amount;
- reduce the rate or change the time of payment of interest;
- reduce any amount payable on redemption;

- change the currency in which the principal, including any amount of original issue discount, premium, or interest thereon is payable;
- modify or amend the provisions for conversion of any currency into another currency;
- reduce the amount of any original issue discount security payable upon acceleration or provable in bankruptcy;
- alter the terms on which holders of the debt securities may convert or exchange debt securities for other securities of the Bank or of other entities or for other property or the cash value of thereof, other than in accordance with the antidilution provisions or other similar adjustment provisions included in the terms of the debt securities;
- alter certain provisions of the indenture relating to debt securities not denominated in U.S. dollars;
- impair the right of any holder to institute suit for the enforcement of any payment on any debt security when due; or
- reduce the percentage of debt securities the consent of whose holders is required for modification of the indenture.

***Modification with Consent of Holders of a Majority.*** We and the trustee may make any other change to the senior indenture and to the rights of the holders of the debt securities issued thereunder, if we obtain the consent of the holders of not less than a majority in aggregate principal amount of all affected series of outstanding debt securities issued thereunder, voting as one class.

### **Concerning Our Relationship with the Trustee**

We and our subsidiaries maintain ordinary banking relationships and custodial facilities with the trustee and affiliates of the trustee.

### **Governing Law**

The debt securities and the senior indenture will be governed by, and construed in accordance with, the laws of the State of New York.

## **DESCRIPTION OF WARRANTS**

We may offer warrants separately or together with one or more additional warrants, purchase contracts and debt securities issued by us or debt obligations or other securities of an entity affiliated or not affiliated with us or any combination of those securities in the form of units, as described in the applicable prospectus supplement. If we issue warrants as part of a unit, the accompanying prospectus supplement will specify whether those warrants may be separated from the other securities in the unit prior to the warrants' expiration date. Warrants to purchase or sell securities of entities not affiliated with us issued in the United States may not be so separated prior to the 91st day after the issuance of the unit, unless otherwise specified in the applicable prospectus supplement.

We may issue warrants, on terms to be determined at the time of sale, for the purchase or sale of, or whose redemption value is determined by reference to the performance, level or value of, one or more of the following:

- securities issued by us or an entity affiliated or not affiliated with us, commodities, a basket or baskets of those securities or commodities, an index or indices of those securities or commodities, or any combination of the foregoing;
- currencies; and

- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance.

We refer to the items in the above clauses as “warrant property.” We may satisfy our obligations, if any, with respect to any warrants by delivering the warrant property, the cash value of the warrant property or the cash value of the warrants determined by reference to the performance, level or value of the warrant property, all as described in the applicable prospectus supplement.

### **Terms Specified in Prospectus Supplement**

The prospectus supplement will contain, where applicable, the following terms of and other information relating to any offered warrants:

- the specific designation;
- the aggregate number of, and the price at which we will issue, the warrants;
- the currency with which the warrants may be purchased;
- whether we will issue the warrants in registered form or bearer form or both;
- the date on which the right to exercise the warrants will begin and the date on which that right will expire or, if you may not continuously exercise the warrants throughout that period, the specific date or dates on which you may exercise the warrants;
- if applicable, the minimum or maximum amount of warrants that may be exercised at any one time;
- if applicable, the date on and after which the warrants and the related securities will be separately transferable;
- whether the warrants are put warrants, call warrants or spread warrants (entitling the holder to receive a cash value to be determined by reference to the amount, if any, by which a specified reference value of the warrant property at the time of exercise exceeds a specified base value of the warrant property), whether you or we will have the right to exercise the warrants and any conditions or restrictions on the exercise of the warrants;
- the specific warrant property or cash value, and the amount or the method for determining the amount of the warrant property or cash value, deliverable upon exercise of each warrant;
- the price at which and the currency with which the underlying securities, currencies or commodities may be purchased or sold upon the exercise of each warrant, or the method of determining that price;
- whether the warrant must be exercised by the payment of the exercise price in cash, on a cashless basis or by the delivery of any other security;
- whether the exercise of the warrants is to be settled in cash or by delivery of the underlying securities, commodities, or both;
- the identity of the warrant agent for the warrants and of any other depositaries, execution or paying agents, transfer agents, registrars, determination or other agents;
- any applicable United States federal income tax consequences, German income tax consequences and income tax consequences of the jurisdiction of any relevant issuing branch;
- the proposed listing, if any, of the warrants or any securities that may be acquired upon exercise of the warrants on any securities exchange;
- whether the warrants are to be sold separately or with other securities as part of units; and
- any additional terms of the agreement governing the warrants and any terms required by or advisable under applicable laws or regulations.

## DESCRIPTION OF PURCHASE CONTRACTS

We may issue purchase contracts (including purchase contracts issued as part of a unit with one or more warrants and debt securities issued by us or debt obligations or other securities of an entity affiliated or not affiliated with us) to purchase or sell, or whose redemption value is determined by reference to the performance, level or value of, one or more of the following:

- securities issued by us or an entity affiliated or not affiliated with us, commodities, a basket or baskets of those securities or commodities, an index or indices of those securities or commodities, or any combination of the foregoing;
- currencies; and
- any other financial, economic or other measure or instrument, including the occurrence or non-occurrence of any event or circumstance.

We refer to the property in the above clauses as “purchase contract property.”

Each purchase contract will obligate the holder to purchase or sell, and obligate us to sell or purchase, on specified dates, the purchase contract property at a specified price or prices (which may be based on a formula), all as described in the applicable prospectus supplement. We may satisfy our obligations, if any, with respect to any purchase contract by delivering the purchase contract property, the cash value of such purchase contract property or the cash value of the purchase contract (which may be based on a formula or determined by reference to the performance, level or value of the purchase contract property), or, in the case of purchase contracts on underlying currencies, by delivering the underlying currencies, all as set forth in the applicable prospectus supplement. The applicable prospectus supplement will specify the methods by which the holders may purchase or sell the purchase contract property, any acceleration, cancellation or termination provisions, the identity of any purchase contract agent, other provisions relating to the settlement of a purchase contract or any other terms of the purchase contracts. The applicable prospectus supplement will also specify any applicable United States federal income tax consequences, German income tax consequences and income tax consequences of the jurisdiction of any relevant issuing branch in respect of the relevant purchase contracts.

### Prepaid Purchase Contracts

Purchase contracts may require holders to satisfy their obligations under the purchase contracts at the time they are issued. We refer to these purchase contracts as “prepaid purchase contracts.” In certain circumstances, our obligation to settle prepaid purchase contracts on the relevant settlement date may be governed by the senior indenture and accordingly will rank on parity with all of our other unsecured and unsubordinated debt.

### Purchase Contracts Issued as Part of Units

Purchase contracts issued as part of a unit will be governed by the terms and provisions of a unit agreement, as described in the applicable prospectus supplement.

## DESCRIPTION OF UNITS

Units will consist of any combination of warrants, purchase contracts, debt securities issued by us and debt obligations or other securities of an entity affiliated or not affiliated with us. The applicable prospectus supplement will also describe:

- the designation and the terms of the units and of any combination of warrants, purchase contracts, debt securities issued by us and debt obligations or other securities of an entity affiliated or not affiliated with us constituting the units, including whether and under what circumstances the



warrants, purchase contracts, debt securities issued by us and debt obligations or other securities of an entity affiliated or not affiliated with us may be traded separately;

- any additional terms of the governing unit agreement;
- any additional provisions for the issuance, payment, settlement, transfer or exchange of the units or of the warrants, purchase contracts, debt securities issued by us and debt obligations or other securities of an entity affiliated or not affiliated with us constituting the units; and
- any applicable United States federal income tax consequences, German income tax consequences and income tax consequences of the jurisdiction of any relevant issuing branch.

The terms and conditions described under “Description of Debt Securities,” “Description of Warrants” and “Description of Purchase Contracts” will apply to each unit and to any debt securities, warrants and purchase contracts issued by us included in each unit, unless otherwise specified in the applicable prospectus supplement.

## DESCRIPTION OF CAPITAL SECURITIES

As more fully described below or set forth in the applicable prospectus supplement, we may sell capital securities of one or multiple series through trusts, companies or similar entities. If any such capital securities are issued, they will have the benefit of certain subordinated guarantees described below issued by Deutsche Bank AG.

Set forth below is a description of the trust preferred securities, company preferred securities and related instruments we may issue in connection with an issuance of capital securities. Issuances of capital securities in the future may or may not conform to the descriptions below, and such descriptions may be modified or superseded by the terms of any particular series of capital securities set forth in the relevant prospectus supplement.

### Description of Trust Preferred Securities

This prospectus describes the general terms and provisions of the trust preferred securities that the trusts may issue. When a trust offers to sell its trust preferred securities, we will describe the specific terms of those trust preferred securities in a supplement to this prospectus. We will also indicate in the applicable prospectus supplement whether the general terms and provisions that we describe in this prospectus apply to those securities. If there are any differences between the applicable prospectus supplement and this prospectus, the prospectus supplement will control. For a complete description of the material terms of the particular issue of trust preferred securities, you must refer to both the applicable prospectus supplement and to the following description.

Each trust may issue, from time to time, in one or more series, trust preferred securities under the relevant amended and restated trust agreement, which we refer to as trust agreement. The trust agreements may or may not limit the aggregate amount of trust preferred securities that may be issued or the aggregate amount of any particular series. Each of the trust agreements will be qualified as an indenture under the Trust Indenture Act. The trusts may issue trust preferred securities and trust common securities at any time without your consent and without notifying you.

Each of the trust agreements will authorize the regular trustees of the relevant trusts, on behalf of the relevant trust, to issue the trust preferred securities. These securities will represent the undivided preferred beneficial ownership interests in the assets of the relevant trust. The form of a trust agreement has been filed as an exhibit to the registration statement of which this prospectus forms a part, and you should read the form of trust agreement for provisions that may be important to you. You should read the applicable prospectus supplement for the specific terms of any authorized series of trust preferred securities, including:

- the specific designation of the trust preferred securities;
- the number and liquidation preference amount of the trust preferred securities;
- the rate or rates at which the trust will pay distributions (which we also refer to as capital payments), or method of calculation of such rate, the payment date or dates for any distributions and the record date for any distributions;
- the amount or amounts that the trust will pay, or the property that the trust will deliver, out of its assets to the holders of the trust preferred securities upon the trust's liquidation;
- the obligation or option, if any, of the trust to purchase or redeem the trust preferred securities and the price or prices (or formula for determining the price) at which, the period or periods within which, and the terms and conditions upon which the trust will or may purchase or redeem trust preferred securities, in whole or in part, pursuant to the obligation or option;
- the voting rights, if any, of the trust preferred securities, including any vote required to amend the relevant trust agreement;

- the criteria for determining whether and to what extent the trust will be required to pay distributions on the trust preferred securities or will be prohibited from paying distributions on the trust preferred securities;
- terms for any optional or mandatory conversion or exchange of trust preferred securities into other securities;
- whether and to what extent the trust will be required to pay any additional amounts in respect of withholding taxes; and
- any other relative rights, preferences, privileges, limitations or restrictions of the trust preferred securities not inconsistent with the relevant trust agreement or applicable law.

The prospectus supplement relating to the particular trust preferred securities may also include, if applicable, a discussion of certain U.S. federal income tax and ERISA considerations.

In the event of an offering of trust preferred securities, the proceeds from the sale of the trust preferred securities will be used by the relevant trust to purchase corresponding company preferred securities. The company preferred securities will be owned by the trust for the benefit of the holders of the trust preferred securities and the holder of the trust common security. The rights under the subordinated company preferred guarantee of the company preferred securities of the corresponding company issued by Deutsche Bank AG will be held in the name of the company preferred guarantee trustee for the benefit of the trust as owner of the company preferred securities who in turn holds it for the benefit of the holders of the trust preferred securities.

Except as provided in the applicable prospectus supplement, the trust preferred securities will be perpetual and non-cumulative. The relevant trust will pass through the distributions it receives on the company preferred securities as distributions on the trust preferred securities. It will also pass through any redemption payment it receives on the company preferred securities to redeem a corresponding amount of the trust preferred securities as well as any liquidation payment it receives on the company preferred securities upon liquidation of the relevant company.

Each of the trusts (and any series of trust preferred securities issued thereunder) is a legally separate entity and the assets of one trust or series will not be available to satisfy the obligations of any of the other trusts or series.

Holders of the trust preferred securities will have the benefit of Deutsche Bank AG's subordinated guarantees of the distribution, redemption and liquidation payment obligations under the trust preferred securities (which we refer to as the trust preferred guarantee) and the company preferred securities (which we refer to as the company preferred guarantee) as set forth in the applicable prospectus supplement and in this prospectus under "— Description of Subordinated Guarantees in Connection with Capital Securities."

Unless provided otherwise in the applicable prospectus supplement, the trust preferred securities will be issued in fully registered form without coupons.

#### *Trust Common Securities*

The trust will also issue one common security (which we refer to as the trust common security), representing an undivided common interest in the trust's assets. The trust common security will be owned by Deutsche Bank AG or one of its consolidated subsidiaries.

#### *Information Concerning the Trustees*

Pursuant to the trust agreement, there will be one or more trustees. First there will be one or more trustees, which we refer to as regular trustees, each of whom will be an individual who is an employee or officer of, or who is affiliated with, Deutsche Bank AG. Second, there will be a trustee, which we refer to as the property trustee, who will be a financial institution that is unaffiliated with Deutsche

Bank AG. Unless provided otherwise in the applicable prospectus supplement, The Bank of New York will be the property trustee of each of the trusts. Third, there will be a trustee, which we refer to as the Delaware trustee, that is an individual or entity resident in Delaware. Unless provided otherwise in the applicable prospectus supplement, Deutsche Bank Trust Company Delaware, will be the Delaware trustee for each of the trusts.

The regular trustees have the exclusive authority to cause the relevant trust to issue and sell the trust preferred securities in accordance with the provisions of the related trust agreement and in connection with the issue and sale of the trust preferred securities to cause the relevant trust to acquire company preferred securities.

The property trustee holds, for the benefit of the holders of the trust preferred securities and the holder of the trust common security, the legal title to any company preferred securities purchased by the trust. The property trustee as holder of the company preferred securities is also the beneficiary under the company preferred guarantee issued by Deutsche Bank AG, which it holds for the benefit of the holders of the trust preferred securities.

The property trustee is required to perform only those duties that are specifically set forth in the relevant trust agreement, except when a default has occurred and is continuing with respect to the trust preferred securities. After a default, the property trustee must exercise the same degree of care a prudent person would exercise under the circumstances in the conduct of her or his own affairs.

Subject to these requirements, the property trustee will be under no obligation to exercise any of the powers vested in it by the relevant trust agreement at the request of any holder of trust preferred securities, unless the holder offers the property trustee reasonable indemnity against the cost, expenses and liabilities that might be incurred by exercising those powers.

We and our subsidiaries maintain ordinary banking relationships and custodial facilities with the property trustee and affiliates of the property trustee.

#### *Governing Law*

The trust preferred securities and the trust agreement will be governed by and construed in accordance with the laws of the State of Delaware.

### **Description of Company Preferred Securities**

This prospectus describes the general terms and provisions of the company preferred securities that the Delaware companies may issue. When a company issues company preferred securities, we will describe the specific terms of those securities in a supplement to this prospectus. We will also indicate in the applicable prospectus supplement whether the general terms and provisions that we describe in this prospectus apply to those securities. If there are any differences between the applicable prospectus supplement and this prospectus, the prospectus supplement will control. For a complete description of the material terms of the particular issue of company preferred securities, you must refer to both the applicable prospectus supplement and to the following description.

Each company may issue, from time to time, in one or more series, company preferred securities under an amended and restated limited liability company agreement, which we refer to as the LLC agreement. The companies may issue company preferred securities and other securities at any time without your consent and without notifying you.

The relevant LLC agreement will authorize a company to issue company preferred securities, which may be purchased by a trust or sold directly to investors, and to issue company common securities to Deutsche Bank AG or one of its branches or subsidiaries. In addition, the relevant LLC agreement will authorize a company in connection with the issuance and sale of company preferred securities to a trust or directly to investors to issue a separate class of company preferred securities to Deutsche Bank AG or one of its branches or subsidiaries, which we refer to as intra-group company preferred

securities. The terms company preferred securities and capital securities as used in this prospectus do not include the intra-group company preferred securities issued to Deutsche Bank AG or one of its branches or subsidiaries. A form of the LLC agreement will be filed as an exhibit to the registration statement of which this prospectus forms a part. You should read the LLC agreement for provisions that may be important for you. You should read the applicable prospectus supplement for the specific terms of any authorized series of company preferred securities, including:

- the specific designation of the company preferred securities;
- the number and liquidation preference amount of the company preferred securities;
- the rate or rates at which the company will pay distributions (which we also refer to as capital payments), or method of calculation of such rate, the payment date or dates for any distributions and the record date for any distributions;
- the amount or amounts that the company will pay out of its assets to the holders of the company preferred securities upon the company's liquidation;
- the obligation or option, if any, of the company to purchase or redeem the company preferred securities and the price or prices (or formula for determining the price) at which, the period or periods within which, and the terms and conditions upon which the company will or may purchase or redeem company preferred securities, in whole or in part, pursuant to the obligation or option;
- the voting rights, if any, of the company preferred securities and company common securities, including any vote required to amend the relevant LLC agreement;
- the criteria for determining whether and to what extent the company will be authorized to pay distributions on the company preferred securities or will be required to pay distributions on the company preferred securities;
- terms for any optional or mandatory conversion or exchange of company preferred securities into other securities;
- whether and to what extent the company will be required to pay any additional amounts in respect of withholding taxes; and
- any other relative rights, preferences, privileges, limitations or restrictions of the company preferred securities not inconsistent with the relevant LLC agreement or applicable law.

The prospectus supplement relating to the particular company preferred securities may also include, if applicable, a discussion of certain U.S. federal income tax and ERISA considerations.

In the event of an offering of company preferred securities, the proceeds from their sale to the trust or directly to investors will be used by the relevant company to purchase subordinated debt obligations (which we refer to as initial debt obligations) of Deutsche Bank AG or one of its branches or subsidiaries or other eligible investments.

Except as otherwise set forth in the applicable prospectus supplement, the company preferred securities will be perpetual and non-cumulative.

Holders of the company preferred securities (but not the intra-group company preferred securities) will have the benefit of Deutsche Bank AG's subordinated guarantees of the distribution, redemption and liquidation payment obligations under the company preferred securities (which we refer to as the company preferred guarantee) as set forth in the applicable prospectus supplement and in this prospectus under "—Description of Subordinated Guarantees in Connection with Capital Securities." The terms of any intra-group company preferred securities and the company common securities issued to Deutsche Bank AG will be set forth in the relevant LLC agreement and described in the applicable prospectus supplement.

## **Description of Subordinated Guarantees in Connection with Capital Securities**

Set forth below is a summary of information concerning the subordinated guarantees that Deutsche Bank AG will execute and deliver concurrently with any issuance of capital securities. Each of the subordinated guarantees will be qualified as an indenture under the Trust Indenture Act. The subordinated guarantees are for the benefit of the holders from time to time of the capital securities of any series issued by the relevant trust or the relevant company. The terms of the subordinated guarantees will include both those stated in the subordinated guarantee agreements entered into between Deutsche Bank AG and the guarantee trustee and those made part of the subordinated guarantee agreements by the Trust Indenture Act. Forms of the subordinated guarantee agreements have been filed as exhibits to the registration statement of which this prospectus forms a part. The forms of the subordinated guarantee agreements may be modified in connection with the issuance of any series of capital securities, and any such modification that is material will be filed with a post-effective amendment to, or on a Form 6-K incorporated by reference in, the registration statement of which this prospectus forms a part. You should read the relevant subordinated guarantee agreement and any such amendment or supplement for provisions that may be important to you.

### *Guaranteed Obligations*

Under the subordinated guarantees, Deutsche Bank AG will fully and unconditionally guarantee, on a subordinated basis, the payment by the relevant trust or the relevant company, as applicable, of the following, without duplication, with respect to capital securities of any series:

- any dividends or distributions (which we may refer to as capital payments) due and payable on the trust preferred securities or on the company preferred securities;
- the redemption price payable with respect to any capital securities called for redemption by the relevant trust or company; and
- the liquidating distribution on each capital security payable upon liquidation of the relevant trust or company,

in each case, to the extent provided in the applicable prospectus supplement. In particular, Deutsche Bank AG will guarantee the payment of a distribution on company preferred securities, and the related trust preferred securities, only to the extent the company has declared, or is deemed to have declared, the distribution on the company preferred securities.

Subject to the subordination provisions described below, Deutsche Bank AG will be obligated to make such payments as and when due, regardless of any defense, right of set-off or counterclaim that Deutsche Bank AG may have or assert, other than the defense of payment, and whether or not the company has legally available funds for the payments so guaranteed. Deutsche Bank AG's obligations under the relevant subordinated guarantee will be several and independent of the obligations of the relevant trust or company with respect to the capital securities.

### *Subordination*

The subordinated guarantees will be general and unsecured obligations of Deutsche Bank AG and will rank, both as to payment and in liquidation of Deutsche Bank AG:

- subordinate to all senior and subordinated debt obligations of Deutsche Bank AG (including those in respect of bonds, notes, debentures and guarantees of Deutsche Bank AG, including the senior and subordinated debt securities of Deutsche Bank AG issued under this prospectus and any profit participation rights (*Genussrechte*)) that do not expressly rank on parity with the obligations of Deutsche Bank AG under the subordinated guarantees;
- on parity with the most senior ranking preference shares of Deutsche Bank AG, if any, and with its obligations under any guarantee or support agreement or undertaking relating to any preference shares or other instrument of any subsidiary of Deutsche Bank AG qualifying as consolidated Tier 1



capital of Deutsche Bank AG that does not expressly rank junior to the obligation of Deutsche Bank AG under the subordinated guarantees; and

- senior to any other preference shares and the common shares of Deutsche Bank AG and any other securities of Deutsche Bank AG expressed to rank junior to the most senior preference shares of Deutsche Bank AG, if any, from time to time outstanding.

The foregoing liabilities that rank senior to the subordinated guarantees are collectively called “senior liabilities.”

The subordination provisions set out above will be irrevocable. Except as set forth in the applicable prospectus supplement, Deutsche Bank AG may not create or permit to exist any charge or other security interest over its assets to secure its obligations in respect of the subordinated guarantees.

#### *Additional Amounts*

If Deutsche Bank AG is required to withhold or deduct any portion of a payment under the relevant subordinated guarantee, the applicable prospectus supplement will provide whether and to what extent it will pay additional amounts in order to cause the net amounts received by the holders of capital securities to be the same as the holders would have received in the absence of the withholding or deduction.

#### *Other Provisions*

The guarantee trustee, on behalf of the holders of capital securities, will have the right to enforce the relevant subordinated guarantee directly against Deutsche Bank AG if Deutsche Bank AG defaults under such subordinated guarantee. Each of the subordinated guarantee agreements will provide that, to the fullest extent permitted by law, without the need for any action on the part of the relevant guarantee trustee or any other holder of capital securities, each holder of capital securities will be entitled to enforce its rights directly under the relevant subordinated guarantee with respect to any of Deutsche Bank AG’s payment obligations that have become due thereunder.

#### *No Assignment*

Deutsche Bank AG may not assign its obligations under the subordinated guarantees, except in the case of merger, consolidation, sale, lease or other transfer of substantially all of its assets in which Deutsche Bank AG is not the surviving entity.

#### *Termination*

The subordinated guarantees will terminate on the earlier of:

- the full payment of the redemption price for all capital securities or repurchase and cancellation of all capital securities of the relevant series; and
- the full payment of the liquidating distribution on all capital securities of the relevant series.

However, the subordinated guarantees will continue to be effective or will be reinstated, as the case may be, if the holder is required to return any liquidation or redemption payment made under the capital securities or the subordinated guarantees.

#### *Amendments*

Any changes to the subordinated guarantees that affect the amount and timing of the payments under the subordinated guarantees or reduce the amount of capital securities whose holders must consent to an amendment must be approved by each holder of capital securities of each affected series. Any other provision of the subordinated guarantees may be modified only with the prior approval of the holders of

not less than a majority (based on the aggregate liquidation preference amount) of the outstanding capital securities of each affected series (voting as a class).

Notwithstanding the foregoing, without the consent of any holder of capital securities of any series, Deutsche Bank AG may amend or supplement the subordinated guarantee agreements:

- to evidence the succession of another entity to Deutsche Bank AG and the assumption by any such successor of any covenants of Deutsche Bank AG in the subordinated guarantee agreements;
- to add to the covenants, restrictions or obligations of Deutsche Bank AG for the benefit of the holders of capital securities of such series, or to surrender any right or power conferred upon Deutsche Bank AG under the subordinated guarantee agreements;
- to correct or supplement any provision in the subordinated guarantee agreements that may be defective or inconsistent with any other provision therein;
- to modify, eliminate and add to any provision in the subordinated guarantee agreements to such extent as may be necessary or desirable, so long as any such action shall not materially adversely affect the interests of the holders of capital securities of such series;
- to modify or supplement the subordinated guarantee agreements to give effect to any provision made invalid by any changes in the Investment Company Act of 1940, as amended, or the Trust Indenture Act or any other applicable law, provided that any such action does not cause any other provision of the relevant trust agreement or LLC agreement to become invalid and does not materially adversely affect the interests of the holders of the capital securities of such series in any other manner;
- to cure any ambiguity or correct any mistake; or
- in connection with the creation of any series of capital securities and the establishment of the particular terms thereof.

#### *Information Concerning the Trustees*

Pursuant to the subordinated guarantee agreements there will be one trustee who will be a financial institution that is unaffiliated with Deutsche Bank. Unless provided otherwise in the applicable prospectus supplement, The Bank of New York will be the guarantee trustee. The guarantee trustee will be required to perform only those duties that are specifically set forth in the subordinated guarantee agreements, except when an event of default has occurred and is continuing with respect to any subordinated guarantee agreement. If an event of default under a subordinated guarantee has occurred and is continuing, the guarantee trustee will be required to use the same degree of care and skill as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Subject to these requirements, the guarantee trustee will be under no obligation to exercise any of the rights or powers vested in it by any subordinated guarantee agreements at the request or direction of any holder of related company preferred securities or any trust preferred securities, as the case may be, unless the holders offer the guarantee trustee reasonable indemnity against the costs, expenses and liabilities that might be incurred in exercising those powers.

We and our subsidiaries maintain ordinary banking relationships and custodial facilities with the guarantee trustee and affiliates of the guarantee trustee.

#### *Governing Law*

The subordinated guarantees will be governed by and construed in accordance with the laws of the State of New York.

## **Description of Subordinated Debt Obligations in Connection with Certain Capital Securities**

Concurrently with an offering of capital securities, Deutsche Bank AG, directly or through one of its branches, or a subsidiary of Deutsche Bank, will issue subordinated debt obligations, which we refer to as initial debt obligations, to the relevant company. This prospectus briefly outlines certain general terms and provisions of the initial debt obligations we may issue. You should read the applicable prospectus supplement for additional terms relating to the initial debt obligations. The specific terms of an initial debt obligation as described in the applicable prospectus supplement will supplement and, if applicable, may modify or replace the general terms described in this section. If there are differences between the applicable prospectus supplement and this prospectus, the prospectus supplement will control.

The aggregate principal amount of the initial debt obligation will be such that the interest income paid on the initial debt obligation on any interest payment date will be sufficient to make the capital payments on the company preferred securities on the corresponding payment date.

Interest on the initial debt obligations will be payable on the interest payment dates, which generally will be the same as the payment dates under the related capital securities, and at the rate or rates, including fixed or floating rates, specified in the applicable prospectus supplement.

The initial debt obligations will be represented by one or more definitive notes registered in the name of the relevant company.

### *Redemption*

The initial debt obligations may be redeemable at the option of Deutsche Bank AG or its subsidiary at the price or prices, within the period or periods and upon the terms, conditions or events (including any required consents) specified in the applicable prospectus supplement.

### *Additional Amounts*

The applicable prospectus supplement will specify any additional amounts payable if Deutsche Bank AG or its subsidiary is required to withhold any taxes, duties or other governmental charges with respect to any payment in respect of the initial debt obligations.

### *Subordination*

If issued by Deutsche Bank AG, the initial debt obligations will be a general and unsecured obligation of Deutsche Bank AG and, in liquidation of Deutsche Bank AG, will rank:

- subordinate and junior to all senior liabilities of Deutsche Bank AG; and
- on parity with or junior to other subordinated obligations of Deutsche Bank AG, as specified in the applicable prospectus supplement.

Initial debt obligations of any subsidiary of Deutsche Bank AG will be subordinated obligations of such subsidiary guaranteed on a subordinated basis by Deutsche Bank AG.

In the event of the dissolution or liquidation of, or insolvency proceedings against Deutsche Bank AG, the initial debt obligations will be subordinated to the claims of all unsubordinated creditors of Deutsche Bank AG so that in any event no amounts will be payable under the initial debt obligations until the claims of all unsubordinated creditors of Deutsche Bank AG have been satisfied in full. The claims of a holder of initial debt obligations may not be set off against any claims of Deutsche Bank AG. No security of whatever kind is or will at any time be, provided by Deutsche Bank AG or any other person securing the rights of holders of initial debt obligations arising under the initial debt obligations. No subsequent agreement may limit the subordination provisions applicable to any initial debt obligation or amend the maturity or redemption date in respect of any initial debt obligation to an earlier date or

shorten any applicable notice period (*Kündigungsfrist*). If any initial debt obligations are redeemed or repurchased before the date on which such redemption or repurchase is permitted under the terms thereof (other than in respect of certain tax events specified with respect thereto) by Deutsche Bank AG otherwise than in accordance with the provisions of §10(5a) sentence 6 of the German Banking Act (*Kreditwesengesetz*), then the amounts redeemed or paid must be returned to Deutsche Bank AG irrespective of any agreements to the contrary unless the amounts paid have been replaced by other regulatory banking capital (*haftendes Eigenkapital*) of at least equal status within the meaning of the German Banking Act, or the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*) has consented to such redemption or repurchase.

#### *Enforcement of the Subordinated Debt Obligations*

Any consent, notice or other action (including any enforcement action) given or taken by or on behalf of the relevant company may be given or taken at the discretion of the management of the company, as described in the applicable prospectus supplement.

#### *Events of Default*

Except as set forth in the applicable prospectus supplement with respect to certain events of insolvency that will constitute events of default, the initial debt obligations will not provide for acceleration if Deutsche Bank AG or its subsidiary fails to make a payment when due. In the event of any default on the initial debt obligations, the relevant company as holder of the initial debt obligation will enforce its rights for payment of any overdue amounts, but will not be able to accelerate the maturity of the initial debt obligation.

#### *Modification and Amendment of the Subordinated Debt Obligations*

The initial debt obligations may be modified or amended only by the written agreement of Deutsche Bank AG or its subsidiary, on the one hand, and the relevant company, on the other. However, except as otherwise set forth in the applicable prospectus supplement, the relevant LLC agreement will provide that the company may not agree to any modification or amendment of, or waive any default in the payment of any amount under, the initial debt obligation in a manner that would materially affect the interest of the holders of the company preferred securities, unless holders of at least 66 $\frac{2}{3}$ % (based on the aggregate liquidation preference amount) of outstanding company preferred securities affected thereby (voting as a class), consent to such modification or amendment.

#### *Substitution; Redemption and Reinvesting of Proceeds*

The applicable prospectus supplement will specify any requirements for the substitution, redemption of and reinvestment of proceeds of, the initial debt obligations.

#### *Governing Law*

Unless the applicable prospectus supplement provides otherwise, initial debt obligations issued by Deutsche Bank AG will be governed by and construed in accordance with the laws of the State of New York.

## **FORMS OF SECURITIES**

Each debt security, warrant, purchase contract, unit, and capital security will be represented either by:

- one or more global securities representing the entire issuance of securities, or
- a certificate issued in definitive form to a particular investor.

Certificated securities in definitive form and global securities both may be issued either (1) in registered form, where our obligation runs to the holder of the security named on the face of the security or (2) in bearer form, where our obligation runs to the bearer of the security, subject to the limitations explained below under “— Limitations on Issuance of Bearer Securities.”

### Legal Ownership

**Global Securities.** Global securities will name a depository or its nominee as the owner of the debt securities, warrants, purchase contracts, units or capital securities represented by these global securities (other than global bearer securities, which name the bearer as owner). Investors in global securities can own only beneficial interests in such securities. The depository maintains a computerized system that will reflect each investor’s beneficial ownership of the securities through an account maintained by the investor with its broker/dealer, bank, trust company or other representative, as we explain more fully below under “— Global Securities.”

**Definitive Securities.** Definitive securities will name you or your nominee as the owner of the security (other than definitive bearer securities, which will specify the bearer as owner). In order to transfer or exchange these securities or to receive payments other than interest or other interim payments, you or your nominee must physically deliver the securities to the trustee, registrar, paying agent or other agent, as applicable.

**Our Obligations Are to Legal Owners Only.** Our obligations, as well as the obligations of the trustees under any indenture and trustees under any trust agreement, LLC agreement or subordinated guarantee, and the obligations, if any, of any warrant agents, purchase contract agents and unit agents and any other agents of ours, any agents of the trustees or any agents of any warrant agents, purchase contract agents or unit agents, run only to the persons or entities named as holders of the securities in the relevant security register, in the case of registered securities, or the persons or entities that are the bearers of those securities, in the case of bearer securities.

*Neither we nor any trustee, warrant agent, purchase contract agent, unit agent, other agent of ours, agent of the trustee or agent of the warrant agents, purchase contract agents or unit agents have obligations to investors who hold beneficial interests in global securities, in street name or by any other indirect means.*

Upon making a payment or giving a notice to the holder or bearer as required by the terms of that security, we will have no further responsibility for that payment or notice even if that holder or bearer is required, under agreements with depository participants or customers or by law, to pass it along to the indirect owners of beneficial interests in that security but does not do so. Similarly, if we want to obtain the approval or consent of the holders or bearers of any securities for any purpose, we would seek the approval only from the holders or bearers, and not the indirect owners, of the relevant securities. Whether and how the holders or bearers contact the indirect owners would be governed by the agreements between such holders and bearers and the indirect owners.

### Global Securities

**Registered Global Securities.** We may issue the registered debt securities, warrants, purchase contracts, units and capital securities in the form of one or more fully registered global securities that will be deposited with a depository or its nominee identified in the applicable prospectus supplement and registered in the name of that depository or its nominee. In those cases, one or more registered global securities will be issued in a denomination or aggregate denominations equal to the portion of the aggregate principal or face amount of the securities to be represented by registered global securities. Unless and until it is exchanged in whole for securities in definitive registered form, a registered global security may not be transferred except as a whole by and among the depository for the

registered global security, the nominees of the depository or any successors of the depository or those nominees.

If not described below, any specific terms of the depository arrangement with respect to any securities to be represented by a registered global security will be described in the prospectus supplement relating to those securities. We anticipate that the following provisions will apply to all depository arrangements.

Ownership of beneficial interests in a registered global security will be limited to persons, called **“participants,”** who have accounts with the depository or persons who may hold interests through participants. Upon the issuance of a registered global security, the depository will credit, on its book-entry registration and transfer system, the participants’ accounts with the respective principal or face amounts of the securities beneficially owned by the participants. Any dealers, underwriters or selling agents participating in the distribution of the securities will designate the accounts to be credited. Ownership of beneficial interests in a registered global security will be shown on, and the transfer of ownership interests will be effected only through, records maintained by the depository, with respect to interests of participants, and on the records of participants, with respect to interests of persons holding through participants. The laws of some states may require that some purchasers of securities take physical delivery of these securities in definitive form. These laws may impair your ability to own, transfer or pledge beneficial interests in registered global securities.

So long as the depository, or its nominee, is the registered owner of a registered global security, that depository or its nominee, as the case may be, will be considered the sole owner or holder of the securities represented by the registered global security for all purposes under the indenture, warrant agreement, purchase contract, unit agreement or trust agreement. Except as described below, owners of beneficial interests in a registered global security will not be entitled to have the securities represented by the registered global security registered in their names, will not receive or be entitled to receive physical delivery of the securities in definitive form and will not be considered the owners or holders of the securities under the indenture, warrant agreement, purchase contract, unit agreement or trust agreement. Accordingly, each person owning a beneficial interest in a registered global security must rely on the procedures of the depository for that registered global security and, if that person is not a participant, on the procedures of the participant through which the person owns its interest, to exercise any rights of a holder under the indenture, warrant agreement, purchase contract, unit agreement or trust agreement. We understand that under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a registered global security desires to give or take any action that a holder is entitled to give or take under the indenture, warrant agreement, purchase contract, unit agreement or trust agreement, the depository for the registered global security would authorize the participants holding the relevant beneficial interests to give or take that action, and the participants would authorize beneficial owners owning through them to give or take that action or would otherwise act upon the instructions of beneficial owners holding through them.

Payments of principal of, and premium (if any) and interest (if any) on, debt securities, and any payments to holders with respect to warrants, purchase contracts, units or capital securities, represented by a registered global security registered in the name of a depository or its nominee, will be made to the depository or its nominee, as the case may be, as the registered owner of the registered global security. None of the Bank, the trustee, the warrant agents, the purchase contract agents, the unit agents or any other agent of the Bank, agent of the trustee or agent of the warrant agents, purchase contract agents or unit agents will have any responsibility or liability for any aspect of the records relating to payments made on account of beneficial ownership interests in the registered global security or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

We expect that the depository for any of the securities represented by a registered global security, upon receipt of any payment of principal, premium, interest or other distribution of underlying securities or other property to holders on that registered global security, will immediately credit participants’



accounts in amounts proportionate to their respective beneficial interests in that registered global security as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in a registered global security held through participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of those participants, not us.

**Discontinuance of any Depositary.** If the depositary for any of these securities represented by a registered global security is at any time unwilling or unable to continue as depositary or ceases to be a clearing agency registered under the Exchange Act, and a successor depositary registered as a clearing agency under the Exchange Act is not appointed by us within 90 days, we will issue securities in definitive form in exchange for the registered global security that had been held by the depositary. In addition, we may at any time request the withdrawal from the depositary of any of the securities represented by one or more registered global securities. Upon receipt of such request, the depositary will issue a notice to its participants of our request, and will process any withdrawal requests submitted by those participants in accordance with its procedures. If participants request withdrawal following our request, we will issue securities in definitive form in exchange for that portion of the registered global security or securities representing the securities held by participants requesting such withdrawal. Any securities issued in definitive form in exchange for a registered global security will be registered in the name or names that the depositary gives to the trustee, warrant agent, purchase contract agent, unit agent or other relevant agent of ours or theirs. It is expected that the depositary's instructions will be based upon directions received by the depositary from participants with respect to ownership of beneficial interests in the registered global security that had been held by the depositary.

**Bearer Global Securities.** The securities may also be issued in the form of one or more bearer global securities that will be deposited with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, *société anonyme*, or with a nominee for the depositary identified in the prospectus supplement relating to those securities. The specific terms and procedures, including the specific terms of the depositary arrangement, with respect to any securities to be represented by a bearer global security will be described in the prospectus supplement relating to those securities.

### Limitations on Issuance of Bearer Securities

In compliance with United States federal income tax laws and regulations, bearer securities, including bearer securities in global form, will not be offered, sold or delivered, directly or indirectly, in the United States or its possessions or to United States persons, as defined below, except as otherwise permitted by United States Treasury Regulations Section 1.163-5(c)(2)(i)(D). Any underwriters, selling agents or dealers participating in the offerings of bearer securities, directly or indirectly, must agree that:

- they will not, in connection with the original issuance of any bearer securities or during the restricted period with respect to such securities (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)), which we refer to as the "restricted period," offer, sell or deliver, directly or indirectly, any bearer securities in the United States or its possessions or to United States persons, other than as permitted by the applicable Treasury regulations described above; and
- they will not, at any time, offer, sell or deliver, directly or indirectly, any bearer securities in the United States or its possessions or to United States persons, other than as permitted by the applicable Treasury regulations described above.

In addition, any underwriters, selling agents or dealers must have procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling bearer securities are aware of the above restrictions on the offering, sale or delivery of bearer securities.

Bearer securities, other than bearer securities that satisfy the requirements of United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(iii) and any coupons or talons appertaining thereto, will not be

delivered in definitive form, and no interest will be paid thereon, unless the Bank has received a signed certificate in writing, or an electronic certificate described in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(ii), stating that on the date of that certificate the bearer security:

- is owned by a person that is not a United States person;
- is owned by a United States person that:
  - (1) is a foreign branch of a United States financial institution, as defined in applicable United States Treasury Regulations, which we refer to as a “financial institution,” purchasing for its own account or for resale, or
  - (2) is acquiring the bearer security through a foreign branch of a United States financial institution and who holds the bearer security through that financial institution through that date,

and in either case (1) or (2) above, each of those United States financial institutions agrees and certifies, on its own behalf or through its agent, that the Bank may be advised that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder; or

- is owned by a United States or foreign financial institution for the purposes of resale during the restricted period and, in addition, if the owner of the bearer security is a United States or foreign financial institution described in this clause, whether or not also described in the first or second clause above, the financial institution certifies that it has not acquired the bearer security for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

We will make payments on bearer securities only outside the United States and its possessions except as permitted by the above regulations.

Bearer securities, other than temporary global securities, and any coupons issued with bearer securities will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code.” The sections referred to in this legend provide that, with exceptions, a United States person will not be permitted to deduct any loss, and will not be eligible for capital gain treatment with respect to any gain realized on the sale, exchange or redemption of that bearer security or coupon.

As used in this section, the term bearer securities includes bearer securities that are part of units. As used herein, “**United States person**” means a citizen or resident of the United States for United States federal income tax purposes, a corporation or partnership, including an entity treated as a corporation or partnership for United States federal income tax purposes, created or organized in or under the laws of the United States, or any state of the United States or the District of Columbia, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust. In addition, some trusts treated as United States persons before August 20, 1996 that elect to continue to be so treated to the extent provided in the Treasury regulations shall be considered United States persons.

### **Form of Securities Included in Units**

The form of the warrant or purchase contract included in a unit will correspond to the form of the other components of the security.

## PLAN OF DISTRIBUTION

We may sell the securities being offered by this prospectus in four ways: (1) directly, including through one or more of our branches, (2) through selling agents, (3) through underwriters and/or (4) through dealers. Any of these selling agents, underwriters or dealers in the United States or outside the United States may include affiliates of the Bank.

We may designate selling agents from time to time to solicit offers to purchase these securities. We will name any such agent, who may be deemed to be an underwriter as that term is defined in the Securities Act of 1933, as amended (the **"Securities Act"**), and state any commissions or the possible range of commissions we are to pay to that agent in the applicable prospectus supplement. That agent will be acting on a reasonable efforts basis for the period of its appointment or, if indicated in the applicable prospectus supplement, on a firm commitment basis.

If we use any underwriters to offer and sell these securities, we will enter into an underwriting agreement with those underwriters when we and they determine the offering price of the securities, and we will include the names of the underwriters and the terms of the transaction in the applicable prospectus supplement.

If we use a dealer to offer and sell these securities, we will sell the securities to the dealer, who will purchase the securities as principal, and we will name the dealer in the applicable prospectus supplement. The dealer may then resell the securities to the public at varying prices to be determined by that dealer at the time of resale.

Our net proceeds will be the purchase price in the case of sales to a dealer, the public offering price less discount in the case of sales to an underwriter or the purchase price less commission in the case of sales through a selling agent — in each case, less other expenses attributable to issuance and distribution.

In order to facilitate the offering of these securities, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of these securities or any other securities the prices of which may be used to determine payments on these securities. Specifically, the underwriters may sell more securities than they are obligated to purchase in connection with the offering, creating a short position for their own accounts. A short sale is covered if the short position is no greater than the number or amount of securities available for purchase by the underwriters under any over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing these securities in the open market. In determining the source of securities to close out a covered short sale, the underwriters will consider, among other things, the open market price of these securities compared to the price available under the over-allotment option. The underwriters may also sell these securities or any other securities in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of these securities in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, these securities or any other securities in the open market to stabilize the price of these securities or of any other securities. Finally, in any offering of the securities through a syndicate of underwriters, the underwriting syndicate may also reclaim selling concessions allowed to an underwriter or a dealer for distributing these securities in the offering, if the syndicate repurchases previously distributed securities to cover syndicate short positions or to stabilize the price of these securities. Any of these activities may raise or maintain the market price of these securities above independent market levels or prevent or retard a decline in the market price of these securities. The underwriters are not required to engage in these activities, and may end any of these activities at any time.

Selling agents, underwriters and dealers may be entitled under agreements with us to indemnification by us against some civil liabilities, including liabilities under the Securities Act, and may be customers of, engage in transactions with or perform services for the Bank in the ordinary course of business.

If so indicated in the prospectus supplement, we will authorize selling agents, underwriters or dealers to solicit offers by some purchasers to purchase debt securities, warrants, purchase contracts or units, as the case may be, from us at the public offering price stated in the prospectus supplement under delayed delivery contracts providing for payment and delivery on a specified date in the future. These contracts will be subject only to those conditions described in the prospectus supplement, and the prospectus supplement will state the commission payable for solicitation of these offers.

Any underwriter, selling agent or dealer utilized in the initial offering of securities will not confirm sales to accounts over which it exercises discretionary authority without the prior specific written approval of its customer.

To the extent an initial offering of the securities will be distributed by an affiliate of the Bank, each such offering of securities will be conducted in compliance with the requirements of Rule 2720 of the National Association of Securities Dealers, Inc., which is commonly referred to as the NASD, regarding an NASD member firm's distribution of securities of an affiliate. Following the initial distribution of any of these securities, affiliates of the Bank may offer and sell these securities in the course of their businesses. Such affiliates may act as principals or agents in these transactions and may make any sales at varying prices related to prevailing market prices at the time of sale or otherwise. Such affiliates may also use this prospectus in connection with these transactions. None of our affiliates is obligated to make a market in any of these securities and may discontinue any market-making activities at any time without notice.

In accordance with the Rules of Conduct of the NASD, in no situation will the Underwriting discounts and commissions on securities sold in the initial distribution exceed 8% of the offering proceeds.

All post-effective amendments or prospectus or pricing supplements disclosing actual price and selling terms will be submitted to the NASD's Corporate Financing Department (the "**Department**") at the same time they are filed with the SEC.

The Department will be advised if, subsequent to the filing of the offering, any 5% or greater shareholder of the issuer is or becomes an affiliate or associated person of an NASD member participating in the distribution.

All NASD members participating in the offering understand the requirements that have to be met in connection with SEC Rule 415 and Notice-to-Members 88-101.

## EXPENSES OF THE ISSUE

The following is a statement of expenses, other than underwriting discounts and commissions, in connection with the distribution of the securities registered. All amounts shown are estimates.

	<u>Amount to be paid</u>
Securities and Exchange Commission Registration Fee.....	*
Federal taxes, state taxes and fees .....	N/A
Trustees' and transfer agents' fees .....	\$ 20,000
Legal Fees .....	\$ 500,000
Accounting Fees .....	\$ 50,000
Printing and Engraving Costs .....	\$ 20,000
Total.....	<u>\$ 590,000</u>

\* Unknown because the filing is being deferred pursuant to Rule 456(b) and 457(r) under the Securities Act.

## LEGAL MATTERS

Certain legal matters with respect to German, United States and New York law relating to the validity of certain of the offered securities may be passed upon for the issuer of those securities by Cleary Gottlieb Steen & Hamilton LLP. Certain legal matters with respect to Delaware law relating to the validity of certain capital securities may be passed upon by Richards, Layton, & Finger, P.A.

Certain legal matters with respect to German law relating to the validity of certain of the offered securities will be passed upon for the issuer of those securities by Group Legal Services of Deutsche Bank AG. Certain legal matters with respect to the validity of certain of the offered securities for any underwriters, dealers or selling agents will be passed upon by the firms or persons identified in the applicable prospectus supplement.

## INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The consolidated financial statements of Deutsche Bank AG and its subsidiaries as of December 31, 2005 and 2004, and for each of the years in the three-year period ended December 31, 2005, which were prepared in accordance with U.S. generally accepted accounting principles, are incorporated by reference herein in reliance upon the audit report of KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft (which we refer to as KPMG), Marie-Curie-Strasse 30, D-60439 Frankfurt am Main, Germany, independent registered public accounting firm, given upon the authority of that firm as experts in auditing and accounting.

The audit report of KPMG refers to the fact that Deutsche Bank AG adopted FASB Interpretation No. 46, "Consolidation of Variable Interest Entities" and Statement of Financial Accounting Standards No. 150, "Accounting for Certain Financial Instruments with Characteristics of Both Liabilities and Equity" during 2003.

## ERISA MATTERS FOR PENSION PLANS AND INSURANCE COMPANIES

The Bank and some of our affiliates may each be considered a "party in interest" within the meaning of the Employee Retirement Income Security Act of 1974, as amended, which is commonly referred to as ERISA, or a "disqualified person" within the meaning of the Internal Revenue Code with respect to many employee benefit plans and perhaps certain other types of arrangements, such as individual retirement accounts. Prohibited transactions within the meaning of ERISA or the Internal Revenue Code may arise, for example, if the securities are acquired by or with the assets of a pension or other plan with respect to which the Bank or any of its affiliates is a service provider, unless those securities are acquired pursuant to an exemption from the applicable prohibited transaction rules. The assets of a pension or other plan may include assets held in the general account of an insurance company that are deemed to be "plan assets" under ERISA. **Any insurance company or pension or other plan, or any person investing the assets of a pension or other plan, proposing to invest in the securities should read the ERISA considerations described in the relevant prospectus or pricing supplement(s) applicable to the securities being purchased and should consult with legal counsel prior to investing in the securities.**