

# Deutsche Bank Aktiengesellschaft



X-markets

(Frankfurt am Main, Germany, acting through its Milan Branch)

Issue of not less than EUR 10,000,000 and not more than EUR 300,000,000 Fixed to Floating Rate Notes, due 24 January 2019 (the "**Notes**")

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This document (the "**Prospectus**") constitutes a prospectus according to Art. 5(3) of Directive 2003/71/EC (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**"), to the extent that such amendments have been implemented in a Member State of the European Economic Area), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission, relating to the issue of not less than EUR 10,000,000 and not more than EUR 300,000,000 Fixed to Floating Rate Notes, due 24 January 2019 (the "**Notes**") to be issued by Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**") acting through its branch office in Milan (the "**Issuer**" or "**Deutsche Bank AG, Milan Branch**"). This issuance is carried out by the Issuer as part of its general banking business (set out in article 2(1) of the Articles of Association of the Issuer).

Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC). Application will be made for the Notes to be admitted to trading and listing on the EuroTLX which is not a regulated market for the purposes of Directive 2004/39/EC. Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (the "**Law**") on prospectuses for securities which implements the Prospectus Directive into Luxembourg law for approval of this Prospectus. The Issuer has also requested the CSSF to provide the competent authority in Italy with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Law.

Pursuant to Article 7(7) of the Luxembourg Prospectus Act, by approving the Prospectus, the CSSF gives no undertakings as to the economic and financial characteristics of the Notes to be issued hereunder or the quality or solvency of the Issuer.

**Prospective purchasers of the Notes should ensure that they understand fully the nature of the Notes, as well as the extent of their exposure to risks associated with an investment in the Notes and should consider the suitability of an investment in the Notes in the light of their own particular financial, fiscal and other circumstances. The Notes represent unsubordinated and unsecured contractual obligations of the Issuer which will rank *pari passu* in all respects with each other.**

The Issuer shall not be liable for or otherwise obliged to pay, and each Securityholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever in connection with the Notes. All payments made by the Issuer shall be made subject to any tax, duty, charge, withholding or other payment which may be required to be made, paid, withheld or deducted.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**"), as amended. Any offer or sale of the Notes must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder.

The Notes may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. persons defined as such in Regulation S of the Securities Act or persons who do not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended. For a description of certain restrictions on the sale and transfer of the Notes, please refer to the "General Selling and Transfer Restrictions" section of this Prospectus. This Prospectus will be published in electronic form on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on the website of the Issuer ([www.x-markets.db.com](http://www.x-markets.db.com)).

The date of this Prospectus is 25 November 2011.

## RESPONSIBILITY STATEMENT

The Issuer (the "**Responsible Person**") is solely responsible for the information given in this Prospectus. The Issuer hereby declares that to the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

## IMPORTANT NOTICES

No dealer, salesman or other person is authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the offering or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. Neither this Prospectus nor any further information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus or any further information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the risks involved in an investment in the Notes. Neither this Prospectus nor any other information supplied in connection with the Notes constitutes an offer by or on behalf of the Issuer or any other person to subscribe for or purchase any Notes.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. The Issuer does not represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, and does not assume any responsibility for facilitating any distribution or offering. Accordingly, the Notes may not be offered or sold, directly or indirectly, and none of this Prospectus, any advertisement relating to the Notes and any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes must inform themselves about, and observe, any such restrictions. Please refer to "General Selling and Transfer Restrictions" contained in section V entitled "General Information on Taxation and Selling Restrictions".

In this Prospectus, all references to "€", "**Euro**", or "**EUR**" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended.

## TABLE OF CONTENTS

I.	Summary .....	6
II.	Risk Factors.....	15
	A. Risk Factors in Respect of the Issuer.....	15
	B. Risk Factors in Respect of the Notes .....	18
	1. Introduction.....	18
	2. Risk factors relating to certain features of the Notes .....	18
	C. Risk Factors Related to the Notes Generally .....	20
	1. Termination Events.....	20
	2. Taxation.....	20
	3. Changes in any applicable tax law or practice may have an adverse effect on a Securityholder.....	20
	4. Settlement Systems.....	21
	D. Risk Factors Relating to The Market Generally .....	22
	1. Interest Rate Risk .....	22
	2. Market Value .....	22
	3. The Notes may be illiquid.....	22
	4. Certain considerations relating to public offers of Notes.....	23
	E. Conflicts of Interest .....	24
	1. Issue Price.....	24
	2. Re-offer Price and Inducements .....	24
	3. Market-Making for the Notes.....	24
III.	General Information on the Prospectus.....	26
	A. Form of Document – Publication.....	26
	1. Form of Document.....	26
	2. Publication.....	26
	B. Documents Incorporated by Reference.....	27
	1. Documents Incorporated by Reference.....	27
	2. Cross Reference List .....	27
	C. General Information .....	31
	1. Authorisation.....	31
	2. Material Adverse Change in Deutsche Bank's Financial Position and Significant Change in Deutsche Bank's Financial or Trading Position.....	31
	3. Legal and Arbitration Proceedings .....	31
	4. Post Issuance Information .....	31
	5. Use of Proceeds .....	31
	D. Deutsche Bank Aktiengesellschaft .....	32
	1. History and Development of the Bank.....	32
	2. Changes to the Management and Supervisory Board.....	32
	3. Registration Document .....	32
IV.	Conditions.....	33
V.	General Information on Taxation and Selling Restrictions .....	48
	A. General Taxation Information.....	48
	1. Introduction.....	48
	2. Italy.....	48
	3. Luxembourg.....	54
	B. General Selling and Transfer Restrictions.....	56
	1. Introduction.....	56
	2. United States of America .....	56
	3. European Economic Area .....	56
	4. United Kingdom .....	57

5.	Italy.....	57
6.	Switzerland.....	58
7.	Luxembourg.....	58
8.	General.....	58
VI.	Documents on Display.....	59

## I. SUMMARY

*The information set out below is a summary only and should be read in conjunction with the rest of this Prospectus as a whole, including any documents incorporated herein by reference. This summary is intended to convey the essential characteristics and risks associated with the Issuer and the Notes and does not purport to be complete. It is taken from, and is qualified in its entirety by, the remainder of this Prospectus, including the Conditions, which constitute the legally binding conditions of the Notes. Accordingly, this summary should be read as an introduction to the document, and any decision to invest in the Notes should be based on consideration of this Prospectus as a whole by the investor.*

*Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Issuer in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.*

*Words and expressions defined in the "Conditions" below shall have the same meanings in this Summary.*

### **RISK FACTORS**

Prospective investors should understand the risks of investing in a type of security before they make their investment decision. They should make their own independent decision to invest in any type of security and as to whether an investment in such security is appropriate or proper for them based upon their own judgement and upon advice from such legal, tax, accounting and other advisers as they deem necessary.

### **RISK FACTORS REGARDING THE ISSUER**

An investment in the Notes bears the risk that the Issuer is not able to fulfil its obligations created by the Notes on the Settlement Date.

Prospective investors should consider all information provided in the Registration Document referred to in "*Documents Incorporated by Reference*" on page 27 of this Prospectus and consult with their own professional advisers if they consider it necessary. The following describes risk factors relating to the Issuer's ability to meet its obligations under the Notes. Ratings assigned to the Issuer by certain independent rating agencies are an indicator of the Issuer's ability to meet its obligations in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. Deutsche Bank is rated by Standard & Poor's Credit Market Services France SAS ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and by Fitch Italia S.p.A. ("**Fitch**", together with S&P and Moody's, the "**Rating Agencies**"). Each of the Rating Agencies is established in the European Community and is registered and certified under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council of 11 May 2011 (see the document entitled "List of registered and certified credit rating agencies" dated 31 October 2011 as published by the European Securities and Markets Authority and made available at the following website: <http://www.esma.europa.eu/popup2.php?id=7692>).

As of the publication date of this Prospectus, the following ratings were assigned to Deutsche Bank:

<i>Rating Agency</i>	<i>Long-term</i>	<i>Short-term</i>	<i>Outlook</i>
S&P	A+	A-1	Stable
Moody's	Aa3	P-1	Stable
Fitch	AA-	F1+	Negative

Rating agencies may change their ratings at short notice. A rating's change may affect the price of securities outstanding.

A rating is not a recommendation to buy, sell, or hold notes, and may be subject to suspension, downgrading, or withdrawal at short notice and at any time by the rating agency. Any such suspension, downgrading, or withdrawal of a rating may have a negative effect on the market price of the Notes.

Deutsche Bank's financial strength, which is also reflected in its ratings described above, depends in particular on its profitability. The following describes factors which may adversely affect Deutsche Bank's profitability:

- Deutsche Bank has been and may continue to be affected by the ongoing global financial crisis and economic downturn.
- Market declines and volatility can materially and adversely affect Deutsche Bank's revenues and profits.
- Deutsche Bank has incurred and may in the future incur significant losses from its trading and investment activities due to market fluctuations.
- Protracted market declines have reduced and may in the future reduce liquidity in the markets, making it harder to sell assets and possibly leading to material losses.
- Deutsche Bank has incurred losses, and may incur further losses, as a result of changes in the fair value of its financial instruments.
- Adverse economic conditions have caused and may in the future cause Deutsche Bank to incur higher credit losses.
- Even where losses are for Deutsche Bank's clients' accounts, they may fail to repay Deutsche Bank, leading to material losses for Deutsche Bank, and its reputation can be harmed.
- Deutsche Bank's investment banking revenues may decline as a result of adverse market or economic conditions.
- Deutsche Bank may generate lower revenues from brokerage and other commission- and fee-based businesses.
- The risk management policies, procedures and methods leave Deutsche Bank exposed to unidentified or unanticipated risks, which could lead to material losses.
- Deutsche Bank's non-traditional credit businesses materially add to its traditional banking credit risks.
- Deutsche Bank has been subject to contractual claims and litigation in respect of its U.S. residential mortgage loan business that may materially and adversely affect its results.

- Deutsche Bank has a continuous demand for liquidity to fund its business activities. It may suffer during periods of market-wide or firm-specific liquidity constraints and is exposed to the risk that liquidity is not made available to it even if its underlying business remains strong.
- Deutsche Bank requires capital to support its business activities and meet regulatory requirements. Losses could diminish Deutsche Bank's capital, and market conditions may prevent Deutsche Bank from raising additional capital or increase its cost of capital.
- Deutsche Bank operates in an increasingly regulated and litigious environment, potentially exposing it to liability and other costs, the amounts of which may be difficult to estimate.
- Regulatory reforms enacted and proposed in response to the financial crisis may significantly affect Deutsche Bank's business model and the competitive environment.
- Operational risks may disrupt Deutsche Bank's businesses.
- The size of Deutsche Bank's clearing operations exposes it to a heightened risk of material losses should these operations fail to function properly.
- If Deutsche Bank is unable to implement its strategic initiatives, Deutsche Bank may be unable to achieve its pre-tax profit targets and other financial objects, or incur losses or low profitability.
- Deutsche Bank may have difficulty in identifying and executing acquisitions, and both making acquisitions and avoiding them could materially harm Deutsche Bank's results of operations.
- The effects of the execution of the takeover offer and the subsequent consolidation of the Deutsche Postbank AG ("**Postbank**") may differ materially from Deutsche Bank's expectations.
- Postbank reported a loss before tax in each of 2008 and 2009, and although it reported a net profit before tax in 2010, this does not indicate that it will be profitable in any future periods.
- The consolidation of Postbank had a material adverse effect on Deutsche Bank's regulatory capital ratios, and Deutsche Bank's assumptions and estimates concerning the effects of the consolidation on its regulatory capital ratios may prove to be too optimistic.
- Deutsche Bank's takeover of Postbank generated a significant combined amount of goodwill and other intangible assets that must be tested for impairment periodically and at other times.
- Deutsche Bank may have difficulties selling noncore assets at favourable prices, or at all.
- Events at companies in which Deutsche Bank has invested may make it harder to sell its holdings and result in material losses irrespective of market developments.
- Intense competition, in Deutsche Bank's home market of Germany as well as in international markets, could materially adversely impact its revenues and profitability.
- Transactions with counterparties in countries designated by the U.S. State Department as state sponsors of terrorism may lead potential customers and investors to avoid doing business with Deutsche Bank or investing in its securities.

## **RISKS FACTORS REGARDING THE NOTES**

An investment in the Notes involves risks. These risks may include, among others, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective purchasers should be experienced with respect to transactions in instruments such as the Notes. Prospective purchasers should understand the risks associated with an investment in the Notes and should only reach an investment decision after careful consideration, with their legal,



tax, accounting and other advisers, of (i) the suitability of an investment in the Notes in the light of their own particular financial, tax and other circumstances and (ii) the information set out in this Prospectus.

The Notes may decline in value. No assurance or representation is made that an investment in Notes will offer any greater return than other comparable or alternative investments which may be available at the time an investor acquires a Note.

More than one risk factor may have simultaneous effect with regard to the Notes, such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Notes.

#### **The Notes may not be a suitable investment for all investors**

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. Investors should consider in particular whether the Notes are appropriate in light of their overall investment portfolio and taking into account their exposure to each relevant asset class.

#### **INFORMATION ABOUT THE NOTES**

<b>Issuer:</b>	Deutsche Bank Aktiengesellschaft, acting through its branch offices in Milan (" <b>Deutsche Bank AG, Milan Branch</b> ").
<b>Calculation Agent:</b>	Deutsche Bank Aktiengesellschaft, acting through its branch office in London.
<b>WKN/ISIN:</b>	DE1T65 / IT0004780679.
<b>Aggregate Nominal Amount:</b>	Notes will be issued in an aggregate nominal amount of not less than EUR 10,000,000 and not more than EUR 300,000,000.
<b>Primary Market End Date</b>	20 January 2012.
<b>Issue Date:</b>	24 January 2012.
<b>Nominal Amount:</b>	EUR 1,000 per Note.
<b>Settlement Date:</b>	24 January 2019, provided that if such day is not a Business Day, the immediately following Business Day.  Each Note (of the Nominal Amount) will be redeemed on the Settlement Date by payment of the Cash Amount.
<b>Cash Amount</b>	EUR 1,000.
<b>Settlement Currency:</b>	EUR.
<b>Coupons:</b>	A " <b>Coupon Amount</b> " is payable in respect of each Note (of the Nominal Amount) on each Coupon Payment Date, as defined below. Each Coupon Amount is calculated by reference to a fixed rate of interest in respect of the first four Coupon Payment Dates, and by reference to a floating interest rate (capped at 4.00 per cent. per annum and floored at 1.90 per cent. per annum) in respect of all subsequent Coupon Payment Dates, as follows (and

each Coupon Amount will be rounded to the nearest two decimal places in the Settlement Currency with 0.005 rounded downwards):

$$\text{Nominal Amount} \times \text{Coupon Rate} \times \frac{\text{Coupon Rate Day Count}}{\text{Fraction}}$$

Where:

**"3M EURIBOR Rate"** means, in respect of any relevant day, the rate for deposits in EUR for a period of three months which appears on Reuters Page EURIBOR01 (or any successor or replacement thereof) as of 11:00 a.m., Brussels time, on the day that is two TARGET Settlement Days preceding that day.

**"Coupon Accrual Date"** means 24 January, April, July and October in each year starting from, and including, 24 April 2012 to, and including, 24 January 2019.

**"Coupon Payment Date"** means each Coupon Accrual Date, or if any such day is not a Business Day, the immediately following Business Day.

**"Coupon Period"** means the period commencing on (and including) the Issue Date, and ending on (but excluding) the first Coupon Accrual Date, and each period commencing on (and including) a Coupon Accrual Date and ending on (but excluding) the next following Coupon Accrual Date.

**"Coupon Rate"** means:

- (i) in respect of the first four Coupon Payment Dates, 3.00 per cent. per annum; and
- (ii) in respect of each Coupon Payment Date thereafter, an amount (expressed as a percentage) which is the Floating Rate in respect of such Coupon Payment Date (subject to a maximum of 4.00 per cent. per annum and a minimum of 1.90 per cent. per annum).

**"Coupon Rate Day Count Fraction"** means, in respect of each Coupon Payment Date, the number of days in the Coupon Period ending on (but excluding) the Coupon Accrual Date on which such Coupon Payment Date is scheduled to fall divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 months each comprising 30 days (unless (i) the last day of the Coupon Period is the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a month comprising 30 days or (ii) the last day of the Coupon Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a month comprising 30 days)).

**"Floating Rate"** means in respect of each Coupon Payment Date other than the first four Coupon Payment Dates, the 3M EURIBOR Rate in respect of the Coupon Accrual Date falling at the beginning of the Coupon Period ending on (but excluding) the day on which such Coupon Payment Date is scheduled to fall.

**"TARGET Settlement Day"** means each day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

**Business Day:**

A day which is (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Milan and a day on which each Clearing Agent is open for business, and (ii) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.

**Clearing Agent:**

Monte Titoli S.p.A., via Mantegna, n. 6, 20154, Milan, Italy

Euroclear Bank S.A./N.V., 1 boulevard Albert II, 1210 Bruxelles, Belgium

Clearstream Banking Luxembourg S.A., 42 avenue John F. Kennedy, L-1855 Luxembourg

**Agent(s):**

Deutsche Bank AG, Milan Branch.

**Listing Agent in Luxembourg:**

Banque de Luxembourg S.A.

**Distribution:**

The Notes will be offered to the public in Italy.

**Approval, admission to trading and listing:**

Application has been made by the Issuer to the CSSF as competent authority under and in accordance with the *Loi relative aux Prospectus pour valeurs mobilières* which implements Directive 2003/71/EC of the European Parliament and the Council of 4th November 2003 into Luxembourg law (the "**Law**") to approve this document as a prospectus. Application has also been made to the Luxembourg Stock Exchange for the Notes to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Application will also be made for the Notes to be admitted to trading and listing on the EuroTLX which is not a regulated market for the purposes of Directive 2004/39/EC.

Subsequent to the issuance of the Notes, the Notes may be admitted to trading and/or listed on further stock exchange(s) or multilateral trading facility(ies). The Issuer may at the relevant time notify the relevant Securityholders of such further stock exchange(s) and/or multilateral trading facility(ies).

**Notification:**

The Issuer has requested the CSSF to provide the competent authorities of Italy with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Law.

The Notes will be offered to the public in Italy during the period commencing on (and including) 30 November 2011 to (and including) the Primary Market End Date, provided the relevant regulatory approvals have been granted. Such subscription period is subject to adjustment by or on behalf of the Issuer.

The offer may also be cancelled by the Issuer at any time in its sole and absolute discretion. The offer is further subject to the Notes being issued.

**Conditions of the Notes:** The Conditions of the Notes are set out in the section entitled "*Conditions*".

**Form of Notes:** Italian Notes. The Notes will be in bearer form and dematerialised and centralised with Monte Titoli S.p.A., pursuant to Italian legislative decree no. 213/1998 as subsequently amended and the joint resolution passed by CONSOB and Bank of Italy dated 22 February 2008, as subsequently amended. The Notes will be freely transferable by way of book entries in the accounts registered on the settlement system of Monte Titoli S.p.A.

**Status of Notes:** The Notes will constitute direct, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.

**Issue Price and Offer Price:** The Issue Price of the Notes is 100 per cent. of the Nominal Amount. The Offer Price is the Issue Price.

**Termination:** On the occurrence of a Termination Event, the Issuer is entitled to make adjustment to the Conditions or terminate and cancel the Notes. A Termination Event includes, without limitation, an event which materially affects the hedging arrangements of the Issuer. Such hedging arrangements may include a direct or indirect holding of or a contractual arrangement relating to the 3-month EUR EURIBOR rate and may involve the Issuer and any of its affiliates or agents.

A Termination Event may materially affect the cost to the Issuer of maintaining the Notes or its hedging arrangements in a way which has not been factored into the issue price of the Notes. This may therefore require adjustments or a termination of the Notes in these circumstances. **This is part of the economic risk Securityholders bear when investing in the Notes and the basis on which the Notes are priced.**

**Taxation:** The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer, presentation and surrender for payment, or enforcement of the Notes and all payments made by the Issuer shall be made subject to any tax, duty, charge, withholding or other payment which may be required to be made, paid, withheld or deducted.

**Negative Pledge:** The terms of the Notes will not contain a negative pledge provision, i.e., the terms of the Notes will not include a restriction on the Issuer granting any security over its assets to a third party.

**Events of Default:** The terms of the Notes will contain, amongst others, the following events of default:

- (i) failure to pay any amount due in respect of the Notes,

continuing for a specified period of time;

- (ii) non-performance or non-observance by the Issuer of any of its other obligations under the Notes continuing for a specified period of time; and
- (iii) events relating to the insolvency or winding up of the Issuer.

**Cross Default:** The terms of the Notes will not contain a cross default provision, i.e., the terms of the Notes will not include a provision that puts the Issuer in default under the Notes if it defaults on an obligation under a separate agreement.

**Use of Proceeds:** The net proceeds from the issue of the Notes will be applied by the Issuer for its general corporate purposes.

**Governing Law:** The Notes will be governed by, and construed in accordance with, Italian law.

**Secondary Market:** If any secondary market for the Notes exists then the price at which Notes may be realised at any time may also be influenced by interest rates at that time or at future times. In addition, a wide range of other factors may affect any secondary market price. Where no secondary market exists an investor may be unable to realise its investment in the Note until final payment under the Notes has been made. Accordingly an investor should be prepared to hold the Notes until such time.

Even where an investor is able to realise its investment in the Notes this may be at a substantially reduced value to its original investment in the Notes.

**Selling Restrictions:** There are restrictions on the offer, sale and transfer of the Notes in the United States and the European Economic Area (including the United Kingdom, Italy and Germany).

## **INFORMATION ABOUT THE ISSUER**

### **History and Development of the Bank**

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2nd May, 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000 of the Commercial Register of Frankfurt am Main. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main (telephone: +49-69-910-00) and branch offices in Germany and abroad including in London, Milan, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions. The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**"). The objects of Deutsche Bank, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or

through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements. Deutsche Bank operates through three group divisions each of which is not established as a separate company but is rather operated across Deutsche Bank Group:

The **Corporate and Investment Bank ("CIB")** comprises the following Corporate Divisions:

**Corporate Banking & Securities ("CB&S")** comprises the following Business Divisions:

**Global Markets** comprises all sales, trading, structuring and research in a wide range of financial products.

**Corporate Finance** comprises M&A advisory, Equity Capital Markets (ECM), Leveraged Debt Capital Markets (LDCM), Commercial Real Estate (CRE), Asset Finance & Leasing (AFL) and corporate lending services.

**Global Transaction Banking ("GTB")** comprises commercial banking products and services for corporate clients and financial institutions, including domestic and cross-border payments, professional risk mitigation for international trade and the provision of trust, agency, depository, custody and related services. Business units include Cash Management for Corporates and Financial Institutions, Trade Finance and Trust & Securities Services.

**Private Clients and Asset Management ("PCAM")** comprises the following Corporate Divisions:

**Private & Business Clients ("PBC")** offers banking services to private customers as well as small and medium-sized business clients. The range of services encompasses loans, current accounts and deposits and payment services as well as securities and mutual funds and portfolio investment advisory.

**Asset and Wealth Management ("AWM")** comprises the following Business Divisions:

**Asset Management ("AM")** comprises four delineated business lines: Retail, Alternatives, Institutional and Insurance. AM serves retail clients with a full range of mutual fund products and institutional clients with a fully integrated offering, from traditional asset management products through to high-value products including absolute return strategies and real estate asset management.

**Private Wealth Management ("PWM")** offers an integrated approach to wealth management, both onshore and offshore, for high net worth individuals and families in over 85 offices in more than 30 countries.

**Corporate Investments ("CI")** covers the Bank's industrial shareholdings, other holdings and Bank-occupied real estate assets, private equity and venture capital activities.

## **Deutsche Bank AG, Milan Branch**

On 1 August, 2005, Deutsche Bank AG, Milan Branch has been registered in the Italian bank files (*Albo delle Banche*) by the Bank of Italy according to art. 13, Legislative Decree no. 385/93. In Italy, it conducts investment banking business through its Global Markets and Corporate Finance divisions, providing solutions through a dedicated coverage model to large Corporates, Financial and Public Institutions.

## II. RISK FACTORS

### A. RISK FACTORS IN RESPECT OF THE ISSUER

An investment in the Notes bears the risk that Deutsche Bank is not able to fulfil its obligations created by the securities on the relevant due date. If this happens investors may lose some or all of their investment in the Notes. If a bankruptcy proceeding is commenced in respect to the Issuer, the return to an investor in the Notes may be limited and any recovery will likely be substantially delayed.

In order to assess the risk, prospective investors should consider all information provided in this Prospectus, including, but not limited to, the section entitled "*Risk Factors*" provided in the Registration Document referred to in "*Documents Incorporated by Reference*" on page 27 of this Prospectus. Prospective investors should consult with their own legal, tax, accounting and other advisers if they consider it necessary.

Even where the Issuer meets its obligations in full, the value of the Notes is expected to be affected, in part, by investors' general appraisal of the Issuer's credit-worthiness. Any deterioration of the credit-worthiness of the Issuer during the term of the Notes may result in increasing refinancing costs for the Issuer and thus the value of the Notes may decrease. However, any improvement of the credit-worthiness of the Issuer during the term of the Notes may not increase the value of the Notes. The risk related to an issuer's ability to fulfil its obligations created by the issuance of securities may be described by reference to the credit ratings assigned by independent rating agencies. A credit rating is an assessment of the solvency or credit-worthiness of debtors and/or bond-issuers according to established credit review procedures. These ratings and associated research help investors analyse the credit risks associated with fixed-income securities by providing detailed information of the ability of issuers to meet their obligations. The lower the assigned rating is on the respective scale, the higher the respective rating agency assesses the risk that obligations will not be met in full or on time. **A rating is not a recommendation to buy, sell or hold any Notes issued and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of any rating assigned may adversely affect the market price of the Notes.**

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings referred to in this Prospectus is set out below. Deutsche Bank is rated by Standard & Poor's Credit Market Services France SAS ("**S&P**"), Moody's Investors Service Limited ("**Moody's**") and by Fitch Italia S.p.A. ("**Fitch**", together with S&P and Moody's, the "**Rating Agencies**"). Each of the Rating Agencies is established in the European Community and is registered and certified under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as subsequently amended by Regulation (EU) No 513/2011 of the European Parliament and of the Council of 11 May 2011 (see the document entitled "List of registered and certified credit rating agencies" dated 31 October 2011 as published by the European Securities and Markets Authority and made available at the following website: <http://www.esma.europa.eu/popup2.php?id=7692>). As of the publication date of this Prospectus, the ratings assigned by the Rating Agencies to debt securities and money market instruments of Deutsche Bank were as follows:

by S&P:	long-term rating:	A+
	short-term rating:	A-1

**outlook: stable**

S&P defines:

A: An obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

Long-term ratings by S&P are divided into several categories ranging from "AAA", reflecting the strongest creditworthiness, over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C" to category "D", reflecting that an obligation is in payment default. The ratings from "AA" to "CCC" may be modified by the addition of a plus "+" or minus "-" sign to show relative standing within the major rating categories.

A-1: A short-term obligation rated "A-1" is rated in the highest category by S&P. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign "+". This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

Short-term ratings by S&P are divided into several categories ranging from "A-1", reflecting the strongest creditworthiness, over categories "A-2", "A-3", "B", "C" to category "D" reflecting that an obligation is in payment default.

<b>by Moody's:</b>	<b>long-term rating:</b>	<b>Aa3</b>
	<b>short-term rating:</b>	<b>P-1</b>
	<b>outlook:</b>	<b>stable</b>

Moody's defines:

Aa3: Obligations rated "Aa" are judged to be of high quality and are subject to very low credit risk.

Moody's long-term obligation ratings are divided into several categories ranging from "Aaa", reflecting the highest quality with minimal credit risk, over categories "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" to category "C", reflecting the lowest rated class of bonds which are typically in default with little prospect for recovery of principal or interest. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

P-1: Issuers rated Prime-1 have a superior ability to repay short-term debt obligations.

Moody's short-term ratings are divided into several categories ranging from "P-1", reflecting a superior ability of an Issuer to repay short-term debt obligations, over categories "P-2" and "P-3" to category "NP", reflecting that an Issuer does not fall within any of the Prime rating categories.

<b>by Fitch:</b>	<b>long-term rating:</b>	<b>AA-</b>
	<b>short-term rating:</b>	<b>F1+</b>
	<b>outlook:</b>	<b>negative</b>

Fitch defines:

AA-: A rating of "AA" denotes a very low expectation of credit risk. It indicates a very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.



Fitch's long-term ratings are divided into several major categories ranging from "AAA", reflecting the highest credit quality, over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C" to category "DDD", "DD", "D", reflecting that an obligor has defaulted on some or all of its obligations. A plus ("+") or minus ("-") sign may be appended to a rating to denote the relative status within major rating categories. Such suffixes are not added to the "AAA" category or to categories below "CCC".

F1+: A rating of "F1" indicates the strongest capacity for timely payment of financial commitments. It may have an added plus ("+") sign to denote any exceptionally strong credit feature.

Fitch's short-term ratings are divided into several categories ranging from "F1", reflecting the highest credit quality, over categories "F2", "F3", "B", "C" to category "D" which denotes an actual or imminent payment default.

## B. RISK FACTORS IN RESPECT OF THE NOTES

### 1. Introduction

The paragraphs below describe various risk factors associated with an investment in the Notes. No investment should be made in the Notes until after careful consideration of all those factors. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but does not represent that the statements below regarding risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Prospective investors should also consider carefully the 3-month EUR EURIBOR rate to which the Notes are linked after the first four Coupon Payment Dates.

**This document is not, and does not purport to be, investment advice.**

An investment in the Notes involves risks. These risks may include, among others, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Some of these are briefly discussed below. Prospective purchasers should be experienced with respect to transactions in instruments such as the Notes. Prospective purchasers should understand the risks associated with an investment in the Notes and should only reach an investment decision after careful consideration, with their legal, tax, accounting and other advisers, of (a) the suitability of an investment in the Notes in the light of their own particular financial, tax and other circumstances and (b) the information set out in this Prospectus. Investors should consider in particular whether the Notes are appropriate in light of their overall investment portfolio and taking into account their exposure to each relevant asset class. Accordingly investors should consider carefully their own particular circumstances to determine whether an investment in the Notes is appropriate for them.

The Notes may decline in value and investors should note that, whatever their investment in the Notes, the Cash Amount due at maturity in respect of each Note will only be equal to the Nominal Amount.

Additional Risk Factors are set out under the headings "C. Risk Factors related to Notes Generally" and "D. Risk Factors relating to the Market Generally". In addition prospective investors should also review section "E. Conflicts of Interest".

### 2. Risk factors relating to certain features of the Notes

#### 2.1 *Risks associated with Notes linked to Interest Rates*

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation and central bank and government intervention or other political factors. Fluctuations in short term and/or long term interest rates may affect the value of the Notes.

The Calculation Agent may make certain determinations in respect of the 3M EURIBOR Rate in accordance with §4 of the Conditions in the event that it is not possible for the Calculation Agent to determine the relevant 3M EURIBOR Rate at any relevant time. Any such determination may have an effect on the value of the Notes.

#### 2.2 *Risk Factors and Effect of 3M EURIBOR Rate*

Details of the past and the future performance and the volatility of the 3-month EUR EURIBOR rate may be obtained from Reuters.

The Coupon Amount payable on the Notes on each of the first four Coupon Payment Dates shall be determined by applying a fixed rate of interest, being 3.00 per cent. per annum.

The Coupon Amount payable in respect of all subsequent Coupon Payment Dates shall be determined by applying a floating rate of interest and will depend on the level of the 3-month EUR EURIBOR rate shown on Reuters Page EURIBOR01 on the second TARGET Settlement

Day prior to the first day of the relevant coupon period.

Since the Notes pay fixed interest in the first year of the life of the Note and are thereafter subject to a variable rate of interest capped at a maximum of 4.00 per cent. per annum and floored at 1.90 per cent. per annum for subsequent years, the Notes may be more sensitive to movements in interest rates than a standard floating rate note with no fixed rate interest element and/or no capped and/or floored interest rate. An increase in interest rates above the capped interest rate of 4.00 per cent. per annum may result in a significant fall in the market value of the Notes, and conversely, a decrease in interest rates below the floored interest rate of 1.90 per cent. per annum may result in an increase in the market value of the Notes.

## C. RISK FACTORS RELATED TO THE NOTES GENERALLY

### 1. Termination Events

On the occurrence of a Termination Event, the Issuer is entitled to adjust the Conditions or terminate and cancel the Notes. A Termination Event may occur where it is illegal or no longer practical for the Issuer to maintain its hedging arrangements for the Notes or where materially increased costs or expenses would be incurred by the Issuer in maintaining those arrangements. A Termination Event may also occur in a situation where a force majeure occurs (being an event or circumstance which prevents or materially affects the performance of the Issuer's obligation).

Such hedging arrangements refer to the arrangements the Issuer makes to ensure it will have available to it the relevant cash amounts to be delivered under the Notes as these fall due. The Issuer will select hedging arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates. The Issuer may also adjust hedging arrangements from time to time but it will not always be able to avoid adverse costs, taxes or regulatory changes which affect its hedging arrangements.

A Termination Event may materially affect the cost to the Issuer of maintaining the Notes or its hedging arrangements in a way which has not been factored into the issue price of the Notes. This may therefore require termination of the Notes in these circumstances. **This is part of the economic risk Securityholders bear when investing in the Notes and the basis on which the Notes are priced.**

Any termination of the Notes following a Termination Event may have an adverse effect on the Notes and Securityholders. In particular, the value of the Notes may fall and amounts payable or assets deliverable under the Notes may be less and may be made at different times than anticipated. **This is part of the economic risk Securityholders bear when investing in the Notes and the basis on which the Notes are priced.**

If the Issuer terminates early the Notes following a Termination Event, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Note an amount determined by the Calculation Agent to be its fair market value taking into account the relevant event provided that such amount shall be at least equal to the Nominal Amount in respect of each Note.

Prospective purchasers should review §5 of the Conditions to ascertain how such provisions apply to the Notes and what may constitute a Termination Event.

### 2. Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Notes are transferred. Securityholders are subject to the provisions of §9 of the Conditions and payment and/or delivery of any amount due in respect of the Notes will be conditional upon the payment of certain taxes, duties and/or expenses as provided in the Conditions.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

### 3. Changes in any applicable tax law or practice may have an adverse effect on a Securityholder

Any relevant tax law or practice applicable as at the date of this Prospectus and/or the date of purchase or subscription of any Notes may change at any time (including during any subscription period or the term of the Notes). Any such change may have an adverse effect on a Securityholder, including that Notes may be redeemed before their due date, their liquidity may decrease and/or the amounts payable or receivable by or to an affected Securityholder

may be less than otherwise expected by such Securityholder.

#### **4. Settlement Systems**

The Notes will be freely transferable by way of book entries in the accounts registered on the settlement system of Monte Titoli S.p.A. The exercise of the rights will be exclusively carried out through the Italian and foreign intermediaries registered with the centralised settlement system of Monte Titoli S.p.A. The Securityholders will not have the right to request the physical delivery of securities representing the Notes.

Any payment by the Issuer will be made exclusively through the Italian and foreign entities registered with the centralised settlement system of Monte Titoli S.p.A.

## D. RISK FACTORS RELATING TO THE MARKET GENERALLY

### 1. Interest Rate Risk

An investment in the Notes will involve interest rate risk where there are fluctuations in the interest rates payable on deposits in the settlement currency of the Notes. This may influence the market value of the Notes.

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation and central bank and government intervention or other political factors. Fluctuations in short term and/or long term interest rates may affect the value of the Notes.

### 2. Market Value

The market value of the Notes during their term depends primarily on the level of interest rates for instruments of comparable maturities or terms.

Therefore, changes in the level of the interest rates may positively or adversely affect (as the case may be) the market value of the Notes during their term.

Moreover, the Coupon Rate of each Coupon Payment Date falling after the first four Coupon Payment Dates will fluctuate, among other things, as a result of any changes in the method of calculating the relevant interest rate, changes in prevailing interest rates, general economic conditions, conditions of financial markets and European and international political events.

### 3. The Notes may be illiquid

It is not possible to predict if and to what extent a secondary market may develop in the Notes or at what price the Notes will trade in the secondary market or whether such market will be liquid or illiquid. No assurance is given that a listing or quotation or admission to trading on the regulated market of the Luxembourg Stock Exchange and/or the EuroTLX will be maintained. The fact that the Notes may be so listed or quoted or admitted to trading does not necessarily lead to greater liquidity than if they were not so listed or quoted or admitted to trading.

The liquidity of the Notes may also be affected by restrictions on offers and sales of the Notes in some jurisdictions.

Even where an investor is able to realise its investment in the Notes this may be at a substantially reduced value to its original investment in the Notes. In addition, a transaction fee may be payable in respect of a sale of the Notes.

The Issuer may, but is neither obliged nor committed to, at any time purchase Notes at any price in the open market or by tender or private agreement. Moreover, the Issuer does not have any obligation to provide any quotation of bid or offer price(s) of the Notes which is favourable to any investor in the Notes. Any Notes purchased by the Issuer may be held or resold or surrendered for cancellation. The secondary market may be limited. The more limited the secondary market is, the more difficult it may be for holders of the Notes to realise value for the Notes prior to settlement of the Notes. Therefore, whether or not a market-maker is appointed and the number and identity of the market-makers appointed may have a significant effect on the price of the Notes on the secondary market.

In the event of admission of the Notes to trading on EuroTLX, the liquidity of the Notes shall be supported by the Issuer itself or by an entity acting in their capacity as specialist, according to the terms and conditions of the Regulation governing EuroTLX market dated 14 September 2011 ("**EuroTLX Regulation**").

In the event of the liquidity of the Notes being supported by one or more market makers or price makers (collectively the "**liquidity providers**") acting on the secondary market, where the bid price for the Notes quoted by a liquidity provider is determined on the basis of certain fixed criteria (e.g., the creditworthiness of the relevant Issuer at the time of the Issue Date of the Notes), the secondary market transactions in such Notes may be significantly affected by such criteria as the bid price may not reflect all of the changes to the market variables. Moreover, if

the undertakings of a liquidity provider to show predetermined bid prices for the Notes are limited to a fixed maximum amount, not all of the investors may be able to sell their Notes at such predetermined bid prices. This may be because once such fixed maximum amount has been reached, the bid price for the Notes will be determined by reference to prevailing market conditions and may be lower than such predetermined bid prices calculated in accordance with the relevant liquidity enhancement agreement(s).

Moreover, where CONSOB resolution n. DEM/DME/9053316 dated 8 June 2009 applies or it is however required to be complied with, the Issuer will promptly disclose to the public:

- the occurrence of certain events, as determined in the relevant liquidity enhancement agreement(s), resulting in the bid-price being higher than the market price (e.g., a deterioration in the Issuer's creditworthiness or perceived creditworthiness);
- the termination of the aforementioned events resulting in an alignment of the bid-price to the market price;
- the reaching of 25 per cent., 50 per cent., 75 per cent. and 100 per cent. of the amount of the Notes which the price maker has agreed to buy at the bid-price; and
- the identity of the liquidity provider.

In any event, Issuers will not be liable to any potential purchaser of the Notes for the bid prices quoted by any liquidity provider and the Issuer does not assume any responsibility for and does not make any commitment to, any potential purchaser of the Notes for such development of liquidity of any trading markets for such Notes.

#### **4. Certain considerations relating to public offers of Notes**

The Notes will be distributed by means of a public offer in Italy made during the offer period. During such offer period, the Issuer reserves the right to cancel such offer and/or to scale back applications for such offer in the event of over-subscription. In such circumstances, an applicant investor may not be issued any Notes or may be issued a number of Notes which is less than the amount for which such applicant investor applied. Any payments made by an applicant investor for Notes that are not issued to such applicant investor for any such reason will be refunded. However, there will be a time lag in making any reimbursement, no interest will be payable in respect of any such amounts and the applicant investor may be subject to reinvestment risk.

Further, investors should note that, in certain circumstances, Notes may not be issued on the originally designated issue date, for example, because the Issuer has reserved the right to postpone such issue date or, following the publication of a supplement to this Prospectus the Issuer has decided to postpone such issue date to allow investors who had made applications to subscribe for Notes before the date of publication of such supplement to exercise their right to withdraw their acceptances. In the event that the issue date is so delayed, no interest shall accrue (if applicable) until the issue date of the Notes and no compensation shall be payable.

## E. CONFLICTS OF INTEREST

### 1. Issue Price

The issue price charged for the Notes may, in addition to loading charges, management or other fees charged, comprise a premium on the original mathematical ("fair") value of the Notes which is not visible to investors. Such premium is determined by the Issuer in its discretion and can differ from premiums charged by other issuers for comparable securities.

### 2. Re-offer Price and Inducements

The Issuer has appointed Deutsche Bank S.p.A. and Finanza e Futuro Banca S.p.A. as distributors (the "**Initial Distributors**") and may enter into other distribution agreements with various financial institutions and other intermediaries as determined by the Issuer (the Initial Distributor and the other distributors collectively the "**Distributors**"). The Distributors may agree, subject to the satisfaction of certain conditions, to subscribe for the Notes at a price equivalent to or below the issue price. The Distributors may agree to bear certain costs in connection with the issue of the Notes. A periodic fee may be payable to the Distributors in respect of all outstanding Notes up to and including the settlement date at a rate as determined between the Issuer and the relevant Distributor. Such rate may vary from time to time. The Distributors will agree to comply with the selling restrictions set out in the document as amended and supplemented by the additional selling restrictions set out in the relevant distribution agreements. The Distributors act independently and not as agent for the Issuer.

In particular, the Issuer may pay placement and/or trailer fees as sales-related commissions to the relevant Distributor. Placement fees are one-off payments from the proceeds of the issue; alternatively, the Issuer can grant the relevant Distributor an appropriate discount on the issue price (without subscription surcharge). Payment of trailer fees is recurring and conditional upon the volume of securities issued. If Deutsche Bank is both the issuer and the dealer with respect to the sale of the Notes, Deutsche Bank's distributing division will be credited with the relevant amounts internally.

The Issuer has the right to close the offering of the Notes prior to the end of the subscription period in case of adverse market conditions, as determined by the Issuer in its reasonable discretion.

In addition, potential conflicts of interest may arise as the Initial Distributors are part of the Issuer's group and the Distributors will act pursuant to a mandate granted by the Issuer.

### 3. Market-Making for the Notes

The Issuer, or an agent on its behalf, may (but is not required to) act as market-maker for the Notes. In addition, in the event of admission of the Notes to trading on EuroTLX, the Issuer itself may act as specialist in order to support the liquidity of the Notes, according to the terms and conditions of the EuroTLX Regulation.

In such market-making, the Issuer or its agent will, to a large extent, determine the price of the Notes itself. The prices quoted by such market-maker will usually not correspond to the prices which would have formed without such market-making and in a liquid market.

Circumstances taken into account by the market-maker when setting the quoted bid-offer prices in the secondary market notably include the Notes' fair value, which, among other things, depends on a certain bid-offer spread targeted by the market-maker. The market-maker will in addition regularly take into account a loading charge originally raised for the Notes and any fees or costs which at maturity or settlement of the Notes are to be subtracted from any cash amount due (including management, transaction or other fees charged on the basis of the Conditions). Furthermore, the prices quoted in the secondary market will be influenced, for example, by a premium on the Notes' original value contained in their issue price (see under 1 above).

The bid-offer spread for the Notes will be set by the market-maker based on supply and demand for the Notes and certain revenue considerations.



Certain costs are in many cases not taken out of the quoted prices on a consistent basis over the term of the Notes (*pro rata temporis*), but are subtracted from the Notes' fair value completely at an earlier point in time, as determined by the market-maker in its discretion. The same applies for a premium contained in the issue price. The rate at which such costs are subtracted depends, *inter alia*, on the net flow back of Notes to the market-maker.

Subsequently, the prices quoted by the market-maker can substantially differ from the fair value of the Notes, or the value to be expected economically on the basis of the factors mentioned above, at the relevant time. In addition, the market-maker can at any time alter the methodology used to set the quoted prices, e.g., increase or decrease the bid-offer spread.

### III. GENERAL INFORMATION ON THE PROSPECTUS

#### A. FORM OF DOCUMENT – PUBLICATION

##### 1. Form of Document

This document constitutes a prospectus (the "**Prospectus**") according to Art. 5(3) of the Prospectus Directive (Directive 2003/71/EC) as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a Member State of the European Economic Area), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission.

##### 2. Publication

This Prospectus has been published in English. In addition, the Summary of the Prospectus and possibly other parts of the Prospectus, will also be published in Italian.

The Prospectus has been published on the Issuer's website ([www.x-markets.db.com](http://www.x-markets.db.com)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). In addition, the Prospectus and any documents incorporated by reference shall be available free of charge at the registered office of the Issuer, Deutsche Bank, CIB, GME X-markets, Grosse Gallusstrasse 10-14, 60311 Frankfurt am Main, and at its Milan branch at Via Santa Margherita, 4, Milano, Italy.

The Financial Report of the Issuer for 2009 and the Financial Report of the Issuer for 2010 shall be reproduced on the Issuer's website ([www.db.com](http://www.db.com)). The Financial Report of the Issuer for 2010 is also included in the Registration Document of Deutsche Bank which is (i) incorporated by reference into this Prospectus, and (ii) published on the website of the Issuer ([www.db.com](http://www.db.com)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

## B. DOCUMENTS INCORPORATED BY REFERENCE

### 1. Documents Incorporated by Reference

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the CSSF, or, in respect of the registration document (the "**Registration Document**") dated 12 April 2011 of Deutsche Bank Aktiengesellschaft, approved by the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin*), shall be deemed to be incorporated in, and to form part of, this Prospectus:

- (a) the Registration Document;
- (b) the Annual Report of the Issuer as of 31 December 2009;
- (c) the unaudited interim financial statements of Deutsche Bank for the 9 months ended 30 September 2011;
- (d) the unaudited consolidated financial statements of Deutsche Bank for the 6 months ended 30 June 2011; and
- (e) the unaudited consolidated financial statements of Deutsche Bank for the 3 months ended 31 March 2011.

Following the publication of this Prospectus one or more supplements may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

### 2. Cross Reference List

Specific items contained in "Documents Incorporated by Reference".

- (a) The following information is set forth in the Registration Document:

<b>Registration Document</b>	<b>English language version</b>
<b>Persons Responsible</b>	4
<b>Statutory Auditors</b>	4
<b>Risk Factors</b>	4
<b>Information about Deutsche Bank</b>	7
<b>Business Overview</b>	7
<b>Organisational Structure</b>	9
<b>Administrative, Management and Supervisory Bodies</b>	11
<b>Major Shareholders</b>	12
<b>Financial Information concerning Deutsche Bank's Assets and Liabilities, Financial Position and Profits and Losses</b>	12
Historical Financial Information / Financial Statements	13
Auditing of Historical Annual Financial Information	13
Legal and Arbitration Proceedings	13
<b>Material Contracts</b>	19
<b>Third Party Information and Statement by Experts and Declaration of any Interest</b>	19

<b>Registration Document</b>	<b>English language version</b>
<b>Documents on Display</b>	19
<b>Annual Financial Statements 2010</b>	F-II
Balance Sheet as of December 31, 2010	F-II-50
Income Statement for the period from January 1 to December 31, 2010	F-II-52
Notes to the Accounts	F-II-53
Auditors' Report	F-II-143

(b) The following information is set forth in the Financial Report of the Issuer as of 31 December 2009:

<b>2009 Annual Report</b>	<b>English language version</b>
<b>Financial Report 2009</b>	
Consolidated Statement of Income	139
Consolidated Statement of Recognized Income and Expense	140
Consolidated Balance Sheet	141
Consolidated Statement of Changes in Equity	142
Consolidated Changes in Cash Flows	144
Notes to the Consolidated Financial Statements including Table of Content	145
Independent Auditors' Report	310

(c) The unaudited interim financial statements of Deutsche Bank for the 9 months ended 30 September 2011:

<b>Financial Statements for the 9 months ended 30 September 2011</b>	<b>English language version</b>
Review Report	50
Consolidated Statement of Income	51
Consolidated Statement of Comprehensive Income	52
Consolidated Balance Sheet	53
Consolidated Statement of Changes in Equity	54
Consolidated Statement of Cash Flows	56
Notes to the Consolidated Financial Statements (Basis of Preparation)	57-91
Other Information	92-95

(d) The following information is set forth in the unaudited consolidated financial statements for the 6 months ended 30 June 2011:

<b>Financial Statements for the 6 months ended 30 June 2011</b>	<b>English language version</b>
Review Report	46
Consolidated Statement of Income	47
Consolidated Statement of Comprehensive Income	48
Consolidated Balance Sheet	49
Consolidated Statement of Changes in Equity	50
Consolidated Statement of Cash Flows	52
Basis of Preparation	53
Impact of Changes in Accounting Principles	55
Segment Information	57
Information on the Income Statement	63-64
Information on the Balance Sheet	65-71
Other Financial Information	72
Other Information	85

(e) The following information is set forth in the unaudited consolidated financial statements for the 3 months ended 31 March 2011:

<b>Financial Statements for the 3 months ended 31 March 2011</b>	<b>English language version</b>
Review Report	36
Consolidated Statement of Income	37
Consolidated Statement of Comprehensive Income	38
Consolidated Balance Sheet	39
Consolidated Statement of Changes in Equity	40
Consolidated Statement of Cash Flows	42
Basis of Preparation	43
Impact of Changes in Accounting Principles	44
Segment Information	45
Information on the Income Statement	49-50
Information on the Balance Sheet	51-56
Other Financial Information	57
Other Information	69

Any other information contained in the documents incorporated by reference referred to in this Cross Reference List but not listed above, is incorporated by reference for information purposes only.

The documents specified above and incorporated by reference shall be available at the registered office of the Issuer and in Luxembourg at the office of Deutsche Bank Luxembourg S.A. at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg or at the Issuer's listing agent in Luxembourg, Banque de Luxembourg S.A., at 14, Boulevard Royal L-2449, Luxembourg.

The documents incorporated by reference shall also be available for viewing on the website of the Luxembourg Stock Exchange: [www.bourse.lu](http://www.bourse.lu).

## C. GENERAL INFORMATION

### 1. Authorisation

The issue of the Notes has been duly authorised by the competent representatives of Deutsche Bank. The issue of the Notes is considered to be in the ordinary course of Deutsche Bank's business and therefore was not authorised by board resolutions.

Deutsche Bank has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Notes.

### 2. Material Adverse Change in Deutsche Bank's Financial Position and Significant Change in Deutsche Bank's Financial or Trading Position

There has been no material adverse change in the prospects of Deutsche Bank since 31 December 2010, nor significant change in the financial or trading position of Deutsche Bank since 30 September 2011.

### 3. Legal and Arbitration Proceedings

Deutsche Bank is not, or during the last twelve months has not been involved (whether as defendant or otherwise) in, nor does it have knowledge of any threat of any legal, arbitration, administrative or other proceedings the result of which may have, in the event of an adverse determination, a significant effect on its financial condition as presented in this Prospectus.

### 4. Post Issuance Information

The Issuer does not intend to provide any post-issuance information in relation to the Notes, except if required by any applicable law or regulation.

### 5. Use of Proceeds

The net proceeds from the issue of the Notes under this Prospectus will be applied by the Issuer for its general corporate purposes.

## D. DEUTSCHE BANK AKTIENGESELLSCHAFT

### 1. History and Development of the Bank

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2nd May, 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000.

The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main (telephone: +49- 69-910-00) and branch offices in Germany and abroad including in London, Milan, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

The objects of Deutsche Bank, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude enterprise agreements.

### 2. Changes to the Management and Supervisory Board

On 25 July 2011 the Supervisory Board decided on new leadership for the Bank:

- (a) Dr. Josef Ackermann, Chairman of the Management Board and the Group Executive Committee, will retire from the Management Board effective at the conclusion of the Annual General Meeting 2012;
- (b) Juergen Fitschen and Anshu Jain, both members of the Management Board, will be nominated as Co-Chairmen of the Management Board and the Group Executive Committee effective at the conclusion of the Annual General Meeting 2012;
- (c) Mr. Fitschen's contract as member of the Management Board will be extended by three years until the Annual General Meeting 2015. Mr. Jain's contract will be extended for five years until March 31, 2017. In addition, Rainer Neske's contract as a member of the Management Board will also be extended by five years until the same date;
- (d) Dr. Clemens Boersig, Chairman of the Supervisory Board, has announced that he will retire from the Supervisory Board effective at the conclusion of the Annual General Meeting 2012. He will continue to serve the Bank in his other mandates and join its European Advisory Board; and
- (e) The Bank is working towards Dr. Ackermann being elected to the Supervisory Board to replace Dr. Boersig at the annual general meeting 2012 and to become its chairman. The Bank will take all necessary steps to fulfil the legal pre-conditions for this move.

### 3. Registration Document

The Registration Document referred to in "*Documents Incorporated by Reference*" on page 27 of this Prospectus is deemed incorporated in, and to form part of, this Prospectus as more fully described on page 27.



## IV. CONDITIONS

The following conditions constitute the "**Conditions**" of the Notes.

References in these Conditions to a numbered Condition denoted by the term "§" are to the section of these Conditions so numbered.

### §1 Principal obligation

Each Note will be issued on the Issue Date and will be redeemed by the Issuer in respect of each Nominal Amount by payment of the Cash Amount to each holder of each Note (each a "**Securityholder**") on the Settlement Date, unless terminated early in accordance with the Conditions.

#### Definitions in respect of §1 and, if applicable, other Conditions:

- (i) "**Business Day**" means a day which is (a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Milan and a day on which each Clearing Agent is open for business, and (b) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.
- (ii) "**Cash Amount**" means EUR 1,000.
- (iii) "**Clearing Agent**" means (a) Monte Titoli S.p.A., via Mantegna, n. 6, 20154, Milan, Italy, (b) Euroclear Bank S.A./N.V., 1 boulevard Albert II, 1210 Bruxelles, Belgium, and (c) Clearstream Banking Luxembourg S.A., 42 avenue John F. Kennedy, L-1855 Luxembourg, and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Securityholders in accordance with §15.
- (iv) "**Issue Date**" is 24 January 2012, being the date on which the Notes are first issued.
- (v) "**Settlement Currency**" means EUR.
- (vi) "**Settlement Date**" means 24 January 2019, provided that if such day is not a Business Day, the immediately following Business Day.

### §2 Settlement

#### (1) Taxation, other laws and regulations

All payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever).

#### (2) Settlement Currency

Any cash amount payable by the Issuer shall be paid in the Settlement Currency.

#### (3) Settlement / Payment details

Any payment by the Issuer will be made exclusively through the Italian and foreign entities registered with the centralised settlement system of Monte Titoli S.p.A.

(4) **Verification**

Each payment and/or delivery is subject to reasonable satisfactory evidence being provided of the relevant Securityholder's holding of the Notes.

(5) **Payment Day**

(i) If any date for payment of any amount by the Issuer in respect of any Note is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day and shall not be entitled to any interest or other payment in respect of such delay.

(ii) As used herein, a "**Payment Day**" means a Business Day.

(6) **Liability (Settlement Risk)**

Redemption of, and any payment and/or delivery in respect of, the Notes is subject to all applicable laws, regulations and practices in force at all relevant times, and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Agents shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Notes.

**§3 Coupon**

(1) **Coupon Payment**

(i) The Issuer shall, on each Coupon Payment Date, pay the relevant Coupon Amount. The Coupon Amount is payable as consideration for the use of the Nominal Amount in respect of a Note and as compensation in recognition that the Coupon Amount on any or all of the Coupon Payment Dates may be less than a commercial rate of return on the Notes.

(ii) The Coupon Amount will be calculated on the basis of the Nominal Amount, the Coupon Rate applicable to such period and the Coupon Rate Day Count Fraction. The Coupon Amount(s) shall be the only periodic amount(s) payable for the Notes, and no interest shall accrue in respect of the Notes.

(2) **Accrual of Coupon**

Coupon Amounts shall cease to be payable from and including the Settlement Date. Other than the Coupon Amount no periodic amount is payable for the Notes. In addition no interest shall accrue in respect of the Notes whether by reason of late payment of a Coupon Amount or otherwise.

(3) **Definitions in respect of §3 and, if applicable, other Conditions:**

*Coupon Payment*

(i) "**Nominal Amount**" means EUR 1,000 per Note.

(ii) "**Coupon Payment Date**" means each Coupon Accrual Date, provided that if such day is not a Business Day, the immediately following Business Day.

(iii) "**Coupon Accrual Date**" means each of 24 January, April, July and October in each year starting from, and including, 24 April 2012 to, and including, 24 January 2019.

(iv) "**Coupon Amount**" means, in respect of each Nominal Amount and a Coupon Payment

Date, an amount calculated by the Calculation Agent as follows:

$$\text{Nominal Amount} \times \text{Coupon Rate} \times \text{Coupon Rate Day Count Fraction}$$

Each Coupon Amount will be rounded to the nearest two decimal places in the Settlement Currency, with 0.005 being rounded downwards.

- (v) "**Coupon Rate**" means, in respect of:
- (a) the first four Coupon Payment Dates, 3.00 per cent. per annum; and
  - (b) in respect of each Coupon Payment Date thereafter, an amount (expressed as a percentage) determined by the Calculation Agent as the Floating Rate in respect of such Coupon Payment Date (subject to a maximum of 4.00 per cent. per annum and a minimum of 1.90 per cent. per annum).
- (vi) "**Floating Rate**" means, in respect of each Coupon Payment Date other than the first four Coupon Payment Dates, the 3M EURIBOR Rate in respect of the Coupon Accrual Date falling at the beginning of the Coupon Period ending on (but excluding) the day on which such Coupon Payment Date is scheduled to fall.
- (vii) "**3M EURIBOR Rate**" means, in respect of any relevant day, the rate for deposits in EUR for a period of the Designated Maturity which appears on Reuters Page EURIBOR01 (or any successor or replacement thereof) (the "**Relevant Screen Page**") as of 11:00 a.m., Brussels time (the "**Relevant Time**"), on the day that is two TARGET Settlement Days preceding that day (for the purposes of this definition, the "**Relevant Date**"). If the rate does not appear on the Relevant Screen Page at the Relevant Time on such Relevant Date, the 3M EURIBOR Rate for such relevant day shall be determined in accordance with §4.
- (viii) "**Coupon Rate Day Count Fraction**" means, in respect of a Coupon Payment Date, the number of days in the Coupon Period ending on (but excluding) the Coupon Accrual Date on which such Coupon Payment Date is scheduled to fall divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 months each comprising 30 days (unless (i) the last day of the Coupon Period is the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a month comprising 30 days or (ii) the last day of the Coupon Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a month comprising 30 days)).
- (ix) "**TARGET Settlement Day**" means each day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open.
- (x) "**Coupon Period**" means the period commencing on (and including) the Issue Date, and ending on (but excluding) the first Coupon Accrual Date, and each period commencing on (and including) a Coupon Accrual Date and ending on (but excluding) the next following Coupon Accrual Date, and, if any Coupon Amount is required to be calculated for a period ending other than on (but excluding) the relevant Coupon Accrual Date, the period commencing on and including the most recent Coupon Accrual Date (or, if none, the Issue Date) and ending on (but excluding) the relevant payment date.

#### §4 Rate Determination

If on any relevant day it is not possible, for reasons beyond the reasonable control of the Calculation Agent, to determine the 3M EURIBOR Rate for such day according to the rules or normal or accepted procedures for the determination of the 3M EURIBOR Rate (whether due to non-publication of a price or value or otherwise), the 3M EURIBOR Rate will be determined on the basis of the rates at which deposits in the relevant currency for such rate are offered by the Reference Banks at or about the Market Relevant Time, on that day to prime banks in the Relevant Market for a period of the Designated Maturity commencing on that day and for a

Representative Amount. The Calculation Agent will request the principal office in the Relevant Market of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the 3M EURIBOR Rate for that day will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the 3M EURIBOR Rate for such day will be the arithmetic mean of the rates quoted by major banks in the Substitute Market, selected by the Calculation Agent, at the Relevant Time on that day for loans in the relevant currency for such 3M EURIBOR Rate to leading European banks for a period of the Designated Maturity commencing on that day and for a Representative Amount.

(1) **Definitions in respect of §4 and, if applicable, other Conditions:**

- (i) **"Designated Maturity"** means three months.
- (ii) **"Euro-zone"** means the region comprised of member states of the European Union that adopt the euro in accordance with the Treaty on the Functioning of the European Union, as amended.
- (iii) **"Market Relevant Time"** means, in respect of a Relevant Market or Substitute Market, approximately 11.00 a.m. local time in the location of such Relevant Market or Substitute Market, as applicable, provided that Brussels shall be deemed to be the location of the Euro-zone market.
- (iv) **"Reference Banks"** means four major banks in the Relevant Market selected by the Calculation Agent, which may include the Issuer and/or any of its Affiliates.
- (v) **"Representative Amount"** means an amount that is representative for a single transaction in the respective market at the relevant time on the assumption of an Actual/360 day count basis.
- (vi) **"Relevant Market"** means the Euro-zone interbank market.
- (vii) **"Substitute Market"** means the Euro-zone.

(2) **Definitions in respect of other Conditions:**

- (i) **"Affiliate"** means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein **"control"** means ownership of a majority of the voting power of the entity or, as the case may be, the Issuer and **"controlled by"** and **"controls"** shall be construed accordingly.
- (ii) **"Hedging Arrangements"** means the arrangements the Issuer makes to have available to it the relevant cash amounts to be paid or delivered under the Notes as these fall due. The Issuer will select Hedging Arrangements which are efficient for it in the context of the tax, regulatory and business environment in which it operates. The Issuer may also adjust Hedging Arrangements from time to time but it will not always be able to avoid adverse costs, taxes or regulatory changes which affect its Hedging Arrangements.
- (iii) **"Hedging Party"** means any Affiliate or agent of the Issuer or other third party providing the Issuer with Hedging Arrangements as described in the definition of Hedging Arrangements above.

## §5 Termination Events

(1) **Definitions in respect of §5 and, if applicable, other Conditions:**

- (i) **"Market Value"** means, in relation to a Note, the fair market value of such Note as determined by the Calculation Agent, by reference to such factor(s) as it determines appropriate at the relevant time and which may include the following, without limitation:

- (a) any relevant quotations or other relevant market data in the relevant market(s) which may include relevant rates, prices, yields, yield curves, volatilities, spreads, correlations and any options or other derivative pricing model; and
- (b) information of the type described in (a) above from internal sources of the Issuer or any of its Affiliates if that information is of a type used by the Issuer in its regular course of business for the valuation of similar instruments as the Notes.

(2) **Occurrence of a Termination Event:**

The occurrence of any of the following events, in each case, in respect of (i) the Notes, or (ii) any Hedging Arrangements in respect of the Notes shall constitute a "**Termination Event**":

- (i) the Issuer determines that:
  - (a) the performance of its obligations under the Notes has or will become illegal or not reasonably practical in whole or in part, or such performance would incur materially increased direct or indirect costs, taxes, duties or expenses (as compared to the position on the Issue Date); or
  - (b) it is or will become illegal or not reasonably practical for the Issuer to acquire, establish, re-establish, substitute, maintain, unwind or dispose of its Hedging Arrangements with respect to the Notes, in whole or in part, or the Issuer will incur materially increased direct or indirect costs, taxes, duties or expenses or fees in acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of its Hedging Arrangements (as compared to the position on the Issue Date), including, without limitation, due to any increase in tax liability, decrease in tax benefits or other adverse effect on the tax position of the Issuer,
 

(without limitation the Issuer may determine this in circumstances where there is a change in applicable law or regulation (including without limitation, any tax law) in any relevant jurisdiction or interpretation by any court, tribunal or regulatory authority of any such relevant law or regulation (including any action taken by a taxing authority), a decline in the number of appropriate third parties with whom to contract or with whom to contract on reasonable terms in relation to the 3M EURIBOR Rate, a material lack of liquidity in the market for any shares, options, instruments or other assets typically used for offsetting risk in relation to the 3M EURIBOR Rate);
- (ii) the Issuer determines that it is unable, after using commercially reasonable efforts, to realise, recover or remit the proceeds of any Hedging Arrangement(s); and/or
- (iii) a force majeure event occurs. For these purposes force majeure event means an event or circumstance which prevents or materially affects the performance of the Issuer's obligations and may include a system failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstances.

*The occurrence of any Termination Event may have the result that the Issuer is either not able to continue to perform its obligations under the Notes or to maintain its Hedging Arrangements or will incur increased costs, taxes, or expenses in so doing, and such increased costs, taxes, or expenses have not been reflected in the pricing of the Notes. As a result the Issuer shall be entitled to make adjustments to the Conditions or to cancel and terminate the Notes following the occurrence of any such Termination as set out in paragraph (3) below. **This is part of the economic risk Securityholders bear when investing in the Notes and the basis on which the Notes are priced.***

For the avoidance of doubt, an event or circumstance may at the same time qualify as a Termination Event under more than one of the above items (i) to (iii).

(3) **Consequences of a Termination Event:**

Following the occurrence of a Termination Event, the Calculation Agent may take any of the following actions. **In particular, it should be noted that paragraph (ii) below allows a termination and cancellation of the Notes:**

- (i) to the extent permitted by applicable law, the Calculation Agent may make such adjustments to the Conditions as it, in its reasonable discretion, determines necessary or appropriate in order to account for the effect of such Termination Event and/or to preserve as nearly as practicable the economic equivalence of the Notes before and after the occurrence of such Termination Event and/or to enable it to maintain its Hedging Arrangements (as applicable) and determine when these adjustments become effective.

Such adjustments may take into account and pass on to Securityholders any increased direct or indirect cost to the Issuer as a result of or in connection with the relevant Termination Event including, without limitation, any tax (including but not limited to a change in tax consequences) for the Issuer.

- (ii) **If the Calculation Agent is not able to or elects not to determine or effect an appropriate adjustment pursuant to §5(3)(i), the Notes may be terminated and cancelled by the Issuer giving notice to Securityholders as soon as practicable in accordance with §15, which notice shall contain brief details of the Termination Event. If the Notes are so terminated and cancelled, the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Note held by such Securityholder which amount shall be the Market Value of a Note taking into account the relevant Termination Event provided that such amount shall be at least equal to the Nominal Amount in respect of each Note, all as determined by the Calculation Agent in its reasonable discretion. Payment will be made in such manner as shall be notified to the Securityholders in accordance with §15.**

The Calculation Agent shall, as soon as practicable after receipt of any written request from a Securityholder to do so, advise such Securityholder of any determination made by it pursuant to this §5 which occurs on or before the date of receipt of such request. The Calculation Agent shall make available for inspection by Securityholders copies of any such determinations.

By the subscription for, or the purchase of, the Notes, each Securityholder specifically and irrevocably accepts the provisions under §5.

**§6 Form of Notes, Transferability, Status, Securityholders**

(1) **Form**

The Notes will be in bearer form and will be dematerialised and centralised with Monte Titoli S.p.A., pursuant to Italian legislative decree no. 213/1998 as subsequently amended, and the joint resolution passed by CONSOB and Bank of Italy dated 22 February 2008, as subsequently amended.

(2) **Transferability and exercise of the rights**

The Notes will be freely transferable by way of book entries in the accounts registered on the settlement system of Monte Titoli S.p.A. The exercise of the rights will be exclusively carried out through the Italian and foreign entities registered with the centralised settlement system of Monte Titoli S.p.A. The Securityholders will not have the right to request the physical delivery of securities representing the Notes.

(3) **Status**

The obligations under the Notes constitute direct, unsecured and unsubordinated contractual obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer except for any obligations preferred by law.

(4) **Securityholders**

The terms "Securityholders" and "holders of Notes" will be construed to mean those persons recognised as the legal owner of the Notes pursuant to Italian law.

**§7 Agents**

(1) The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional Agents, provided that no termination of appointment of the Principal Agent shall become effective until a replacement Principal Agent shall have been appointed and provided that there shall be an Agent having a specified office in each of Italy and Luxembourg if so required by the rules and regulations of the relevant stock exchange and/or the securities regulators in each such jurisdiction. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Securityholders in accordance with §15. Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. Any calculations or determinations in respect of the Notes made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

(2) **Definitions in respect of §7 and, if applicable, other Conditions:**

- (i) "**Agent**" means, subject to §7 paragraph (1), Deutsche Bank, acting through its branch office in Milan.
- (ii) "**Principal Agent**" means, subject to §7 paragraph (1), the Issuer.

**§8 Calculation Agent**

(1) **Role of Calculation Agent, Issuer Determinations and Corrections**

Unless otherwise stipulated in the Conditions, all calculations and determinations required by the Conditions shall be made by the calculation agent (the "**Calculation Agent**" which expression shall include any successor calculation agent).

Deutsche Bank Aktiengesellschaft, acting through its branch office in London, shall be the Calculation Agent in respect of the Notes, unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent, provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any such termination or appointment will be given to the Securityholders in accordance with §15.

The Calculation Agent (except where it is the Issuer) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.

Any calculations or determinations in respect of the Notes made by the Issuer or the Calculation Agent shall be made in good faith and in a commercially reasonable manner and shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

(2) **Determination by Calculation Agent**

In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any amount payable hereunder or in any other determination pursuant to the provisions hereof.

**§9 Taxation**

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, charge, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of the Notes, and all payments made by the Issuer shall be made subject to any tax, duty, charge, withholding or other payment which may be required to be made, paid, withheld or deducted.

**§10 Presentation Period and Limitation**

Any payment arising from the Notes will be exclusively made through the Italian or foreign entities registered with the centralised settlement system of Monte Titoli S.p.A.

**§11 Events of Default**

- (1) *Events of Default.* If any of the events set out in (i) to (iv) below occurs, each Securityholder shall be entitled to declare their Notes due and demand immediate payment of an amount in respect of each Note held by such Securityholder equal to the Market Value of a Note **provided that such amount shall be at least equal to the Nominal Amount in respect of each Note**, all as determined by the Calculation Agent in its reasonable discretion:
- (i) the Issuer fails to make any payment or perform any delivery obligation in respect of the Notes within thirty (30) days of the relevant due date after the Principal Agent has received notice thereof from a Securityholder; or
  - (ii) the Issuer fails duly to perform any other obligation arising from the Notes, if such failure continues for more than sixty (60) days after the Principal Agent has received notice thereof from a Securityholder; or
  - (iii) the Issuer announces its inability to meet its financial obligations or ceases its payments; or
  - (iv) a court in Germany opens insolvency proceedings against the Issuer, or the Issuer applies for or institutes such proceedings or offers or makes an arrangement for the benefit of its creditors generally.

The right to declare Notes due shall terminate if the situation giving rise to it has been cured before the right is exercised.

- (2) *Quorum.* In the events specified in paragraph (1)(ii) above, any notice declaring Notes due shall, unless at the time such notice is received any of the events specified in paragraph (1)(i), (1)(iii), or (1)(iv) entitling Securityholders to declare their Notes due has occurred, become effective only when the Issuer has received such notices from the Securityholders accounting for at least one-tenth of the total number or nominal amount of Notes of the relevant series then outstanding.
- (3) *Form of Notice.* Any notice, including any notice declaring Notes due, in accordance with paragraph (1) above shall be made by means of a written declaration delivered by hand or registered mail to the Principal Agent at its principal office for the time being.



## **§12 Substitution of Issuer and Branch**

### **(1) Substitution of Issuer**

The Issuer, or any previous substituted company, may at any time, without the consent of the Securityholders substitute for itself as principal obligor under the Notes any company (the "**Substitute**"), being any subsidiary or Affiliate of the Issuer, subject to:

- (i) the obligations of the Substitute under the Notes being irrevocably and unconditionally guaranteed by Deutsche Bank (unless it is the Substitute);
- (ii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Notes represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (iii) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with §15.

In the event of any substitution of the Issuer, any reference in the Conditions to the Issuer shall from the time of effective substitution be construed as a reference to the Substitute.

### **(2) Substitution of Branch**

The Issuer shall have the right upon notice to Securityholders in accordance with §15 to change the office through which it is acting for the purpose of the Notes, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

## **§13 Purchases of Notes**

The Issuer may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private agreement. Any Notes so purchased may be held or resold or surrendered for cancellation.

In the event of admission of the Notes to trading on EuroTLX, the Issuer may act as specialist in order to support the liquidity of the Notes, according to the terms and conditions of the EuroTLX Regulation.

## **§14 Further Issuances of Notes**

The Issuer shall be at liberty from time to time without the consent of Securityholders or any of them to create and issue further securities so as to be consolidated and form a single series with the Notes.

## **§15 Notices**

### **(1) Delivery/Publication**

Notices to the Securityholders will be valid if:

- (i) when so required by applicable laws and regulations, delivered to the Clearing Agent(s) for communication by the Clearing Agent(s) to the Securityholders; and/or
- (ii) in the absence of any applicable requirements, published on the internet page [www.x-markets.db.com](http://www.x-markets.db.com), under "notices" or on any substitute page or service notified to Securityholders by publication on such internet page.

(2) **Effective Date**

Notices above will become effective:

- (i) if delivered pursuant to paragraph (1)(i), on the Business Day after such delivery to the Clearing Agent or all the Clearing Agents (if more than one);
- (ii) if published pursuant to paragraph (1)(ii), on the date of such publication; or
- (iii) if delivered pursuant to paragraph (1) and published pursuant to paragraph (1), on the earlier of (i) the Business Day after such delivery to the Clearing Agent or all the Clearing Agents (if more than one), and (ii) on the date of such publication.

(3) **Luxembourg Stock Exchange publication**

If and for so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and the rules of the exchange so require, notices to the Securityholders will be published on the Luxembourg Stock Exchange's website, [www.bourse.lu](http://www.bourse.lu).

**§16 Modifications**

The Issuer may, to the extent permitted by applicable law and subject as provided below, modify the Conditions without the consent of the Securityholders or any of them in any manner which the Issuer may deem reasonably necessary or advisable (i) in order to maintain or preserve the intended commercial purpose of the Conditions; or (ii) if such modification does not materially adversely affect the interests of the Securityholders or is of a formal, minor or technical nature or intended to correct a manifest or proven error or to cure, correct or supplement any defective provision contained therein. Notice of any such modification will be given to the Securityholders in accordance with §15 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

By the subscription for, or the purchase of, the Notes, each Securityholder specifically and irrevocably accepts the provisions under §16.

In each of these cases the Issuer will first satisfy itself that the exercise of the discretion is reasonably necessary or advisable and it will consider if there is any reasonable alternative which would not incur additional material costs for the Issuer and/or its Affiliates.

**§17 Severability**

If any of the provisions of the Conditions is or becomes invalid or unenforceable in whole or in part, the validity and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The invalid or unenforceable provision shall be replaced by a valid provision, which, to the extent legally possible, serves the economic purposes of the invalid or unenforceable provision. The same applies to any gaps in the Conditions.

**§18 Governing Law, Place of Jurisdiction**

The Notes are governed by, and shall be construed in accordance with, Italian law. Any aspect of the conditions of the Notes not explicitly regulated by the Prospectus shall be therefore construed accordingly. The place of jurisdiction for all proceedings arising from matters provided for in the Conditions shall, to the extent legally permitted, be the Court of Milan.

## LISTING AND TRADING AND OFFERING OF NOTES

### LISTING AND TRADING

#### Listing and Trading

Application has been made to list the Notes on the Official List of the Luxembourg Stock Exchange and to trade them on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2004/39/EC.

Application will be made to list the Notes on the EuroTLX market, which is not a regulated market for the purposes of Directive 2004/39/EC.

Estimate of total expenses related to admission to trading

EUR 3,000.

Minimum Trade Size

EUR 1,000.

### OFFERING OF NOTES

Investor minimum subscription amount

The minimum allocation per investor will be 1 (one) Note and the minimum amount of application per investor will be EUR 1,000 in Nominal Amount of the Note.

Investor maximum subscription amount

The maximum allocation of Notes will be subject only to the availability at the time of application.

There are no pre-identified allotment criteria. The Distributors (as defined below) will adopt allotment criteria that ensure equal treatment of prospective investors. All of the Notes requested through the Distributors during the Offering Period will be assigned up to the maximum amount of the offer.

The Issuer reserves the right for any reason to change the number of the Notes offered.

In the event that during the Offering Period the requests exceed the amount of the offer destined to prospective investors equal to the maximum Aggregate Nominal Amount, the Issuer may proceed to early terminate the Offering Period and may immediately suspend the acceptance of further requests.

Any such decision will be communicated to investors by means of a notice published on the website of the Issuer ([www.it.x-markets.db.com](http://www.it.x-markets.db.com)).

The Offering Period

Applications to subscribe for the Notes may be made through the Distributors from (and including) 30 November 2011 to (and including) the "**Primary Market End Date**" which is 20

	January 2012 (subject to adjustment) during the hours in which banks are generally open for business in Italy.
Issue Price and Offer Price	The Issue Price of the Notes is 100 per cent. of the Nominal Amount. The Offer Price is the Issue Price.
Cancellation of the Issuance of the Notes	<p>The Issuer reserves and shall have the right to withdraw the offer and cancel the issuance of the Notes for any reason at any time on or prior to the Issue Date.</p> <p>Any such decision will be communicated to investors by means of a notice published on the website of the Issuer (<a href="http://www.it.x-markets.db.com">www.it.x-markets.db.com</a>).</p> <p>For the avoidance of doubt, if any application has been made by a potential investor and the Issuer exercises such a right, each such potential investor shall not be entitled to subscribe or otherwise purchase any Notes.</p>
Early Closing of the Subscription of the Notes	<p>The Issuer reserves the right for any reason to close the Offering Period early.</p> <p>Any such decision will be communicated to investors by means of a notice published on the website of the Issuer (<a href="http://www.it.x-markets.db.com">www.it.x-markets.db.com</a>).</p>
Conditions to which the offer is subject	Offers of the Notes are conditional on their issue.
Description of the application process	<p>Applications for the Notes can be made in Italy during the Offering Period at participating branches of the Distributors.</p> <p>Applications will be in accordance with the relevant Distributor's usual procedures, notified to investors by the relevant Distributor.</p> <p>Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer relating to the subscription for the Notes.</p> <p>A prospective investor should contact the Distributors prior to the end of the Offering Period. A prospective investor will subscribe for Notes in accordance with the arrangements agreed with the Distributors relating to the subscription of securities generally.</p>
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants	Not applicable.
Details of the method and time limits for paying up and delivering the Notes	Investors will be notified by the relevant Distributor of their allocations of Notes and the settlement arrangements in respect thereof. The Notes will be issued on the Issue Date against

Manner in and date on which results of the offer are to be made public

payment to the Issuer by the relevant Distributor of the net subscription price.

The Issuer will in its sole discretion determine the Aggregate Nominal Amount of Notes to be issued (which will be dependent on the outcome of the offer), between a minimum of EUR 10,000,000 and a maximum of EUR 300,000,000.

The precise number of Notes to be issued will be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) in accordance with Article 10 of the Luxembourg Law on the Prospectuses for securities on or around the Issue Date.

The results of the offer will be available from the Distributors following the Offering Period and prior to the Issue Date.

Non-exempt Offer / Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries / Public Offer Jurisdictions

Offers may be made through each Distributor in Italy (the "**Public Offer Jurisdiction**") to any person.

The Notes will be placed into the Public Offer Jurisdiction without any underwriting commitment by the Distributors and no undertakings have been made by third parties to guarantee the subscription of the Notes.

Qualified Investors (*investitori qualificati*, as defined in Article 100 of Legislative Decree of 24 February 1998, No. 58, as subsequently amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter b) of the CONSOB Regulation 14 May 1999, No. 11971, as amended) may be assigned only those Notes remaining after the allocation of all the Notes requested by the public in the Public Offer Jurisdiction during the Offering Period.

Offers (if any) in other EEA countries may only be made pursuant to an exemption from the obligation under the Prospectus Directive as implemented in such countries to publish a prospectus.

Any investor not located in the Public Offer Jurisdiction should contact its financial advisor for more information, and may only purchase the Notes remaining after the allocation of all the Notes requested by the public in the Public Offer Jurisdiction during the Offering Period, from its financial adviser, bank or financial intermediary.

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made

Each Investor will be notified by the relevant Distributor of its allocation of Notes after the end of the Offering Period and before the Issue Date.

No dealings in the Notes may take place prior to

Amount of any expenses and taxes specifically charged to the subscriber or purchaser

the Issue Date.

The Issuer is not aware of any expenses and taxes specifically charged to the subscriber or purchaser.

For details of the Issue Price, which includes the commissions payable to the Distributors, see the section above entitled "Issue Price and Offer Price" as well as the section below entitled "Fees".

For details of the tax regime applicable to subscribers in Italy, see the section below entitled "Taxation".

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place

Deutsche Bank S.p.A. of Piazza del Calendario 3, 20126, Milan, Italy and Finanza e Futuro Banca S.p.A. of Piazza del Calendario 1, 20126, Milan, Italy and their respective network (each, the "**Initial Distributors**" and together with any other entities appointed as a distributor in respect of the Notes during the Offering Period, the "**Distributors**").

The Issuer reserves the right to appoint other distributors during the Offering Period, which will be communicated to investors by means of a notice published on the website of the Issuer ([www.it.x-markets.db.com](http://www.it.x-markets.db.com)).

Deutsche Bank S.p.A. will act as lead manager of the placement syndicate (*Responsabile del Collocamento* as defined under article 93-bis of the Financial Services Act) (the "**Lead Manager**").

Notification and authorisation

The Notes are being offered to the public in Italy pursuant to Articles 17 and 18 of the Prospectus Directive and the implementing provisions in Italy.

## FEES

Fees paid by the Issuer to the distributor

Trailer Fee

Not applicable.

Placement Fee

The Distributors will earn a Placement Fee from the Issuer up to 4.00 per cent. of the Nominal Amount of the Notes placed through it.

## NOTE RATINGS

The Notes have not been rated.

The rating of the Issuer is as set out above.

## INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Interests of Natural and Legal Persons involved in the Issue

Save for any fees payable to the Distributors as set out under "Fees" above, so far as the Issuer

is aware, no person involved in the issue of the Notes has an interest material to the offer.

**REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

Reasons for offer

The net proceeds from this issue of Notes will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from the issue of certain Notes may be used to hedge market risk with respect to the Notes.

**COUNTRY SPECIFIC AND OTHER SALES INFORMATION**

**Italy**

Agent in Italy

In Italy, the Agent shall be Deutsche Bank S.p.A. The Agent shall act through its principal office in Milan being, as at the date of this Prospectus, the following address: Piazza del Calendario, 3 – 20126.

**OPERATIONAL INFORMATION:**

ISIN:

IT0004780679.

WKN:

DE1T65.

## V. GENERAL INFORMATION ON TAXATION AND SELLING RESTRICTIONS

### A. GENERAL TAXATION INFORMATION

#### 1. Introduction

Purchasers and/or sellers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer in addition to the issue price or purchase price of the Notes.

Transactions involving the Notes (including purchases, transfers, exercise or non-exercise or redemption, the accrual or receipt of any interest payable on the Notes and the death of a holder of any Notes) may have tax consequences for holders and potential purchasers which may depend, amongst other things, upon the tax status of the holder or potential purchaser and may relate to – amongst other taxes and duties – stamp duty, stamp duty reserve tax, income tax, corporation tax, trade tax, capital gains tax, withholding tax, solidarity surcharge and inheritance tax.

§9 (*Taxation*) in the Conditions should also be considered carefully by all potential purchasers of any Notes.

***Potential purchasers of Notes are advised to consult their own tax advisors as to the tax consequences of transactions involving the Notes.***

#### 2. Italy

The following is a summary of current Italian law and practice relating to the taxation of the Notes. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. Please note that the Law Decree no. 138 (the "**Decree No. 138**"), which came into force on 13 August 2011 and was converted into law by the Law no. 148 dated 14 September 2011 (the "**Law No. 148**"), materially amends the previous tax regime concerning some financial instruments. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

In the near future, the Italian tax authorities may further amend or clarify the tax treatment of interest and capital gains on Notes, as recently amended by Decree No. 138 converted into law by the Law No. 148.

The new rules introduced by Decree No. 138 will be effective as of 1 January 2012, on the basis of specific law provisions or clarifications provided by the Italian tax authorities.

#### **Tax treatment of Notes qualifying as bonds or similar securities**

Legislative Decree No. 239 of 1 April 1996 (the "**Decree No. 239**"), as subsequently amended, provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from notes falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*) issued, inter alia, by Italian banks, provided that the Notes are issued for an original maturity of not less than 18 months.

*Italian resident Securityholders*



Where the Notes have an original maturity of at least 18 months, and the Italian resident Securityholder is (a) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the risparmio gestito regime – see "Capital gains tax" below); (b) a non-commercial partnership; (c) a non-commercial private or public institution; or (d) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, are subject to a withholding tax, referred to as "imposta sostitutiva", levied at a rate of 12.5 per cent. In the event that the Securityholders described under (a) and (c) above are engaged in an entrepreneurial activity to which the Notes are connected, imposta sostitutiva applies as a provisional tax.

Where an Italian resident Securityholder is a company or similar commercial entity, or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected, and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to imposta sostitutiva, but must be included in the relevant Securityholder's annual income tax return and are therefore subject to general Italian corporate taxation (and, in certain circumstances, depending on the "status" of the Securityholder, also to IRAP, the regional tax on productive activities).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001, as clarified by the Italian Revenue Agency (Agenzia delle Entrate) through Circular No. 47/E of 8 August 2003, payments of interest in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to substitute tax nor to any other income tax in the hands of a real estate investment fund.

As of 1 January 2012, pursuant to Decree No. 138, the rate of imposta sostitutiva, where applicable, will be increased to 20 per cent, irrespective of the maturity of the financial instrument involved. The Government report to Decree No. 138 provides that, inter alia, zero coupon bonds with a residual maturity over 12 months are deemed to be transferred at the date of 31 December 2011 in order to debit the Securityholder with the substitute tax of 12.5 per cent. on interest accrued up to such date. This provision could be further amended or clarified by new tax guidelines.

If the investor is resident in Italy and is an open-ended or closed-ended investment fund (the "**Fund**") or a SICAV, and the relevant Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period of such Notes will not be subject to imposta sostitutiva, but must be included in the management result of the Fund or the SICAV. The Fund or SICAV will not be subject to taxation on such result, but distributions made in favour of unitholders or shareholders will then be subject – in their hands- to a substitute tax or a withholding tax of 12.5 per cent. in certain circumstances (the "**Collective Investment Fund Substitute Tax**"). As of 1 January 2012, pursuant to Decree No. 138, the rate of the Collective Investment Fund Substitute Tax will be increased to 20 per cent.

Where an Italian resident Securityholder is a pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to imposta sostitutiva, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to an 11 per cent. substitute tax.

Pursuant to Decree 239, imposta sostitutiva is applied by banks, SIMs, fiduciary companies, SGRs, stockbrokers and other entities identified by a Decree of the Ministry of Finance (each

an "Intermediary").

An Intermediary must (a) be resident in Italy or be a permanent establishment in Italy of a non-Italian resident financial intermediary and (b) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the imposta sostitutiva, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes or in a change of the Intermediary with which the Notes are deposited.

Where the Notes are not deposited with an Intermediary, the imposta sostitutiva is applied and withheld by any entity paying interest to a Securityholder.

#### *Non-Italian resident Securityholders*

Where the Securityholder is a non-Italian resident, without a permanent establishment in Italy to which the Notes are effectively connected, an exemption from the imposta sostitutiva applies provided that the non-Italian resident beneficial owner is either (a) resident, for tax purposes, in a country which allows for a satisfactory exchange of information with Italy; or (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or (c) a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or (d) an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

The imposta sostitutiva will be applicable at the rate of 12.5 per cent. and, as of 1 January 2012, pursuant to Decree No. 138, at a rate of 20 per cent. (or, in any case, at the reduced rate provided for by the applicable double tax treaty, if any) to interest, premium and other income paid to Securityholders who are resident, for tax purposes, in countries which do not allow for a satisfactory exchange of information with Italy.

According to Law No. 244 of 24 December 2007 (the "**Budget Law 2008**"), a Decree still to be issued will introduce a new "white list" replacing the current "black list" system, so as to identify those countries which allow for a satisfactory exchange of information.

In order to ensure gross payment, non-Italian resident Securityholders must be the beneficial owners of the payments of interest, premium or other income and (a) deposit, directly or indirectly, the Notes with a resident bank or SIM or a permanent establishment in Italy of a non-Italian resident bank or SIM or with a non-Italian resident entity or company participating in a centralised securities management system which is in contact, via computer, with the Ministry of Economy and Finance and (b) file with the relevant depository, prior to or concurrently with the deposit of the Notes, a statement of the relevant Securityholders, which remains valid until withdrawn or revoked, in which the Securityholder declares to be eligible to benefit from the applicable exemption from imposta sostitutiva.

Such statement, which is not requested for international bodies or entities set up in accordance with international agreements which have entered into force in Italy nor in the case of foreign Central Banks or entities which manage, inter alia, the official reserves of a foreign State, must comply with the requirements set forth by the Ministerial Decree of 12 December 2001.

#### *Early Redemption*

Without prejudice to the above provisions, in the event that Notes having an original maturity of at least 18 (eighteen) months are redeemed, in full or in part, prior to 18 (eighteen) months from their issue date or, at certain conditions, if repurchased by the Issuer (as specified by the Italian Revenue Agency (Agenzia delle Entrate) with Resolution No. 11 of 31 January 2011), the

Issuer will be required to pay a tax equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption. Such payment will be made by the Issuer and will not affect the amounts to be received by the Securityholder by way of interest or other amounts, if any, under the Notes.

Decree No. 138 has repealed the early redemption tax as of 1 January 2012.

#### *Capital gains tax*

Any gain obtained from the sale or redemption of the Notes would be treated as part of the taxable income (and, in certain circumstances, depending on the "status" of the Securityholder, also as part of the net value of the production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Securityholder is an individual holding the Notes not in connection with an entrepreneurial activity and certain other persons, any capital gain realised by such Securityholder from the sale, early redemption or redemption of the Notes would be subject to an imposta sostitutiva, levied at the current rate of 12.5 per cent. Securityholders may set off losses with gains.

In respect of the application of imposta sostitutiva, taxpayers may opt for one of the three regimes described below.

Under the tax declaration regime (regime della dichiarazione), which is the default regime for Italian resident individuals not engaged in an entrepreneurial activity to which the Notes are connected, the imposta sostitutiva on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised by the Italian resident individual Securityholder holding the Notes not in connection with an entrepreneurial activity pursuant to all sales, early redemptions or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding the Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay imposta sostitutiva on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years.

As an alternative to the tax declaration regime, Italian resident individual Securityholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the imposta sostitutiva separately on capital gains realised on each sale, early redemption or redemption of the Notes (the "risparmio amministrato" regime). Such separate taxation of capital gains is allowed subject to (a) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries and (b) an express election for the risparmio amministrato regime being timely made in writing by the relevant Securityholder. The depository is responsible for accounting for imposta sostitutiva in respect of capital gains realised on each sale, early redemption or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Securityholder or using funds provided by the Securityholder for this purpose. Under the risparmio amministrato regime, where a sale, early redemption or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same securities management, in the same tax year or in the following tax years up to the fourth. Under the risparmio amministrato regime, the Securityholder is not required to declare the capital gains in

the annual tax return.

Any capital gains realised by Italian resident individuals Securityholders not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called "risparmio gestito" regime will be included in the computation of the annual increase in the value of the managed assets accrued, even if not realised, at yearend, subject to a 12.5 per cent. substitute tax, to be paid by the managing authorised intermediary. Under the risparmio gestito regime, any depreciation of the managed assets accrued at year-end may be carried forward against an increase in the value of the managed assets accrued in any of the four succeeding tax years. Under the risparmio gestito regime, the Securityholder is not required to declare the capital gains realised in the annual tax return.

Pursuant to Decree No. 138, the 12.5 per cent. rate of the imposta sostitutiva will be increased to 20 per cent. in relation to capital gains realised as of 1 January 2012. The capital losses realised before 1 January 2012 may be carried forward to offset subsequent capital gains of the same nature for an overall amount of 62.5 per cent. of the relevant capital losses. Taxpayers may opt for a step up in the fiscal value of the relevant assets up to the market value of the assets registered on 31 December 2011. In the case of step up, the new 20 per cent. rate will apply only to capital gain accrued as of 1 January 2012. The taxpayer would be required to pay a substitute tax on the positive difference between the market value of the assets at 31 December 2011 and its original fiscal cost. These provisions should be implemented with a Decree to be issued by the Ministry of Economy and Finance.

Any capital gains realised by a Securityholder which is a Fund or a SICAV will not be subject to imposta sostitutiva, but will be included in the result of the relevant portfolio. Such result will not be taxed with the Fund or SICAV, but subsequent distributions in favour of unitholders of shareholders may be subject to the Collective Investment Fund Substitute Tax.

Any capital gains realised by a Securityholder who is an Italian real estate fund to which the provisions of Law Decree No. 351 as subsequently amended apply will be subject neither to imposta sostitutiva nor to any other income tax at the level of the real estate investment fund.

Any capital gains realised by a Securityholder who is an Italian pension fund (subject to the regime provided for by Article 17 of Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax.

Capital gains realised by non-Italian resident Securityholders from the sale or redemption of the Notes are not subject to Italian taxation, provided that the Notes (i) are transferred on regulated markets, or (ii) if not transferred on regulated markets, are held outside Italy. The provisions of the applicable tax treaties against double taxation entered into by Italy apply if more favourable and all relevant conditions are met.

Capital gains realised by non-Italian resident Securityholders from the sale, early redemption or redemption of Notes not traded on regulated markets are not subject to the imposta sostitutiva, provided that the effective beneficiary: (a) is resident in a country which allows for a satisfactory exchange of information with Italy; or (b) is an international entity or body set up in accordance with international agreements which have entered into force in Italy; or (c) is a Central Bank or an entity which manages, inter alia, the official reserves of a foreign State; or (d) is an institutional investor which is resident in a country which allows for a satisfactory exchange of information with Italy, even if it does not possess the status of taxpayer in its own country of residence.

Pursuant to the Budget Law 2008, a Decree still to be issued will introduce a new "white list" replacing the current "black list" system, so as to identify those countries which (a) allow for a satisfactory exchange of information and (b) do not have a more favourable tax regime.

If none of the conditions above is met, capital gains realised by non-Italian resident Securityholders from the sale or redemption of Notes not traded on regulated markets are subject to the imposta sostitutiva at the current rate of 12.5 per cent. Pursuant to Decree No. 138, the 12.5 per cent. rate of the imposta sostitutiva will be increased to 20 per cent. in relation to capital gains realised as of 1 January 2012.

In any event, non-Italian resident individuals or entities without a permanent establishment in Italy to which the Notes are connected that may benefit from a double taxation treaty with Italy providing that capital gains realised upon the sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to imposta sostitutiva in Italy on any capital gains realised upon the sale or redemption of Notes issued by an Italian resident issuer.

### **Inheritance and gift taxes**

Pursuant to Law Decree No. 262 of 3 October 2006 (the "**Decree No. 262**"), converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other securities) as a result of death or donation are taxed as follows:

(i) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding EUR 1,000,000;

(ii) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding EUR 100,000; and

(iii) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

### **Transfer Tax**

Article 37 of Law Decree No 248 of 31 December 2007 (the "**Decree No. 248**"), converted into Law No. 31 of 28 February 2008, published in the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax, provided for by Royal Decree No. 3278 of 30 December 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds are subject to fixed registration tax at rate of EUR 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, Member States are required 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 or to certain limited types of entities established in that other Member State. However, for a transitional period Luxembourg and Austria are instead required (unless during that period they elect otherwise) to impose a withholding system in relation to such payments (the ending of such transitional period being

dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

### **Implementation in Italy of the EU Savings Directive**

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (the "**Decree No. 84**"). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

## **3. Luxembourg**

*The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

### *3.1 Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 21 June 2005 (the "**Laws**") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-residents holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

However, under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it is currently levied at a rate of 35 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 35 per cent.

### *3.2 Resident Holders of Notes*

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

However, under the Luxembourg law of 23 December 2005 (for the purposes of this paragraph only, the "**Law**") payments of interest or similar income made or ascribed by a paying agent

established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

## B. GENERAL SELLING AND TRANSFER RESTRICTIONS

### 1. Introduction

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions.

### 2. United States of America

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and trading in the Notes has not been approved by the United States Commodity Futures Trading Commission (the "**CFTC**") under the United States Commodity Exchange Act (the "**Commodity Exchange Act**"). Any offer or sale of the Notes must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder. No Notes, or interests therein, may at any time be offered, sold, resold, pledged, exercised, redeemed or delivered, directly or indirectly, in the United States or to, or for the account or benefit of (or on behalf of), any U.S. person or to others for offer, sale, resale, pledge, exercise, redemption or delivery, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person. No Notes may be exercised or redeemed by or on behalf of a U.S. person or a person within the United States. "United States" means the United States of America (including the States and the District of Columbia and its possessions), and "U.S. person" means (i) an individual who is a resident of the United States; (ii) a corporation, partnership or other entity organised in or under the laws of the United States or any political subdivision thereof or which has its principal place of business in the United States; (iii) any estate or trust which is subject to United States federal income taxation regardless of the source of its income; (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust and if one or more United States trustees have the authority to control all substantial decisions of the trust; (v) a pension plan for the employees, officers or principals of a corporation, partnership or other entity described in (ii) above; (vi) any entity organised principally for passive investment, 10 per cent. or more of the beneficial interests in which are held by persons described in (i) to (v) above if such entity was formed principally for the purpose of investment by such persons in a commodity pool the operator of which is exempt from certain requirements of Part 4 of the United States Commodity Futures Trading Commission's regulations by virtue of its participants being non-U.S. persons; or (vii) any other "U.S. person" as such term may be defined in Regulation S under the United States Securities Act of 1933, as amended, or a person who does not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended.

### 3. European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") the Notes which are the subject of the offering contemplated by this Prospectus have not been offered and will not be offered to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- 3.1 if an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State;



- 3.2 at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- 3.3 at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant dealer or dealers nominated by the Issuer for any such offer; or
- 3.4 at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in to 3.4 above shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Securities to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

#### 4. United Kingdom

- 4.1 An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") may only be communicated or caused to be communicated in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer.
- 4.2 All applicable provisions of the FSMA must be complied with in respect to anything carried out in relation to any Notes in, from or otherwise involving the United Kingdom.

#### 5. Italy

Unless the Notes are being offered to the public in Italy pursuant to a Non-exempt Offer, the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of the Financial Services Act and Article 34-ter, first paragraph. letter b) of Regulation No. 11971; or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in Italy under (a) or (b) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the Italian Banking Act); and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Italian Financial Services Act, where no exemption from the rules on public offerings applies, Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Italian Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

## **6. Switzerland**

The offering of the Notes in Switzerland will comply with any laws, regulations or guidelines in Switzerland from time to time, including, but not limited to, any regulations made by the Swiss Federal Banking Commission and/or the Swiss National Bank (if any) in relation to the offer, sale, delivery or transfer of the Notes or the distribution of any offering material in Switzerland in respect of such Notes.

## **7. Luxembourg**

In addition to the cases described in the European Economic Area selling restrictions in respect of an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg) ("**Luxembourg**"), an offer of Notes to the public can also be made in Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10th July, 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the Commission de surveillance du secteur financier as competent authority in Luxembourg in accordance with the Prospectus Directive.

## **8. General**

The Notes may only be offered or sold in compliance with all applicable securities laws and regulations in force in any jurisdiction in which any purchase, offer, sale or delivery of Notes is made or in which this document is distributed or held and where any consent, approval or permission required for the purchase, offer, sale or delivery of Notes under the laws and regulations in force in any jurisdiction is obtained.

## VI. DOCUMENTS ON DISPLAY

Copies of the following documents will be available from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

- (i) the Articles of Association (with an English translation where applicable) of the Issuer;
- (ii) the audited consolidated and non-consolidated annual financial statements of Deutsche Bank in respect of the financial years ended 31 December 2009 and 31 December 2010 (each with an English translation thereof);
- (iii) the unaudited interim financial statements of Deutsche Bank for the period ended 30 September 2011;
- (iv) the unaudited consolidated financial statements of Deutsche Bank for the period ended 30 June 2011;
- (v) the unaudited consolidated interim financial statements of Deutsche Bank for the period ended 31 March 2011;
- (vi) a copy of this Prospectus; and
- (vii) any future supplements to this Prospectus and any other documents incorporated herein or therein by reference.

**NAMES AND ADDRESSES**

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**Paying Agent in Luxembourg**

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Luxembourg

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**Agent**

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