

## PROSPECTUS



**x-markets**

**Deutsche Bank AG, London Branch ("Deutsche Bank AG London" or the "Issuer")**

**Up to EUR 50,000,000 Deutsche Bank AG (DE) Target Autocallable Note 2029, due 28 February 2029 (the "Notes" or the "Securities")**

**Issue Price:** 101.50 per cent. of the Nominal Amount per Note

**ISIN:** XS1628416965 / **WKN:** DM7GHM

This document constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC as amended, including by Directive 2010/73/EU (the "**Prospectus Directive**") relating to the above-referenced Securities issued by Deutsche Bank AG, acting through its London branch (the "**Issuer**"). The Prospectus will be published on the Luxembourg Stock Exchange website, [www.bourse.lu](http://www.bourse.lu).

### **The Securities**

The Securities are in the form of Notes. The terms and conditions of the Securities will comprise:

- the General Conditions (the "**General Conditions**") as set forth in the "General Conditions" below; and
- the product terms of the Securities (the "**Product Terms**"), as completing and amending the General Conditions, as set forth in the section entitled "Product Terms" below.

### **Information incorporated by reference**

This Prospectus incorporates by reference certain information from (i) the Deutsche Bank Aktiengesellschaft EUR 80 billion Debt Issuance Programme Base Prospectus dated 22 June 2018 (the "**Original 2018 EMTN Base Prospectus**"), the second supplement to the Original 2018 EMTN Base Prospectus dated 31 July 2018, the third supplement to the Original 2018 EMTN Base Prospectus dated 7 August 2018, the fourth supplement to the Original 2018 EMTN Base Prospectus dated 6 November 2018 (the Original 2018 EMTN Base Prospectus as so supplemented, the "**2018 EMTN Base Prospectus**"), (ii) the unaudited interim report as of 30 September 2018 of Deutsche Bank Aktiengesellschaft (the "**30 September 2018 Interim Report**"); (iii) the Annual Report of Deutsche Bank Aktiengesellschaft as of 31 December 2017 ("**2017 Annual Report**"), and (iv) the Annual Report of Deutsche Bank Aktiengesellschaft as of 31 December 2016 ("**2016 Annual Report**") (see "Documents Incorporated by Reference" below). You should read this Prospectus together with such information from the 2018 EMTN Base Prospectus, the 30 September 2018 Interim Report, the 2017 Annual Report and the 2016 Annual Report.

### **Risk Factors**

Prospective purchasers of the Securities should ensure that they understand fully the nature of the Securities, as well as the extent of their exposure to risks associated with an investment in the Securities and should consider the suitability of an investment in the Securities in the light of their own particular financial, fiscal and other circumstances. Prospective purchasers of the Securities should refer to the "Risk Factors" section of this Prospectus together with the relevant Risk Factors incorporated by reference from the 2018 EMTN Base Prospectus. The Securities will represent direct, unsecured and unsubordinated contractual obligations of the Issuer which will rank *pari passu* among themselves and *pari passu* with all other unsecured and unsubordinated obligations of the Issuer except for any statutory priority regime of the jurisdiction of the Issuer's incorporation or of the jurisdiction where the branch is established that provides certain claims will be satisfied first in a resolution or German insolvency proceeding with respect to the Issuer. The senior debt securities will

be subject to Resolution Measures, as discussed in the "Risk Factors" section of this Prospectus under "Regulatory Bail-in and other Resolution Measures" below.

The date of this Prospectus is [ ] December 2018

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## IMPORTANT NOTICES

**Responsibility Statement:** The Issuer accepts responsibility for the information contained in this document. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

**Consent to Use of Prospectus:** With respect to Article 3(2) of the Prospectus Directive the Issuer consents, to the extent and under the conditions below, to the use of the Prospectus during the Subscription Period as long as the Prospectus is valid in accordance with Article 9 of the Prospectus Directive and accepts responsibility for the content of the Prospectus also with respect to subsequent resale or final placement of Securities by any financial intermediary which was given consent to use the prospectus.

Such consent was given to only one (individual consent) specified financial intermediary, being Deutsche Bank AG – Brussels Branch, Avenue Marnix 13-15, Brussels, Belgium and only for offers made in Belgium to any person who complies with all other requirements for investment as set out in this Prospectus or otherwise determined by the Issuer and/or the relevant financial intermediary. In other EEA countries, offers may only be made pursuant to an exemption under the Prospectus Directive as implemented in such jurisdictions.

Such consent by the Issuer is subject to each dealer and/or financial intermediary complying with the terms and conditions described in this Prospectus as well as any applicable selling restrictions. The distribution of this Prospectus as well as the offering, sale and delivery of Securities in certain jurisdictions may be restricted by law.

Each dealer and/or each financial intermediary, if any, and/or each person into whose possession this Prospectus comes is required to inform themselves about and observe any such restrictions. The Issuer reserves the right to withdraw its consent to the use of this Prospectus in relation to certain dealers and/or financial intermediaries.

**In case of an offer being made by a financial intermediary, such financial intermediary must provide information to investors on the terms and conditions of the offer at the time the offer is made.**

**Any new information with respect to financial intermediaries unknown at the time of the approval of the Prospectus will be published on the internet page [www.x-markets.db.com](http://www.x-markets.db.com).**

**CSSF disclaimer:** This Prospectus has been approved by the *Commission de surveillance du secteur financier* (the "**CSSF**"), in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 (the "**Luxembourg Law**") on prospectuses for securities which implements the Prospectus Directive into Luxembourg. The CSSF only approves this Prospectus as meeting the requirements imposed under Luxembourg and EU law pursuant to the Prospectus Directive. Such approval relates only to the Securities which are to be offered to the public and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "**Luxembourg Stock Exchange**"). The CSSF gives no undertaking as to the economic and financial soundness of the Securities and quality or solvency of the Issuer in line with the provisions of article 7(7) of the Luxembourg Law on prospectuses for securities.

**Listing and admission to trading:** Application has been made to the Luxembourg Stock Exchange for the Securities to be listed on the Official List and admitted to trading on its regulated market. There can be no assurance that any such listing will be obtained, or if obtained, will be maintained. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). This Prospectus will constitute a prospectus for the purposes of the Prospectus Directive.

**No other information:** In connection with the issue and sale of the Securities, no person is authorised to give any information or to make any representation not contained in the Prospectus, and neither the Issuer nor the Dealer accepts responsibility for any information or representation so given that is not contained in the Prospectus.

**Restrictions on distribution:** The distribution of the Prospectus and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer to inform themselves about, and to observe, such restrictions.

**Important U.S. notice:** The Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**"). Subject to certain exemptions, the Securities may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons. A further description of the restrictions on offers and sales of the Securities in the United States or to U.S. persons is set forth in the section entitled "General Selling and Transfer Restrictions" of this Prospectus.

**Information only as at the date hereof:** The delivery of this document at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

**No rating:** The Securities have not been rated.

## I. SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "not applicable".

<b>Section A — Introduction and warnings</b>		
<b>A.1</b>	Warning:	<p>Warning that:</p> <ul style="list-style-type: none"> <li>• the Summary should be read as an introduction to the Prospectus;</li> <li>• any decision to invest in the Securities should be based on consideration of the Prospectus as a whole by the investor;</li> <li>• where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EU member states, have to bear the costs of translating the Prospectus, before the legal proceedings are initiated; and</li> <li>• civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such the Securities.</li> </ul>
<b>A.2</b>	Consent to use of the Prospectus:	<ul style="list-style-type: none"> <li>• The Issuer consents to the use of the Prospectus for subsequent resale or final placement of the Securities by the following financial intermediary (individual consent): Deutsche Bank AG, Brussels Branch, Avenue Marnix 13-15, Brussels, Belgium.</li> <li>• The subsequent resale or final placement of Securities by financial intermediaries can be made from, and including, 07 January 2019 to, and including, 26 February 2019 (the "<b>Subscription Period</b>") as long as this Prospectus is valid in accordance with Article 9 of the Prospectus Directive.</li> <li>• Such consent is not subject to and given under any condition.</li> <li>• <b>In case of an offer being made by a financial intermediary, this financial intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made.</b></li> </ul>

<b>Section B — Issuer</b>		
<b>B.1</b>	Legal and commercial	The legal and commercial name of the Issuer is Deutsche Bank Aktiengesellschaft (the " <b>Issuer</b> ", " <b>Deutsche Bank</b> " or the " <b>Bank</b> ").

	name of the Issuer:																																				
<b>B.2</b>	Domicile, legal form, legislation and country of incorporation of the issuer:	<p>Deutsche Bank is a stock corporation (<i>Aktiengesellschaft</i>) incorporated and operating under German law.</p> <p>Deutsche Bank AG, acting through its London branch ("<b>Deutsche Bank AG, London Branch</b>") is domiciled at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom.</p>																																			
<b>B.4(b)</b>	Trend information:	With the exception of the effects of the macroeconomic conditions and market environment, litigation risks associated with the financial markets crisis as well as the effects of legislation and regulations applicable to financial institutions in Germany and the European Union, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects in its current financial year.																																			
<b>B.5</b>	Description of the group:	Deutsche Bank is the parent company and the most material entity of Deutsche Bank Group, a group consisting of banks, capital market companies, fund management companies, property finance companies, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the " <b>Deutsche Bank Group</b> ").																																			
<b>B.9</b>	Profit forecast or estimate:	Not applicable. No profit or forecast estimate is made.																																			
<b>B.10</b>	Audit report qualifications:	Not applicable; there are no qualifications in the audit report on the historical financial information.																																			
<b>B.12</b>	Selected historical key financial information:	<p>The following table shows an overview from the balance sheet of Deutsche Bank AG which has been extracted from the respective audited consolidated financial statements prepared in accordance with IFRS as of 31 December 2016 and 31 December 2017, as well as from the unaudited consolidated interim financial statements as of 30 September 2017 and 30 September 2018. The information on share capital (in EUR) and number of ordinary shares is based on the internal accounting of Deutsche Bank and is unaudited.</p> <table border="1"> <thead> <tr> <th></th> <th>31 December 2016</th> <th>30 September 2017</th> <th>31 December 2017</th> <th>30 September 2018</th> </tr> </thead> <tbody> <tr> <td>Share capital (in EUR)</td> <td>3,530,939,215.36</td> <td>5,290,939,215.36</td> <td>5,290,939,215.36</td> <td>5,290,939,215.36</td> </tr> <tr> <td>Number of ordinary shares</td> <td>1,379,273,131</td> <td>2,066,773,131</td> <td>2,066,773,131</td> <td>2,066,773,131</td> </tr> <tr> <td>Total assets (in million Euro)</td> <td>1,590,546</td> <td>1,521,454</td> <td>1,474,732</td> <td>1,379,982</td> </tr> <tr> <td>Total liabilities (in million Euro)</td> <td>1,525,727</td> <td>1,450,844</td> <td>1,406,633</td> <td>1,311,194</td> </tr> <tr> <td>Total equity (in million Euro)</td> <td>64,819</td> <td>70,609</td> <td>68,099</td> <td>68,788</td> </tr> <tr> <td>Common Equity Tier 1 capital</td> <td>13.4%</td> <td>14.6%</td> <td>14.8%</td> <td>14.0%<sup>2</sup></td> </tr> </tbody> </table>		31 December 2016	30 September 2017	31 December 2017	30 September 2018	Share capital (in EUR)	3,530,939,215.36	5,290,939,215.36	5,290,939,215.36	5,290,939,215.36	Number of ordinary shares	1,379,273,131	2,066,773,131	2,066,773,131	2,066,773,131	Total assets (in million Euro)	1,590,546	1,521,454	1,474,732	1,379,982	Total liabilities (in million Euro)	1,525,727	1,450,844	1,406,633	1,311,194	Total equity (in million Euro)	64,819	70,609	68,099	68,788	Common Equity Tier 1 capital	13.4%	14.6%	14.8%	14.0% <sup>2</sup>
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		ratio <sup>1</sup>				
		Tier 1 capital ratio <sup>1</sup>	15.6%	17.0%	16.8%	16.2% <sup>3</sup>
		<sup>1</sup> Capital ratios are based upon transitional rules of the CRR/CRD 4 capital framework. <sup>2</sup> The Common Equity Tier 1 capital ratio as of 30 September 2018 on the basis of CRR/CRD 4 fully loaded was 14.0%. <sup>3</sup> The Tier 1 capital ratio as of 30 September 2018 on the basis of CRR/CRD 4 fully loaded was 15.3%.				
	A statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements or a description of any material adverse change:	There has been no material adverse change in the prospects of Deutsche Bank since 31 December 2017.				
	A description of significant changes in the financial or trading position subsequent to the period covered by the historical financial information:	Not applicable. There has been no significant change in the financial position or trading position of Deutsche Bank since 30 September 2018.				
<b>B.13</b>	Recent events:	Not applicable; there are no recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.				
<b>B.14</b>	Dependence upon other entities within the group:	Please read the following information together with Element B.5. Not Applicable. The Issuer is not dependent upon other entities of Deutsche Bank Group.				
<b>B.15</b>	Issuer's principal activities:	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.				



		<p>Deutsche Bank Group's business activities are organized into the following three corporate divisions:</p> <ul style="list-style-type: none"> <li>• Corporate &amp; Investment Bank (CIB);</li> <li>• Asset Management (AM); and</li> <li>• Private &amp; Commercial Bank (PCB).</li> </ul> <p>The three corporate divisions are supported by infrastructure functions. In addition, Deutsche Bank Group has a regional management function that covers regional responsibilities worldwide.</p> <p>The Bank has operations or dealings with existing or potential customers in most countries in the world. These operations and dealings include:</p> <ul style="list-style-type: none"> <li>• subsidiaries and branches in many countries;</li> <li>• representative offices in other countries; and</li> <li>• one or more representatives assigned to serve customers in a large number of additional countries.</li> </ul>
<b>B.16</b>	Controlling persons:	<p>Not applicable. Based on notifications of major shareholdings pursuant to the German Securities Trading Act (<i>Wertpapierhandelsgesetz - WpHG</i>), there are only six shareholders holding more than three but less than 10 per cent. of the Issuer's shares or to whom more than 3 but less than 10 per cent. of voting rights are attributed. To the Issuer's knowledge there is no other shareholder holding more than three per cent. of the shares or voting rights. The Issuer is thus not directly or indirectly majority-owned or controlled.</p>

<p><b>B.17</b></p>	<p>Credit ratings assigned to the issuer or its debt securities:</p>	<p>Deutsche Bank is rated by Moody's Investors Service, Inc. ("<b>Moody's</b>"), Standard &amp; Poor's Credit Market Services Europe Limited ("<b>S&amp;P</b>"), Fitch Ratings Limited ("<b>Fitch</b>") and DBRS, Inc. ("<b>DBRS</b>", together with Fitch, S&amp;P and Moody's, the "<b>Rating Agencies</b>").</p> <p>S&amp;P and Fitch are established in the European Union and have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, as amended, on credit rating agencies ("<b>CRA Regulation</b>"). With respect to Moody's, the credit ratings are endorsed by Moody's office in the UK (Moody's Investors Service Ltd.) in accordance with Article 4(3) of the CRA Regulation. With respect to DBRS, the credit ratings are endorsed by DBRS Ratings Ltd. in the UK in accordance with Article 4(3) of the CRA Regulation. Moody's Investors Service Ltd. and DBRS Ratings Limited are established in the European Union and have been registered in accordance with the CRA Regulation.</p> <p>As of [ ] 2018 the following ratings were assigned to Deutsche Bank for its long-term non-preferred senior debt (and, where available, for its long-term preferred senior debt) and its short-term senior debt:</p> <table border="1" data-bbox="683 965 1407 1245"> <tr> <td><b>Moody's</b></td> <td>Long-term non-preferred senior debt:</td> <td>Baa3</td> </tr> <tr> <td></td> <td>Long-term preferred senior debt:</td> <td>A3 (negative)</td> </tr> <tr> <td></td> <td>Short-term senior debt:</td> <td>P-2</td> </tr> <tr> <td><b>S&amp;P</b></td> <td>Long-term non-preferred senior debt:</td> <td>BBB-</td> </tr> <tr> <td></td> <td>Long-term preferred senior debt:</td> <td>BBB+</td> </tr> <tr> <td></td> <td>Short-term senior debt:</td> <td>A-2</td> </tr> <tr> <td><b>Fitch</b></td> <td>Long-term non-preferred senior debt:</td> <td>BBB+</td> </tr> <tr> <td></td> <td>Short-term senior debt:</td> <td>F2</td> </tr> <tr> <td><b>DBRS</b></td> <td>Long-term non-preferred senior debt:</td> <td>BBB (high) (negative)</td> </tr> <tr> <td></td> <td>Short-term senior debt:</td> <td>R-1 (low) (stable)</td> </tr> </table>	<b>Moody's</b>	Long-term non-preferred senior debt:	Baa3		Long-term preferred senior debt:	A3 (negative)		Short-term senior debt:	P-2	<b>S&amp;P</b>	Long-term non-preferred senior debt:	BBB-		Long-term preferred senior debt:	BBB+		Short-term senior debt:	A-2	<b>Fitch</b>	Long-term non-preferred senior debt:	BBB+		Short-term senior debt:	F2	<b>DBRS</b>	Long-term non-preferred senior debt:	BBB (high) (negative)		Short-term senior debt:	R-1 (low) (stable)
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<p align="center"><b>Section C — Securities</b></p>		
<p><b>C.1</b></p>	<p>Type and the class of the securities, including any security identification number:</p>	<p><b>Type of Securities</b></p> <p>The Securities are notes (the "<b>Securities</b>" or the "<b>Notes</b>"). For a further description see Elements C.9.</p> <p><b>Security identification numbers of Securities</b></p> <p>ISIN: XS1628416965</p> <p>WKN: DM7GHM</p> <p>Common Code: 162841696</p> <p>RIC: DEDM7GHM=DBBL</p>
<p><b>C.2</b></p>	<p>Currency of the securities issue:</p>	<p>The Securities are denominated in Euro ("<b>EUR</b>").</p>
<p><b>C.5</b></p>	<p>Restrictions on transferability</p>	<p>No offers, sales or deliveries of the Securities, or distribution of any offering material relating to the Securities, may be made in or from any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations.</p>

		Subject to the above, each Security is transferable in accordance with applicable law and any rules and procedures for the time being of any Clearing Agent through whose books such Security is transferred.
<b>C.8</b>	Rights attached to the securities, including ranking and limitations to those rights:	<p><b>Rights attached to the Securities</b></p> <p>The Securities provide holders of the Securities, on redemption, with the payment of a cash amount. The Securities may also provide holders with an entitlement for the payment of a coupon.</p> <p><b>Governing Law of the Securities</b></p> <p>The Securities will be governed by, and construed in accordance with, English law. The constituting of the Securities may be governed by the laws of the jurisdiction of the Clearing Agent.</p> <p><b>Status of the Securities</b></p> <p>The Securities 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, subject, however, to statutory priorities conferred to certain unsecured and unsubordinated obligations in the event of resolution measures imposed on the Issuer or in the event of the dissolution, liquidation, insolvency, composition or other proceedings for the avoidance of insolvency of, or against, the Issuer.</p> <p><b>Limitations to the rights attached to the Securities</b></p> <p>Under the terms and conditions of the Securities, the Issuer is entitled to terminate and cancel the Securities and to amend the terms and conditions of the Securities.</p>
<b>C.9</b>	The nominal interest rate, the date from which interest becomes payable and the due dates for interest, where the rate is not fixed, description of the underlying on which it is based, maturity date and arrangements for the amortization of the loan, including the	<p>Coupon: In respect of the Coupon Payment Date for each Coupon Period commencing on or after 28 February 2019 but ending on 28 February 2024, 1.50 per cent. per annum.</p> <p>In respect of the Coupon Payment Date for each Coupon Period commencing <b>after</b> 28 February 2024, the Steeper Interest Rate for such Coupon Period.</p> <p>Coupon Amount In respect of each Coupon Payment Date, the Coupon Amount payable for each Security (of the nominal amount of EUR 1,000) shall be calculated by multiplying the Coupon for such Coupon Period by the nominal amount of EUR 1,000 (Nominal Amount), and further multiplying the product by the day count fraction applied to the Coupon Period ending on, but excluding, such Coupon Period End Date.</p> <p>If on any Coupon Determination Date, the sum of the Coupon Amounts paid since 28 February 2019 is at or above 10% of the nominal amount (such event a</p>

<p>repayment procedures, an indication of yield, name of representative of debt security holders:</p>	<p><b>Knock-Out Event</b>) the Note is early redeemed on the next Coupon Payment Date.</p> <p>Coupon Determination Date: In respect of a Coupon Period, the fifth relevant business day prior to the Coupon Payment Date for such Coupon Period.</p> <p>Coupon Payment Date: 28 February 2020, 28 February 2021, 28 February 2022, 28 February 2023, 28 February 2024, 28 February 2025, 28 February 2026, 28 February 2027, 28 February 2028 or if such day is not a business day such Coupon Payment Date is postponed to the next day which is a business day unless it would then fall in the following calendar month and the Settlement Date</p> <p>Coupon Periods: The period commencing on (and including) the Issue Date and ending on (but excluding) the first Coupon Period End Date and each subsequent period commencing on (and including) a Coupon Period End Date and ending on (but excluding) the next following Coupon Period End Date</p> <p>Coupon Period End Dates: 28 February in each calendar year, commencing on (and including) 28 February 2020 up to (and including) 28 February 2029, with no adjustment to such dates</p> <p>Issue Date: 28 February 2019</p> <p>Steepener Interest Rate: In respect of each Coupon Period commencing on or after 28 February 2024, a percentage determined by the Calculation Agent for such Coupon Period equal to the product of (a) 150 per cent, and (b) the Swap Rate Spread for such Coupon Period, provided that such amount will not be less than 0.00 per cent.</p> <p>Swap Rate Spread: In respect of any Coupon Determination Date, (a) the Reference CMS Rate with Specified Period equal to 30 years, minus (ii) the Reference CMS Rate with Specified Period equal to 2 years</p> <p>Reference CMS Rate: In respect of a Specified Period and a Coupon Determination Date, the annual swap rate for EUR swap transactions with a term equal to the Specified Period, expressed as a percentage, which appears on the Reuters Screen ICESWAP2 Page (or any successor) under the heading "EUR 11:00 AM" and above the caption "&lt;EURSFX=&gt;",</p>
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		<p>on the relevant Coupon Determination Date</p> <p>Settlement Date: The later of 28 February 2029 and if a Knock-Out Event has occurred then next Coupon Payment Date</p> <p>Minimum Redemption Amount: EUR 1,000 per Note</p> <p>Cash Amount: EUR 1,000 per Note</p> <p>Yield: Not Applicable; the Securities do not pay a fixed coupon after 28 February 2024.</p> <p>Name of representative of debt security holders: Not applicable; there is no representative of debt security holders.</p>
<b>C.10</b>	Derivative component in the interest payment:	<p>See Element C.9 above</p> <p>In respect of each Coupon Determination Date, a Coupon Payment will be made on the next following Coupon Payment Date.</p> <p>The amount of coupon paid on the Coupon Payment Dates falling on or after 28 February 2025 will depend on the level of the Steepener Interest Rate on the relevant Coupon Determination Date. The Steepener Interest Rate will be subject to a minimum of 0.00 per cent.</p>
<b>C.11</b>	Application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question:	<p>Application has been made to trade the Securities on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2014/65/EU, with effect from, at the earliest, the Issue Date. No assurances can be given that such application for admission to trading will be granted (or, if granted, will be granted by the Issue Date).</p>

#### Section D — Risks

<b>D.2</b>	Key information on the key risks that are specific and	<p>Investors will be exposed to the risk of the Issuer becoming insolvent as result of being overindebted or unable to pay debts, i.e. to the risk of a temporary or permanent inability to meet interest and/or principal payments on time. The Issuer's credit ratings reflect the assessment of these risks.</p>
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	individual to the issuer:	<p>Factors that may have a negative impact on Deutsche Bank's profitability are described in the following:</p> <ul style="list-style-type: none"> <li>- While the global economy was strong in 2017 as monetary policy remained generally accommodative, political risks, especially in Europe, did not materialize and election outcomes were broadly market-friendly, significant macroeconomic risks remain that could negatively affect the results of operations and financial condition in some of its businesses as well as Deutsche Bank's strategic plans. These include the possibility of an early recession in the United States, inflation risks, global imbalances, Brexit, the rise of Euroscepticism, and geopolitical risks, as well as the continuing low interest rate environment and competition in the financial services industry, which have compressed margins in many of Deutsche Bank's businesses. If these conditions persist or worsen, Deutsche Bank's business, results of operations or strategic plans could continue to be adversely affected.</li> <li>- Deutsche Bank's results of operation and financial condition, in particular those of Deutsche Bank's Corporate &amp; Investment Bank corporate division, continue to be negatively impacted by the challenging market environment, uncertain macro-economic and geopolitical conditions, lower levels of client activity, increased competition and regulation, and the immediate impacts resulting from Deutsche Bank's strategic decisions as Deutsche Bank continues to work on the implementation of its strategy. If Deutsche Bank is unable to improve its profitability as it continues to face these headwinds as well as persistently high litigation costs, Deutsche Bank may be unable to meet many of its strategic aspirations, and may have difficulty maintaining capital, liquidity and leverage at levels expected by market participants and Deutsche Bank's regulators.</li> <li>- Continued elevated levels of political uncertainty could have unpredictable consequences for the financial system and the greater economy, and could contribute to an unwinding of aspects of European integration, potentially leading to declines in business levels, write-downs of assets and losses across Deutsche Bank's businesses. Deutsche Bank's ability to protect itself against these risks is limited.</li> <li>- Deutsche Bank may be required to take impairments on its exposures to the sovereign debt of European or other countries if the European sovereign debt crisis reignites. The credit default swaps into which Deutsche Bank has entered to manage sovereign credit risk may not be available to offset these losses.</li> <li>- Deutsche Bank's liquidity, business activities and profitability may be adversely affected by an inability to access the debt capital markets or to sell assets during periods of market-wide or firm-specific liquidity constraints. Credit rating downgrades have contributed to an increase in Deutsche Bank's funding costs, and any future downgrade could materially adversely affect its funding costs, the willingness of counterparties to continue to do business with it and significant aspects of its business model.</li> </ul>
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		<ul style="list-style-type: none"> <li>- Regulatory reforms enacted and proposed in response to weaknesses in the financial sector, together with increased regulatory scrutiny more generally, have created significant uncertainty for Deutsche Bank and may adversely affect its business and ability to execute its strategic plans, and competent regulators may prohibit Deutsche Bank from making dividend payments or payments on its regulatory capital instruments or take other actions if Deutsche Bank fails to comply with regulatory requirements.</li> <li>- European and German legislation regarding the recovery and resolution of banks and investment firms could, if steps were taken to ensure Deutsche Bank's resolvability or resolution measures were imposed on Deutsche Bank, significantly affect Deutsche Bank's business operations, and lead to losses for its shareholders and creditors.</li> <li>- Regulatory and legislative changes require Deutsche Bank to maintain increased capital, in some cases (including in the United States) applying liquidity, risk management, capital adequacy and resolution planning rules to its local operations on a standalone basis. These requirements may significantly affect Deutsche Bank's business model, financial condition and results of operations as well as the competitive environment generally. Any perceptions in the market that Deutsche Bank may be unable to meet its capital or liquidity requirements with an adequate buffer, or that Deutsche Bank should maintain capital or liquidity in excess of these requirements or another failure to meet these requirements could intensify the effect of these factors on Deutsche Bank's business and results.</li> <li>- Deutsche Bank's regulatory capital and liquidity ratios and its funds available for distributions on its shares or regulatory capital instruments will be affected by Deutsche Bank's business decisions and, in making such decisions, Deutsche Bank's interests and those of the holders of such instruments may not be aligned, and Deutsche Bank may take decisions in accordance with applicable law and the terms of the relevant instruments that result in no or lower payments being made on Deutsche Bank's shares or regulatory capital instruments.</li> <li>- Legislation in the United States and in Germany regarding the prohibition of proprietary trading or its separation from the deposit-taking business has required Deutsche Bank to modify its business activities to comply with applicable restrictions. This could adversely affect Deutsche Bank's business, financial condition and results of operations.</li> <li>- Other regulatory reforms adopted or proposed in the wake of the financial crisis – for example, extensive new regulations governing Deutsche Bank's derivatives activities, compensation, bank levies, deposit protection or a possible financial transaction tax – may materially increase Deutsche Bank's operating costs and negatively impact its business model.</li> <li>- Adverse market conditions, asset price deteriorations, volatility and</li> </ul>
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		<p>cautious investor sentiment have affected and may in the future materially and adversely affect Deutsche Bank's revenues and profits, particularly in its investment banking, brokerage and other commission- and fee-based businesses. As a result, Deutsche Bank has in the past incurred and may in the future incur significant losses from its trading and investment activities.</p> <ul style="list-style-type: none"> <li>- Deutsche Bank announced the next phase of its strategy in April 2015, gave further details on it in October 2015 and announced updates in March 2017 and April 2018. If Deutsche Bank is unable to implement its strategic plans successfully, it may be unable to achieve its financial objectives, or Deutsche Bank may incur losses or low profitability or erosions of its capital base, and Deutsche Bank's financial condition, results of operations and share price may be materially and adversely affected.</li> <li>- As part of its strategic initiatives announced in March 2017, Deutsche Bank reconfigured its Global Markets, Corporate Finance and Transaction Banking businesses into a single Corporate &amp; Investment Bank division to position itself for growth through increased cross-selling opportunities for its higher return corporate clients. Clients may choose not to expand their businesses or portfolios with Deutsche Bank, thereby negatively influencing its ability to capitalize on these opportunities.</li> <li>- As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to retain and combine Deutsche Postbank AG (together with its subsidiaries, Postbank) with its existing retail and commercial operations, after earlier having announced its intention to dispose of Postbank. Deutsche Bank may face difficulties integrating Postbank into the Group following the completion of operational separability from the Group. Consequently, the cost savings and other benefits Deutsche Bank expects to realize may only come at a higher cost than anticipated, or may not be realized at all.</li> <li>- As part of its March 2017 updates to its strategy, Deutsche Bank announced its intention to create an operationally segregated Asset Management division through a partial initial public offering (IPO). This IPO was consummated in March 2018. Deutsche Bank may not be able to capitalize on the expected benefits that it believes an operationally segregated Asset Management division can offer.</li> <li>- A robust and effective internal control environment and adequate infrastructure (comprising people, policies and procedures, controls testing and IT systems) are necessary to ensure that Deutsche Bank conducts its business in compliance with the laws, regulations and associated supervisory expectations applicable to it. Deutsche Bank has identified the need to strengthen its internal control environment and infrastructure and has embarked on initiatives to accomplish this. If these initiatives are not successful or are delayed, Deutsche Bank's reputation, regulatory position and financial condition may be materially adversely affected, and Deutsche Bank's ability to achieve its strategic ambitions may be impaired.</li> </ul>
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		<ul style="list-style-type: none"> <li>- Deutsche Bank operates in a highly and increasingly regulated and litigious environment, potentially exposing Deutsche Bank to liability and other costs, the amounts of which may be substantial and difficult to estimate, as well as to legal and regulatory sanctions and reputational harm.</li> <li>- Deutsche Bank is currently subject to a number of investigations by regulatory and law enforcement agencies globally as well as civil actions relating to potential misconduct. The eventual outcomes of these matters are unpredictable, and may materially and adversely affect Deutsche Bank's results of operations, financial condition and reputation.</li> <li>- In addition to its traditional banking businesses of deposit-taking and lending, Deutsche Bank also engages in nontraditional credit businesses in which credit is extended in transactions that include, for example, its holding of securities of third parties or its engaging in complex derivative transactions. These nontraditional credit businesses materially increase Deutsche Bank's exposure to credit risk.</li> <li>- A substantial proportion of the assets and liabilities on Deutsche Bank's balance sheet comprise financial instruments that it carries at fair value, with changes in fair value recognized in its income statement. As a result of such changes, Deutsche Bank has incurred losses in the past, and may incur further losses in the future.</li> <li>- Deutsche Bank's risk management policies, procedures and methods leave it exposed to unidentified or unanticipated risks, which could lead to material losses.</li> <li>- Operational risks, which may arise from errors in the performance of Deutsche Bank's processes, the conduct of Deutsche Bank's employees, instability, malfunction or outage of Deutsche Bank's IT system and infrastructure, or loss of business continuity, or comparable issues with respect to Deutsche Bank's vendors, may disrupt Deutsche Bank's businesses and lead to material losses.</li> <li>- Deutsche Bank utilizes a variety of vendors in support of its business and operations. Services provided by vendors pose risks to Deutsche Bank comparable to those Deutsche Bank bears when it performs the services itself, and Deutsche Bank remains ultimately responsible for the services its vendors provide. Furthermore, if a vendor does not conduct business in accordance with applicable standards or Deutsche Bank's expectations, Deutsche Bank could be exposed to material losses or regulatory action or litigation or fail to achieve the benefits it sought from the relationship.</li> <li>- Deutsche Bank's operational systems are subject to an increasing risk of cyber-attacks and other internet crime, which could result in material losses of client or customer information, damage Deutsche Bank's reputation and lead to regulatory penalties and financial losses.</li> <li>- The size of Deutsche Bank's clearing operations exposes Deutsche</li> </ul>
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		<p>Bank to a heightened risk of material losses should these operations fail to function properly.</p> <ul style="list-style-type: none"> <li>- 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 and its share price.</li> <li>- Intense competition, in Deutsche Bank's home market of Germany as well as in international markets, could materially adversely impact Deutsche Bank's revenues and profitability.</li> <li>- Transactions with counterparties in countries designated by the U.S. State Department as state sponsors of terrorism or persons targeted by U.S. economic sanctions may lead potential customers and investors to avoid doing business with Deutsche Bank or investing in Deutsche Bank's securities, harm Deutsche Bank's reputation or result in regulatory or enforcement action which could materially and adversely affect Deutsche Bank's business.</li> </ul>
D.3	Key information on the risks that are specific and individual to the securities.	<p><b>Risks associated with an Adjustment/Termination Event</b></p> <p>If the Issuer terminates early the Securities following an Adjustment/Termination Event that amounts to a force majeure event (being an event or circumstance which definitively prevents the performance of the Issuer's obligations and for which the Issuer is not accountable), the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Security an amount determined by the Calculation Agent to be its fair market value taking into account the relevant event. Such amount may be significantly less than an investor's initial investment in Securities and in certain circumstances may be zero.</p> <p><b>Securities are linked to the Underlying</b></p> <p>Amounts payable periodically of the Securities, as the case may be, are linked to the Underlying which may comprise one or more Reference Items. The purchase of, or investment in, Securities linked to the Underlying involves substantial risks.</p> <p>The Securities are not conventional securities and carry various unique investment risks which prospective investors should understand clearly before investing in the Securities. Each prospective investor in the Securities should be familiar with securities having characteristics similar to the Securities and should fully review all documentation for and understand the Terms and Conditions of the Securities and the nature and extent of its exposure to risk of loss.</p> <p>Potential investors should ensure that they understand the relevant formula in accordance with which the amounts payable are calculated, and if necessary seek advice from their own adviser(s).</p> <p><b>Risks associated with the Underlying</b></p> <p>Because of the Underlying's influence on the entitlement from the Security investors are exposed to risks both during the term and also at maturity, which are also generally associated with an investment in the respective</p>

	<p>interest rates and investments in interest rates in general.</p> <p><b>Currency risks</b></p> <p>Investors face an exchange rate risk if the Settlement Currency is not the currency of the investor's home jurisdiction.</p> <p><b>Regulatory bail-in and other resolution measures</b></p> <p>If the competent authority determines that the Issuer is failing or likely to fail and certain other conditions are met, the competent resolution authority has the power to write down, including to write down to zero, claims for payment of the principal and any other claims under the Securities respectively, interest or any other amount in respect of the Securities, to convert the Securities into ordinary shares or other instruments qualifying as common equity tier 1 capital (the write-down and conversion powers commonly being referred to as the bail-in tool), or to apply other resolution measures including (but not limited to) a transfer of the Securities to another entity, a variation of the terms and conditions of the Securities or a cancellation of the Securities.</p>
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<b>Section E — Offer</b>		
<b>E.2b</b>	Reasons for the offer and use of proceeds:	Not applicable, making profit and/or hedging certain risks are the reasons for the offer.
<b>E.3</b>	Terms and conditions of the offer:	<p>Conditions to which the offer is subject: Offers of the Securities are conditional on their issue</p> <p>Number of Securities: Up to EUR 50,000,000 in aggregate nominal amount</p> <p>The Subscription Period: Applications to subscribe for the Securities may be made through the Distributor(s) from 07 January 2019 to, and including, 26 February 2019.</p> <p>The Issuer reserves the right for any reason to change the number of Securities offered</p> <p>Offer Price: The Issue Price</p> <p>Cancellation of the Issuance of the Securities: The Issuer reserves the right for any reason to cancel the issuance of the Securities</p> <p>Early Closing of the Subscription Period of the Securities: The Issuer reserves the right for any reason to close the Subscription Period early</p> <p>Investor minimum subscription amount: The minimum allocation per investor will be a nominal amount of EUR 1,000</p> <p>Investor maximum subscription amount: The maximum allocation of Securities will be subject only to availability at the time of application</p> <p>Description of the application process: Applications to purchase Securities should be made through Deutsche Bank AG, Brussels Branch, Avenue Marnix 13-15, Brussels, Belgium (the "<b>Distributor</b>" and together with any other entities appointed as a distributor in respect of</p>

		<p>the Securities during the Subscription Period, the "Distributors").</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: Not Applicable; there is no possibility to reduce subscriptions and therefore no manner for refunding excess amount paid by applicants</p> <p>Details of the method and time limits for paying up and delivering the Securities: Investors will be notified by the relevant Distributor of their allocations of Securities and the settlement arrangements in respect thereof. The Securities will be issued on the Issue Date against payment to the Issuer by the relevant Distributor of the net subscription price</p> <p>Manner in and date on which results of the offer are to be made public: The Issuer will in its sole discretion determine the final amount of Securities to be issued (which will be dependent on the outcome of the offer), up to a limit of an aggregate nominal amount of EUR 50,000,000</p> <p>The precise number of Securities to be issued will be published on the website of the Luxembourg Stock Exchange (<a href="http://www.bourse.lu">www.bourse.lu</a>) in accordance with Article 10 of the Luxembourg Law on the Prospectuses for Securities on or around the Issue Date.</p> <p>The results of the offer will be available from the Distributors following the Subscription Period and prior to the Issue Date</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable; a procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights is not planned</p> <p>Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries: Non-qualified investors</p> <p>Offers may be made in Belgium to any person who complies with all other requirements for investment as set out in this Prospectus or otherwise determined by the Issuer and/or the relevant financial intermediaries. In other EEA countries, offers will only be made pursuant to an exemption under the Prospectus Directive as implemented in such jurisdictions</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before: Each investor will be notified by the relevant Distributor of its allocation of Securities after the end of the Subscription Period and before the Issue Date</p>
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		<p>notification is made:</p> <p>Issue Price: 101.50 per cent. of the nominal amount (nominal amount being EUR 1,000 per Security)</p> <p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser: Save for the Issue Price (which includes the commissions payable by the Issuer to the Distributor of up to 4.5 per cent. of the Nominal Amount (1.5% Placement Fee and 3.0% Distributor Fee as described above) equivalent to approximately 0.45 per cent. per annum of the Securities placed through it), the Issuer is not aware of any expenses and taxes specifically charged to the subscriber or purchaser.</p> <p>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 AG, Brussels Branch, Avenue Marnix 13-15, Brussels, Belgium</p> <p>Name and address of the Paying Agent: Deutsche Bank Luxembourg S.A. of 2, boulevard Konrad Adenauer, L-1115 Luxembourg, Luxembourg</p> <p>Name and address of the Calculation Agent: Deutsche Bank AG, acting through its London branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom</p>
<b>E.4</b>	Interest that is material to the issue/offer including confliction interests:	Not applicable; save for the Distributors regarding the fees, as far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer
<b>E.7</b>	Estimated expenses charged to the investor by the issuer or offeror:	Save for the Issue Price (which includes the commissions payable by the Issuer to the Distributor of up to 4.5 per cent. of the Nominal Amount (1.5% Placement Fee and 3.0% Distributor Fee as described above) equivalent to approximately 0.45 per cent. per annum of the Securities placed through it), the Issuer is not aware of any expenses charged to the investor.

## II. RISK FACTORS

The paragraphs A to E below describe all material risk factors as well as conflicts of interest of the Issuer associated with an investment in the Securities.

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

An investment in Securities issued by Deutsche Bank bears the risk that Deutsche Bank is not able to fulfil its obligations created by the issuance of the Securities on the relevant due date. Thus investors may lose all or part of their investment.

#### **Factors relating to Deutsche Bank's ability to meet its obligations as Issuer of the Securities**

In order to assess the risk, prospective investors should consider all information provided in the "Risk Factors" section in the 2018 EMTN Base Prospectus (pages 40-47 inclusive as supplemented from time to time) referred to in items (a)-(d) of the Cross Reference list in "Documents Incorporated by Reference" in this Prospectus. Prospective investors should consult with their own legal, tax, accounting and other advisers if they consider it necessary.

### B. RISK FACTORS IN RESPECT OF THE SECURITIES

#### 1. Introduction

The paragraphs below describe all risk factors that are material to the Notes (collectively the "**Securities**") in order to assess the market risks associated with these Securities. No investment should be made in the Securities until after careful consideration of all those factors which are relevant in relation to the Securities. 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 assets, reference items or other reference bases (referred to as the "**Underlying**" and each such item as a "**Reference Item**") to which the *Securities* are linked as appropriate. These are specified where applicable in the Product Terms and, as the case may be, the section "Information relating to the Underlying" set out in the section "Additional Information" in the Product Terms and investors should consider further information which is available in relation to the *Underlying*.

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

An investment in the Securities involves risks. These risks may include, among others, equity market, bond market, foreign exchange, interest rate, commodities, market volatility and economic, political and regulatory risks and any combination of these and other risks. Potential purchasers should have the necessary knowledge and experience with respect to transactions in financial instruments such as the Securities and the Underlying or Reference Item in order to be able to understand and appropriately assess the risks associated with investing in the Securities. They should only reach an investment decision after careful consideration, if applicable with their legal, tax, accounting and other advisers, of (a) the suitability of an investment in the *Securities* in the light of their own particular financial, tax and other circumstances, (b) the information set out in this *Prospectus* and (c) the *Underlying*. Investors should consider in particular whether the Securities 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 Securities is appropriate for them.

An investment in the *Securities* should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the *Underlying*, and/or in the composition or method of calculation of the *Reference Items*. This is because the return of any such investment will be dependent, among other things, upon such changes. More than one risk factor may have simultaneous effect with regard to the Securities 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 Securities and no assurance is given that an investment in Securities will offer any greater return than other comparable or alternative investments which may be available at the time an investor acquires a Security.

Additional risk factors are set out under the headings "C. Risk Factors related to Securities 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 Securities**

### *2.1 Securities where amounts payable are calculated by reference to a formula*

An issue of Securities may reference a formula in the Product Terms as the basis upon which the interest payable. Potential investors should ensure that they understand the relevant formula and if necessary seek advice from their own adviser(s).

In addition the effects of the formula may be complex with respect to expected amounts of interest and in certain circumstances may result in increases or decreases in these amounts.

### *2.2 Debt securities issued at a substantial discount or premium*

The market value of debt securities issued at a substantial discount or premium tend to fluctuate more due to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### *2.3 Securities subject to optional redemption by the Issuer*

Securities which include a redemption option by the Issuer or which may be terminated on the occurrence of certain events are likely to have a lower market value than similar securities which do not contain an Issuer redemption option. An optional redemption feature or termination feature of the Securities is likely to limit their market value. During any period when the Issuer may elect to redeem the Securities or such termination may occur, the market value of those Securities generally will not rise substantially above the price at which they may be redeemed or terminated. This may also be the case prior to any redemption or termination period.

The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities or otherwise when its costs of keeping Securities outstanding is high. At those times, an investor generally would not be able to reinvest the optional redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

The applicable Final Terms will indicate whether the Issuer has the right to redeem the Securities prior to maturity or final settlement.

## **3. Risk factors relating to the Underlying**

The *Reference Items* comprised in the *Underlying* for the *Securities* (if applicable) may be one or more interest rates.

Some or all of the amounts payable on redemption or periodically under the Securities will be determined by reference to the price or value of these Reference Items as set out in the Product Terms. Accordingly, investors should review carefully the Product Terms in order to understand the effect on the Securities of such linkage to the Underlying and the Reference Items.

**The purchase of, or investment in, Securities linked to Reference Item(s) involves substantial risks. These Securities are not conventional securities and carry various unique investment risks which prospective investors should understand clearly before investing in the Securities.** Each prospective investor in such Securities should be familiar with securities having characteristics similar to such Securities and should fully review all documentation for and understand the Terms and Conditions of the Securities, the Product Terms and the nature and extent of its exposure to risk of loss.

The Issuer may issue Securities where the amount of interest or other amounts payable is dependent upon the level or changes in the level of one or more interest rates.

Prospective investors in any such Securities should be aware that depending on the Terms and Conditions of such Securities (i) they may receive no amount or a limited amount of interest or other amounts, and (ii) payment of interest or other amounts may occur at different times than expected or in a different currency than expected.

In addition, the movements in the level of the relevant interest rate or interest rates may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other economic factors or indices and the timing of changes in the relevant price or level of the Reference Item may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the price or level of the Reference Item, the greater the effect on yield.

If the amount of interest or other amounts payable is determined by reference to a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the price or level of the Underlying or Reference Item will be magnified.

The market price of Securities may be volatile and may be affected by:

- (a) the time remaining to the Settlement Date;
- (b) the movements in interest rates,

as well as economic, financial and political events in one or more jurisdictions.

All the aforementioned factors may have an adverse impact on the value of the Reference Item(s).

### 3.1 Risks associated with Interest Rates as a Reference Item

Securities linked to an Interest Rate may be redeemed or settled by the Issuer by payment of an amount determined by reference to the level of the Interest Rate and/or payment of the nominal amount.

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 Securities.

The Calculation Agent may make certain determinations in respect of the Interest Rate in accordance with §5 of the General Conditions in the event that it is not possible for the Calculation Agent to determine the relevant Interest Rate at any relevant time. Any such determination may have an effect on the timing of valuation and consequently the value of the Securities.

### 3.2 *No Claim against any Reference Item*

A Security will not represent a claim against any Reference Item to which any amount payable in respect of the Securities is dependent and, in the event that the amount paid by the Issuer on termination of the Securities is less than the amount originally invested in the Securities, a Securityholder will not have recourse under a Security to the Issuer or any Reference Item.

An investment in Securities linked to one or more Reference Items may entail significant risks not associated with investments in conventional securities including but not limited to the risks set out above. The amount paid by the Issuer on termination of such Securities may be less than the amount originally invested in the Securities and may in certain circumstances be zero.

### 3.3 *Risks associated with a limited information base regarding the Reference Item and a possible information advantage of the Issuer*

Information regarding the *Reference Item* may not be publicly available or only available to a certain extent. Therefore, investors may have no or only limited access to detailed information regarding the relevant *Reference Item*, in particular on its current price or value, on its past and future performance and on its volatility.



In contrast, the *Issuer* may have access to information which is not publicly available and may thereby generate an information advantage.

In addition, any publicly available information may be published with delay and may not have been published or published in full at the time the investors seeks the information or at the time the amounts payable on redemption or periodically under the *Securities* will be determined by reference to the price or value of these *Reference Items*.

## C. RISK FACTORS RELATED TO SECURITIES GENERALLY

### 1. No statutory or voluntary deposit guarantee scheme

The Issuer's obligations relating to the Securities are not protected by any statutory or voluntary deposit guarantee system or compensation scheme. In the event of insolvency of the Issuer, investors may thus experience a total loss of their investment in the Securities.

### 2. No Payments until Settlement

Prospective investors should note that a realisation in the secondary market of the Securities may be the only return potentially available to the investor prior to settlement of the Securities. Unless otherwise specified in the Product Terms, there may be no periodic interest payments or other distributions made during the term of the Securities.

However, investors should note the risk factors described under the headings "Market value" and "The Securities may be Illiquid" below in this regard.

### 3. Adjustment Events and Adjustment/Termination Events

The Issuer is entitled to make adjustments to the Terms and Conditions following the occurrence of an Adjustment Event. These may include any event which materially affects the theoretical economic value of a Reference Item or any event which materially disrupts the economic link between the value of the Reference Item and the Securities subsisting immediately prior to the occurrence of such event. However, the Calculation Agent may decide to make no adjustments to the Terms and Conditions following the occurrence of an Adjustment Event.

On the occurrence of an Adjustment/Termination Event, the Issuer is also entitled to adjust the Terms and Conditions, terminate and cancel the Securities, or in certain cases, substitute the relevant Reference Item affected by such Adjustment/Termination Event or elect to pay the Nominal Amount in respect of each Security held by each Securityholder in discharge of its obligation to pay the Cash Amount.

If the Adjustment/Termination Event is an Illegality Event or a Force Majeure Event, then, if no such adjustment to the terms of the Securities is made by the Calculation Agent, the Issuer will pay an amount which will be equal to the Market Value of the Securities. Such payments will be in lieu of any obligation under the Securities to pay the Cash Amount or any coupon or other amounts, and will discharge the Issuer's obligations to make these other payments.

If the Adjustment/Termination Event is not an Illegality Event or a Force Majeure Event, then, if no such adjustment to the terms of the Securities is made by the Calculation Agent, the Issuer will pay an amount which will be equal to Early Termination Amount (Monetisation). However, the holder of a Security may instead choose a payment equal to the Early Termination Amount (Put). In either case, such payments will be in lieu of any obligation under the Securities to pay the Cash Amount or any coupon or other amounts, and will discharge the Issuer's obligations to make these other payments.

An Adjustment/Termination Event may include an event which materially affects the method by which the Calculation Agent determines the level or price of any Reference Item or the ability of the Calculation Agent to determine the level or price of any Reference Item. In addition an Adjustment/Termination Event may occur where it is illegal. An Adjustment/Termination Event may also occur in a situation where certain market disruptions exist or a force majeure occurs (being an event or circumstance which prevents or materially affects the performance of the Issuer's obligation).

Any adjustment made due to an Adjustment Event or any adjustment or termination of the Securities or replacement of a Reference Item following an Adjustment/Termination Event may have an adverse effect on the Securities and Securityholders. In particular, the value of the Securities may fall and amounts payable under the Securities 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 Securities and the basis on which the Securities are priced.

### 4. Prospective purchasers should review §5 of the General Conditions to ascertain how such provisions apply to the Securities and what may constitute an Adjustment Event or an Adjustment/Termination Event. **Taxation**

Potential purchasers and sellers of the Securities 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 Securities are transferred. Securityholders are subject to the provisions of §10 of the General Conditions and payment of any amount due in respect of the Securities will be conditional upon the payment of certain taxes, duties and/or expenses as provided in the Terms and 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.

Whilst the Securities are in global form and held within the relevant Clearing Agent, in all but the most remote circumstances, it is not expected that sections 1471 to 1474 of the US Internal Revenue Code ("**FATCA**") will affect the amount of any payment received by the Clearing Agent.

However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Securities are discharged once it has paid the relevant Clearing Agent and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the relevant Clearing Agent and custodians or intermediaries.

Section 871(m) of the U.S. Internal Revenue Code and the provisions issued thereunder stipulate that for certain financial instruments (such as for securities) a withholding tax (of up to 30% depending on the application of double taxation treaties) shall be imposed if the payment (or amount deemed a payment) on the financial instruments is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States. Pursuant to these U.S. legal provisions, certain payments (or amounts deemed payments) under certain equity-linked instruments that refer to the performance of U.S. equities or certain indices that contain U.S. equities, as an underlying or a basket component, shall be treated as "dividend equivalents" and shall be subject to U.S. withholding tax of 30% (or a lower double tax treaty rate).

The aforementioned tax liability shall apply even if pursuant to the terms of the Securities no actual dividend-related amount is paid or an adjustment is made and thus investors can only determine with difficulty or not at all any connection to the payments to be made in respect of the Securities.

In withholding this tax, the Issuer will regularly apply the general tax rate of 30% to the payments subject to U.S. provisions (or amounts deemed payments) and not any lower tax rate pursuant to any potentially applicable double taxation treaty. In such case, an investor's individual tax situation can therefore not be taken into account.

The Issuer's determination of whether the Securities are subject to this withholding tax is binding for Securityholders but not for the United States Internal Revenue Service (the "IRS"). The rules of section 871(m) require complex calculations in respect of the securities that refer to U.S. equities and application of these rules to a specific securities issue may be uncertain. Consequently the IRS may determine they are to be applied even if the Issuer initially assumed the rules would not apply. There is a risk in such case that Securityholders are subject to withholding tax ex post.

There is also the risk that section 871(m) must also be applied to Securities that were not initially subject to withholding tax. This case could arise in particular if the securities' economic parameters change such that the securities are in fact subject to tax liability and the Issuer continues to issue and sell these securities.

As the Issuer is not obliged to offset any withholding tax pursuant to section 871(m) on interest, capital or other payments to Securityholders by paying an additional amount, Securityholders will receive smaller payments in such case than they would have received without withholding tax imposed.

#### **5. 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 Securities may change at any time (including during any subscription period or the term of any Securities). Any such change may have an adverse effect on a Securityholder, including that Securities may be redeemed before their Settlement 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.

#### **6. Time Lag after Exercise**

Where the Securities are to be settled by a cash payment, then, upon their exercise, there may be a time lag between the time exercise occurs and the time the applicable cash amount relating to such exercise is determined. Any such delay between the time of exercise and the determination of the cash amount will be specified in the General Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of such Securities arising from, as described below, any daily maximum exercise limitation or, as described below, upon the determination by the Calculation Agent that an event has occurred at any relevant time.

Prospective purchasers should review the General Conditions to ascertain whether and how such provisions apply to the Securities.

#### **7. Settlement Systems**

An investor will need to be able to hold the Securities (directly or through an intermediary). Securities may only be held directly through the relevant Clearing Agent. Where Securities are held indirectly, a Securityholder will depend on the relevant intermediary(ies) through which it holds the Securities for receipt of payments, notices and for all other purposes in connection to the Securities. Investors should note the Securities are not intended to be held in a manner which would allow Eurosystem eligibility and this may limit their marketability for some investors.

#### **8. Regulatory Bail-in and other Resolution Measures**

On 15 May 2014, the European Parliament and the Council of the European Union adopted Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (commonly referred to as the "Bank Recovery and Resolution Directive" or the "BRRD") which was transposed into German law by the Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*, or the "SAG") with effect from 1 January 2015. For banks established in the eurozone, such as the Issuer, which are supervised within the framework of the Single Supervisory Mechanism (the "SSM"), Regulation (EU) No 806/2014 of the European Parliament and of the Council (the "SRM Regulation") provides for a coherent application of the resolution rules across the SSM under responsibility of the European Single Resolution Board, with effect since 1 January 2016 (referred to as the "Single Resolution Mechanism" or "SRM"). Under the SRM, the Single Resolution Board is responsible for adopting resolution decisions in close cooperation with the European Central Bank, the European Commission, and national resolution authorities in the event that a significant bank directly supervised by the European Central Bank, such as the Issuer, is failing or likely to fail and certain other conditions are met. National resolution authorities in the European Union member states concerned would implement such resolution decisions adopted by the Single Resolution Board in accordance with the powers conferred on them under national law transposing the BRRD.

If the competent authority determines that the Issuer is failing or likely to fail and certain other conditions are met (as set forth in the SRM Regulation, the SAG and other applicable rules and

regulations), the competent resolution authority has the power to write down, including to write down to zero, claims for payment of the principal and any other claims under the Securities, interest or any other amount in respect of the Securities, to convert the Securities into ordinary shares or other instruments qualifying as common equity tier 1 capital (the write-down and conversion powers are hereinafter referred to as the **"Bail-in tool"**), or to apply any other resolution measure including (but not limited to) a transfer of the Securities to another entity, a variation of the terms and conditions of the Securities (including, but not limited to, the variation of maturity of the Securities) or a cancellation of the Securities. The Bail-in tool and each of these other resolution measures are hereinafter referred to as a **"Resolution Measure"**. The competent resolution authority may apply Resolution Measures individually or in any combination.

The competent resolution authority will have to exercise the Bail-in tool in a way that results in (i) common equity tier 1 capital instruments (such as ordinary shares of the Issuer) being written down first in proportion to the relevant losses, (ii) subsequently, the principal amount of other capital instruments (additional tier 1 capital instruments and tier 2 capital instruments) being written down on a permanent basis or converted into common equity tier 1 capital instruments in accordance with their order of priority and (iii) finally, the Issuer's unsecured and unsubordinated liabilities (unless exempted by the SRM Regulation, the BRRD or the SAG) – such as those under the unsubordinated Notes – being written down on a permanent basis or converted into common equity tier 1 capital instruments. Within the Issuer's unsecured and unsubordinated liabilities, such as unsubordinated Notes issued under this Programme, Section 46f(5)–(7) of the German Banking Act (Kreditwesengesetz, "KWG") determines that certain unsecured and unsubordinated debt instruments of the Issuer (hereinafter referred to as "Non-Preferred Senior Obligations") rank below the Issuer's other senior liabilities (hereinafter referred to as "Preferred Senior Obligations"). As a consequence, Non-Preferred Senior Obligations would bear losses before Preferred Senior Obligations in the event of insolvency or the application of Resolution Measures, such as the Bail-in-tool, affecting the Issuer. Among the Preferred Senior Obligations are, as defined in Section 46f(7) KWG, senior unsecured debt instruments whose terms provide that (i) the amount of the repayment depends on the occurrence or non-occurrence of an event which is uncertain at the point in time when the senior unsecured debt instruments are issued, or settlement is effected in a way other than by monetary payment, or (ii) the amount of the interest payments depends on the occurrence or non-occurrence of an event which is uncertain at the point in time when the senior unsecured debt instruments are issued unless the amount of the interest payments solely depends on a fixed or floating reference interest rate, and settlement is effected by monetary payment. Unsecured and unsubordinated Notes issued under this Programme that do not meet the terms described in (i) or (ii) above, including Fixed Rate Notes, Zero Coupon Notes, and Floating Rate Notes linked to LIBOR or EURIBOR, are, therefore, expected to constitute Non-Preferred Senior Obligations that would bear losses in a German insolvency proceeding or in the event of the imposition of Resolution Measures before Preferred Senior Obligations. In a German insolvency proceeding or in the event of the imposition of Resolution Measures with respect to the Issuer, the competent resolution authority or court would determine whether unsecured and unsubordinated Notes issued under the Programme qualify as Preferred Senior Obligations or as Non-Preferred Senior Obligations.

The holders of Securities are bound by any Resolution Measure. They would have no claim or any other right against the Issuer arising out of any Resolution Measure. Depending on the Resolution Measure, there would be no obligation of the Issuer to make payments under the Securities. The extent to which payment obligations under the Securities may be affected by Resolution Measures would depend on a number of factors that are outside the Issuer's control, and it will be difficult to predict when, if at all, Resolution Measures will occur. The exercise of any Resolution Measure would not constitute any right to terminate the Securities. Potential investors should consider the risk that they may lose all of their investment, including the principal amount plus any accrued interest, if Resolution Measures are initiated, and should be aware that extraordinary public financial support for troubled banks, if any, would only potentially be used as a last resort after having assessed and exploited, to the maximum extent practicable, the Resolution Measures, including the Bail-in tool.

## 9. Regulation and reform of "benchmarks"

Regulation and reform of "benchmarks", including LIBOR, EURIBOR and other interest rates, equity indices, foreign exchange rates and other types of rates and indices which are deemed to be "benchmarks", could adversely affect any Securities linked to such "benchmarks".

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates, equity indices, foreign exchange rates and other types of rates and indices which are deemed to be "benchmarks" are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such "benchmarks" to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could adversely affect any Securities linked to such "benchmarks".

Key international proposals for reform of "benchmarks" include the International Organization of Securities Commissions' ("**IOSCO**") Principles for Financial Market Benchmarks (July 2013) (the "**IOSCO Benchmark Principles** ") and the EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "Benchmark Regulation").

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. A review published by IOSCO in February 2015 on the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, with widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the European Union adopted the Benchmark Regulation. The Benchmark Regulation entered into force on 30 June 2016. It applies across the EU from 1 January 2018, with the exception of certain provisions (specified in article 59) that began to apply from 30 June 2016 and certain provisions which amend Regulation (EU) No 596/2014 on market abuse, which became effective on 3 July 2016. The Benchmark Regulation will apply to "contributors", "administrators" and "users" of "benchmarks" in the EU, and will, among other things, (i) require benchmark administrators to be authorised (or, if non-EU-based, to have satisfied certain "equivalence" conditions in its local jurisdiction, to be "recognised" by the competent authority of the applicable Member State pending an equivalence decision or to be "endorsed" for such purpose by an EU competent authority) and to comply with requirements in relation to the administration of "benchmarks" and (ii) ban the use of "benchmarks" of unauthorised administrators. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" rates and indices such EURIBOR, will apply to many other interest rates, as well as equity indices and foreign exchange rates and other rates and indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (securities or OTC derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or "systematic internaliser"), certain financial contracts and investment funds. Different types of "benchmarks" are subject to more or less stringent requirements, and in particular a lighter touch regime will apply where a "benchmark" is not based on interest rates or indices and the total average value of financial instruments, financial contracts or investment funds referring to a benchmark over the past six months is less than €50 billion, subject to further conditions.

The Benchmark Regulation could have a material impact on Securities linked to a "benchmark" rate or index, including in any of the following circumstances:

- a rate or index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. In such event, depending on the particular "benchmark" and the applicable terms of the

Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and

- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level and could lead to adjustments to the terms of the Securities, including Calculation Agent determination of the rate or level in its discretion.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of "benchmarks" could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the disappearance of certain "benchmarks". The disappearance of a "benchmark" or changes in the manner of administration of a "benchmark" could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequence in relation to Securities linked to such "benchmark". Any such consequence could have a material adverse effect on the value of and return on any such Securities.

## **D. RISK FACTORS RELATING TO THE MARKET GENERALLY**

### **1. Market Factors**

#### **1.1**

Where the Securities are linked to an Underlying, an investment in the Securities may be associated with risks regarding the value of the constituents comprising the Underlying. The value of the Underlying or its constituents may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macroeconomic factors and speculation.

The relevant price or value of a Reference Item may be observed continuously during the life of the Securities or over certain periods or on one or more valuation dates. It should be noted, however, that the relevant time for valuation may be delayed in the case of a relevant Market Disruption under §5 of the General Conditions.

Accordingly, any positive performance of a Reference Item may have no effect on the Securities if this is not a relevant valuation time. Where the Underlying comprises more than one Reference Item then the positive performance of one or more Reference Items may be outweighed by any underperformance of other Reference Item(s).

*1.2 Investors should review the relevant price or value which is to be observed for each Reference Item. These may refer to published prices or values on an exchange or quotation system or other market measures. It should be noted that market data may not always be transparent or accurate and to a large extent may reflect investor sentiment at the relevant time. No assurance or representation is given that any such price or value will accurately reflect any intrinsic value of the relevant Underlying. The Historical Performance of the Underlying or its Constituents is not an Indication of Future Performance*

The historical value (if any) of the *Underlying* or its constituents does not indicate the future performance of the *Underlying*. Changes in the value of the constituents of the Underlying will affect the trading price of the Securities, but it is impossible to predict whether the value of the constituents of the Underlying will rise or fall.

*1.3 The Basis of Calculating the Price or Value of the Underlying may Change Over Time*

The basis of calculating the level of the *Underlying* (if any) or its constituents may be subject to change which may affect the *Market Value* of the *Securities* at any time and therefore the amounts payable on settlement.

*1.4 The Value of the Constituents or Reference Items of the Underlying will Affect its Value*

The value of the *Underlying* (if any) on any day may reflect the value of its constituents or *Reference Items* on such day (depending on the *Terms and Conditions* of the *Securities*). Changes in the composition of the Underlying and factors (including those described in these Risk Factors) which either affect or may affect the value of the constituents or Reference Items will affect the value of the Securities. The historical value (if any) of the constituents or Reference Items does not indicate their future performance. Where the value of the constituents or Reference Items is determined in a different currency to the settlement currency of the Securities, investors may be exposed to exchange rate risk.

*1.5 Exchange Rate Risk*

Prospective investors should be aware that an investment in the Securities may involve exchange rate risks. This is the case, for instance, if the Securities are based on one or more exchange rates. For example, the settlement currency of the Securities may be different from the currency of an investor's home jurisdiction or the currency in which an investor wishes to receive funds.

An investment in the Securities may involve exchange rate risks even if the movement of the Rate of Exchange between the Reference Currency in which the Underlying is expressed or calculated and the Settlement Currency of the Securities does not have any influence during the term of the Securities on the level of the amounts to be paid with regard to the Securities (so-called quanto securities).



Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macroeconomic factors, speculation and central bank and government intervention or other political factors (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities and any amounts payable in respect of the Securities. The above risk may be increased if the relevant currency is the currency of an emerging market jurisdiction.

#### 1.6 Interest Rate Risk

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

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 Securities.

### 2. Market Value

The *Market Value* of the *Securities* during their term depends primarily on the value and the volatility of the constituents or *Reference Items* of the *Underlying* (if any) and in some cases the level of interest rates for instruments of comparable maturities or terms.

The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macroeconomic factors and speculation.

Interest rate changes generally may have the same impact on the value of the *Securities* as for fixed rate bonds: rising interest rates will under normal conditions result in a lower, falling interest rates in a higher, value of the *Securities*. Investors should be aware that the rise in the price of the Securities may be limited in an environment of falling interest rates if the Issuer has the right to redeem the Securities early for a fixed amount on certain predetermined dates.

The value of the *Underlying* on any day may reflect the value of its constituents or the *Reference Items* on such day. Changes in the composition of the *Underlying* or the *Reference Items* and factors (including those described above) which either affect or may affect the value of the constituents or the *Reference Items*, will affect the value of the *Underlying* and therefore may affect the return on an investment in the Securities.

Where Coupon Amounts are payable in respect of the Securities and the relevant Coupon is determined by reference to a floating rate, the market value of the Securities may decrease if the Coupon Amounts to be paid during the remaining term of the Securities are expected to decrease, whereas an increase in the expectations of the level of the Coupon Amounts to be paid in respect of the Securities may result in an increase in the market value of the Securities. The Coupon 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. Market price determining factors

The Securities may trade at a market value below their purchase price during the term. In particular, factors such as the rise and fall of the *Underlying*, the volatility of the *Underlying*, the interest rate of the Settlement Currency, the difference between the interest rates of the Settlement Currency and Reference Currency, the rise and fall of dividends, a decrease in the remaining term of the Securities, an improvement of Issuer's credit rating and additional relevant factors may – all other factors being equal – result in an increase in the value of the Securities.

Conversely, these factors may result in a decrease in the value of the product. Individual market factors may each have a separate impact or have a cumulative or offsetting effect.

The prices quoted in the secondary market are based on the Issuer's pricing models, which take account mainly of the value of the *Underlying* and any derivative components and in addition of the following circumstances:

- the bid-offer spread (the spread between the bid and offer prices on the secondary market), which is set depending on the supply of, and demand for, the securities taking into account revenue considerations.
- an originally levied subscription surcharge
- fees/costs: including administrative, transaction or comparable fees, which reduce the investors' entitlement at maturity of the securities
- a margin included in the initial Issue Price
- income: dividends paid or expected or other income from the *Underlying* or its constituents, if the Issuer is economically entitled to them based on the structure of the securities.

As far as pricing on the secondary market is concerned, certain costs are not, in many instances, deducted from prices on a consistent basis over the term of the securities (pro rata temporis), but are subtracted from the mathematical fair value in full already at an earlier point in time as determined by the Issuer at its own discretion. These include in particular any administrative fees, any margin contained in the initial Issue Price and any income contained in it (as described above).. Consequently, the prices quoted in the secondary market can differ from the mathematical fair value of the securities, or the value to be expected economically on the basis of the factors mentioned, at the relevant time. In addition, the methodology used to determine and set the quoted prices may be changed at any time, e.g. the bid-offer spread may be increased or decreased.

#### **4. Certain Hedging Considerations**

Certain risks apply to purchasers that acquire the Securities for hedging purposes.

Prospective purchasers intending to purchase the Securities for the purpose of hedging their exposure to the *Underlying* or its constituents or the Reference Items should recognise the risks of utilising the Securities in such manner. No assurance is or can be given that the value of the Securities will correlate with movements in the value of the *Underlying* or any of its constituents or the Reference Items and the composition of the *Underlying* or any of its constituents or the Reference Items may change over time. Furthermore, it may not be possible to liquidate the Securities at a price which directly reflects the value of the *Underlying* or any of its constituents or the Reference Items. Therefore, there can be no assurance as to the level of any correlation between the return on an investment in the Securities and the return on a direct investment in the *Underlying* or its constituents or the Reference Items.

Hedging transactions in order to limit the risks associated with the Securities might not be successful.

#### **5. The Securities may be Illiquid**

It is not possible to predict if and to what extent a secondary market may develop in the Securities or at what price the Securities will trade in the secondary market or whether such market will be liquid or illiquid. Application has been made to list or quote or admit to trading the Securities on the stock exchange(s) or quotation system(s) specified. If the Securities are so listed or quoted or admitted to trading, no assurance is given that any such listing or quotation or admission to trading will be maintained. The fact that the Securities 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.

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

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation. Since the Issuer may be the only market-maker in the Securities or there may be no market-maker, the secondary market may be limited. The more limited the secondary market is, the more difficult it may be for holders of the Securities to realise value for the Securities prior to settlement of the Securities. 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 Securities on the secondary market.

#### **6. Certain considerations relating to public offers of Securities**

As described in the Product Terms, Securities may be distributed by means of a public offer made during an offer period specified in the Product Terms. During such offer period, the Issuer and/or any other person specified in the Product Terms may reserve 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 Securities or may be issued a number of Securities which is less than the amount for which such applicant investor applied. Any payments made by an applicant investor for Securities 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, *Securities* may not be issued on the originally designated *Issue Date*, for example because either the *Issuer* and/or any other person specified in the Product Terms 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 *Securities* 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 *Securities* and no compensation shall be payable.

## **E. CONFLICTS OF INTEREST**

### **1. Transactions Involving the Underlying**

The Issuer and its Affiliates may from time to time engage in transactions involving the Underlying for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value of the Underlying and consequently upon the value of the Securities. As used in this section "Conflicts of Interest", references to the Underlying shall be deemed to include any of its constituents and Reference Items, if applicable.

### **2. Parties Acting in Other Capacities**

The Issuer and its Affiliates may from time to time act in other capacities with regard to the Securities, such as calculation agent and/or agent. Such functions can allow the Issuer to calculate the value of the Underlying, which could raise conflicts of interest where securities or other assets issued by the Issuer itself or a group company can be chosen to be part of the Underlying, or where the Issuer maintains a business relationship with the issuer or obligor of such securities or assets. Any non-fulfilment of Deutsche Bank's obligations in one of these capacities will probably have an adverse effect on the Securities. In particular, delays may arise regarding the determinations, calculations and/or payments in relation to the Securities.

### **3. Issuing of Other Derivative Instruments in Respect of the Underlying**

The *Issuer* and its *Affiliates* may issue other derivative instruments in respect of the *Underlying* (if any) and the introduction of such competing products into the marketplace may affect the value of the *Securities*.

### **4. Conducting of Hedging Transactions**

The Issuer may use all or some of the proceeds received from the sale of the Securities to enter into hedging transactions. The Issuer believes that such hedging activity will under normal circumstances not have a material impact on the value of the Securities. However, it cannot be assured that the Issuer's hedging activities will not affect such value. The value of the Securities might in particular be affected by the liquidation of all or a portion of the hedging positions (a) at or about the time of the maturity or expiration of the Securities or (b), if the Securities provide for a knock-out, knock-in or a similar feature, at the time when the price or value of the Underlying approaches the relevant price or level for the knock-out, knock-in or other feature.

### **5. Issue Price**

The issue price charged for the Securities can, in addition to subscription surcharges, management or other fees charged, comprise a premium on the original mathematical ("fair") value of the Securities 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. The differential amount between the issue price of the Securities and their original mathematical value comprises the expected issuer margin and any distribution fee. The expected issuer margin covers, among other things, the costs of structuring, market making and settlement of the Securities and also includes the expected profit for the Issuer.

### **6. Re-offer Price and Inducements**

The Issuer may enter into distribution agreements with various financial institutions and other intermediaries as determined by the Issuer (collectively the "**Distributors**"). The Distributors will agree, subject to the satisfaction of certain conditions, to subscribe for the Securities at a price equivalent to or below the issue price. The Distributors have agreed to bear certain costs in connection with the issue of the Securities. A periodic fee may be payable to the Distributors in respect of all outstanding Securities 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 and Product Terms of the Securities. 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 AG is both the issuer and the dealer with respect to the sale of the Securities, Deutsche Bank AG's distributing division will be credited with the relevant amounts internally. Further information on re-offer price and/or inducements or fees are included in the Product Terms.

The Issuer has the right to close the offering of the Securities prior to the end of the subscription period in case of adverse market conditions, as determined by the Issuer in its reasonable discretion, including but not limited to increased equity market volatility and increased currency exchange rate volatility.

In addition, potential conflicts of interest may arise where Securities are offered to the public, as the Distributors will act pursuant to a mandate granted by the Issuer.

## **7. Market-Making for the Securities**

The Issuer, or an agent on its behalf, may but (unless otherwise stated) is not required to act as market-maker for the Securities. In such market-making, the Issuer or its agent will, to a large extent, determine the price of the Securities 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 Securities' fair value, which, among other things, depends on the value of the Underlying, as well as 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 Securities and any fees or costs which at maturity or settlement of the Securities are to be subtracted from any cash amount due (including management, transaction or other fees charged on the basis of the Terms and Conditions). Furthermore, the prices quoted in the secondary market will be influenced, for example, by a premium on the Securities' original value contained in their issue price (see under 5), and by dividends paid or expected for the Underlying, or its constituents, or other proceeds which, due to the Securities' design, are economically attributable to the Issuer.

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

Certain costs, like for example management fees charged on the basis of the Terms and Conditions, are in many cases not taken out of the quoted prices on a consistent basis over the term of the Securities (*pro rata temporis*), but are subtracted from the Securities' 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 of the Securities and for dividends and other proceeds of the Underlying which, due to the Securities' design, are economically attributable to the Issuer. These are often subtracted not only when the Underlying, or its constituents, are traded "ex dividend", but already at an earlier point during the term based on expected dividends for the entire term or a certain time span. The rate at which such costs are subtracted depends, *inter alia*, on the net flow back of Securities to the market-maker.

Accordingly, the prices quoted by the market-maker can substantially differ from the fair value of the Securities, 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.

## **8. Market-Making for the Underlying**

The Issuer may, in certain cases, act as a market-maker for the Underlying, which might in particular be the case when the Issuer has also issued the Underlying. By such market-making, the Issuer will, to a large extent, determine the price of the Underlying, and consequently influence the value of the Securities itself. The prices quoted by the Issuer in its market-making function will not always correspond to the prices which would have prevailed without such market-making and in a liquid market.

**9. Acting as Underwriter or Otherwise for the issuer of Underlying**

The Issuer and its Affiliates may also act as underwriter in connection with future offerings of the Underlying or may act as financial adviser to the issuer of an Underlying or in a commercial banking capacity for the issuer of an Underlying. Such activities could present certain conflicts of interest and may affect the value of the Securities.

**10. Obtaining of Non-public Information**

The Issuer and/or its Affiliates may acquire non-public information with respect to the Underlying, and neither the Issuer nor any of its Affiliates undertakes to disclose any such information to any Securityholder. In addition, the Issuer or one or more of the Issuer's Affiliates may publish research reports with respect to the Underlying. Such activities could present conflicts of interest and may affect the value of the Securities.

### III. GENERAL DESCRIPTION OF THE SECURITIES

The Target Autocallable Note 2029 is 100% capital protected at maturity. Capital protection means that redemption of the Target Autocallable Note 2029 Note at maturity is promised at the Nominal Amount. The redemption, which will not take place until maturity, is not guaranteed by a third party, but solely assured by the Issuer and is therefore dependent on the Issuer's ability to meet its payment obligations.

Throughout the term investors receive Coupon Payments on the relevant Coupon Payment Date. The Target Autocallable Note 2029 Note has a fixed Coupon for a set number of Coupon Periods specified in the Product Terms. In the subsequent Coupon Periods, the Coupon is dependent on the performance of the Underlying and is equal to the Steepener Interest Rate for such Coupon Period subject to a Minimum Coupon. The Steepener Interest Rate is the product of the Leverage multiplied by the Swap Rate Spread for such Coupon Period, where the Swap Rate Spread is equal to a percentage determined by the Calculation Agent as the difference between (a) the Reference CMS Rate with a Specified Period equal to 30 years in respect of the Coupon Determination Date for such Coupon Period, minus (b) the Reference CMS Rate with a Specified Period equal to 2 years in respect of the Coupon Determination Date for such Coupon Period. On any Coupon Determination Date, if the Sum of the Coupon Amount paid since the Issue Date is at or above 10%, the Note is early redeemed on the next Coupon Payment Date.

**C. GENERAL DESCRIPTION OF THE UNDERLYING**

The Securities relate to interest rates.

The Product Terms will stipulate the relevant Underlying and specify where information about the relevant Underlying can be found, particularly about its past and future performance and its volatility, and whether the Issuer intends to provide further information about the Underlying.



## **D. GENERAL INFORMATION ABOUT THE OFFERING OF THE SECURITIES**

### **1. Listing and Trading**

Application has been made to the Luxembourg Stock Exchange for the Securities to be listed on the Official List and admitted to trading on its regulated market. There can be no assurance that any such listing will be obtained, or if obtained, will be maintained. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU).

### **2. Offering of Securities**

The Product Terms will state the details regarding the terms and conditions of the offer of the Securities.

In particular, the following information will, if applicable, be presented in the Product Terms to the extent applicable:

- Minimum or maximum subscription amount for investors
- Description of the Subscription Period and the early closing of the Subscription Period
- Details of the cancellation of the issuance of the Securities
- Conditions to which the offer is subject
- Description of the application process
- Description of the possibility to reduce subscriptions and manner for refunding excess amounts paid by applicants
- Details of the method and time limits for paying up and delivering the Securities
- Manner in and date on which results of the offer are to be made public
- Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised
- Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made
- Amount of any expenses and taxes specifically charged to the subscriber or purchaser
- Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place

The Product Terms will state whether the Securities will be offered to the category of qualified investors within the meaning of the Prospectus Directive or the category of non-qualified investors or both categories and whether the offering of individual tranches is restricted to certain countries.

### **3. Fees**

The Product Terms will state, if applicable, the type and amount of fees which the Issuer will pay or charge.

### **4. Security Ratings**

The Securities will not be rated. A security rating is not a recommendation to buy, sell, or hold notes, and may be subject to suspension, downgrading, or withdrawal by the rating agency.

**5. Interests of Natural and Legal Persons involved in the Issue**

The Product Terms may contain, if relevant, further information which is material to the offering about interests of natural and legal persons involved in the issue.

**6. Reasons for the Offer, Estimated Net Proceeds and Total Expenses**

The reasons for the offer are making profit and/or hedging certain risks and the net proceeds from the issue of any Securities under this Prospectus will be applied by the Issuer for its general corporate purposes.

In addition, the Product Terms will specify any estimated total costs.

**7. Country Specific Information**

The Product Terms will contain information about any Agents in the country or countries where the Securities are offered.

#### IV. DOCUMENTS INCORPORATED BY REFERENCE

The Prospectus should be read and construed in conjunction with the documents incorporated by reference into this Prospectus. The information contained in the following document(s) is hereby incorporated by reference into this Prospectus and deemed to form a part of this Prospectus:

- a. the Deutsche Bank Aktiengesellschaft EUR 80 billion Debt Issuance Programme Base Prospectus dated 22 June 2018 (the "**2018 EMTN Base Prospectus**");
- b. the second supplement to the 2018 EMTN Base Prospectus dated 31 July 2018 (the "**Second Supplement to the 2018 EMTN Base Prospectus**");
- c. the third supplement to the 2018 EMTN Base Prospectus dated 7 August 2018 (the "**Third Supplement to the 2018 EMTN Base Prospectus**");
- d. the fourth supplement to the 2018 EMTN Base Prospectus dated 6 November 2018 (the "**Fourth Supplement to the 2018 EMTN Base Prospectus**");
- e. the unaudited interim report as of 30 September 2018 of Deutsche Bank Aktiengesellschaft (the "**30 September 2018 Interim Report**");
- f. the Annual Report of Deutsche Bank Aktiengesellschaft as of 31 December 2017 ("**2017 Annual Report**"); and
- g. the Annual Report of Deutsche Bank Aktiengesellschaft as of 31 December 2016 ("**2016 Annual Report**").

Following the publication of this Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 13 of the Luxembourg Law. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), 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.

The table below sets out the relevant page references for the information incorporated into this Prospectus by reference.

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(c) **From the Second Supplement to the 2018 EMTN Base Prospectus** **Page Reference**

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\*Alternative Performance Measures

The information incorporated by reference which is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Regulation 809/2004 of the European Commission, as amended. Any documents incorporated by reference in the 2018 EMTN Base Prospectus or any supplement to the 2018 EMTN Base Prospectus shall not thereby be deemed incorporated by reference in this Prospectus and are either deemed not relevant for an investor or are otherwise covered elsewhere in this Prospectus.

**The documents specified above and incorporated by reference shall be available in physical form at the registered office of the Issuer.**

## V. GENERAL INFORMATION

### 1. Authorisation

The establishment of the Programme and the issue of Securities thereunder have been duly authorised by the competent representatives of Deutsche Bank.

The establishment of the Programme 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 Securities.

### 2. Material Adverse Change in the Prospects of Deutsche Bank 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 2017. There has been no significant change in the financial position or the trading position of Deutsche Bank Group since 30 September 2018.

### 3. Legal and Arbitration Proceedings

Save as disclosed in the 2018 EMTN Base Prospectus, under the title "Legal and Arbitration Proceedings" on page 89, as supplemented from time to time, and pages 16-31 of the Second Supplement to the 2018 EMTN Base Prospectus, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware) during the last twelve months which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

### 4. Post Issuance Information

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

### 5. Use of Proceeds

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

### 6. Availability of Documents

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) each document incorporated by reference into this Prospectus; and
- (iii) this Prospectus.

### 7. Ratings of the Issuer

Deutsche Bank is rated by Moody's Investors Service, Inc. ("**Moody's**"), Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), Fitch Ratings Limited ("**Fitch**"), and DBRS, Inc. ("**DBRS**", together with Fitch, S&P and Moody's, the "Rating Agencies").

S&P and Fitch are established in the European Union and have been registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, as amended, on credit rating agencies ("**CRA Regulation**").

With respect to Moody's, the credit ratings are endorsed by Moody's office in the UK, Moody's Investors Service Ltd., in accordance with Article 4(3) of the CRA Regulation. With respect to DBRS, the credit ratings are endorsed by DBRS Ratings Ltd in the UK in accordance with Article 4(3) of the CRA Regulation. Moody's Investors Service Ltd. and DBRS Ratings Ltd are established in the European Union and have been registered in accordance with the CRA Regulation.

As of 23 November 2018, the following ratings were assigned to Deutsche Bank for its long-term senior debt (or, where available, for its long-term non-preferred senior debt) and its short-term senior debt. For information on the distinction between preferred and non-preferred senior debt and the ratings assigned to Deutsche Bank for its long-term preferred senior debt, see "Ranking of the Securities" below:

<b>Moody's</b>	
Long-term non-preferred senior debt:	Baa3
Short-term senior debt:	P-2

Moody's defines:

**Baa3:** Obligations rated "Baa" are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.

Moody's long-term obligation ratings are divided into several categories ranging from "Aaa", reflecting the highest quality, subject to the lowest level of credit risk, over categories "Aa", "A", "Baa", "Ba", "B", "Caa", "Ca" to category "C", reflecting the lowest rated obligations 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-2:** Issuers (or supporting institutions) rated Prime-2 have a strong ability to repay short-term debt obligations.

Moody's short-term obligation 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.

**Rating Outlook / Review:** A rating outlook is an opinion regarding the likely rating direction over the medium term. Rating outlooks fall into four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV). A designation of RUR (Rating(s) Under Review) indicates that an issuer has one or more ratings under review, which overrides the outlook designation. A stable outlook indicates a low likelihood of a rating change over the medium term. A negative, positive or developing outlook indicates a higher



likelihood of a rating change over the medium term.

A review indicates that a rating is under consideration for a change in the near term. A rating can be placed on review for upgrade (UPG), downgrade (DNG), or more rarely with direction uncertain (UNC). A review may end with a rating being upgraded, downgraded, or confirmed without a change to the rating. Ratings on review are said to be on Moody's "Watchlist" or "On Watch". Ratings are placed on review when a rating action may be warranted in the near term but further information or analysis is needed to reach a decision on the need for a rating change or the magnitude of the potential change.

## S&P

Long-term non-preferred senior debt:	BBB-
Short-term senior debt:	A-2

S&P defines:

**BBB-:** An obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

Long-term issue credit ratings by S&P are divided into several categories ranging from "AAA", reflecting an extremely strong capacity of the obligor to meet its financial commitment on the obligation, over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C" to category "D", reflecting that an obligation is in default or in breach of an imputed promise. 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-2:** An obligation rated "A-2" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

Short-term issue credit ratings by S&P are divided into several categories ranging from "A-1", reflecting a strong capacity of the obligor to meet its financial commitment on the obligation, over categories "A-2", "A-3", "B", "C" to category "D", reflecting that an obligation is in default or in breach of an imputed promise.

**Outlook / CreditWatch:** An S&P rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action. Rating outlooks fall into five categories: positive, negative, stable, developing and n.m. (not meaningful).

CreditWatch highlights S&P's opinion regarding the potential

direction of a short-term or long-term rating. It focuses on identifiable events and short-term trends that cause ratings to be placed under special surveillance by S&P's analytical staff. A CreditWatch listing, however, does not mean a rating change is inevitable, and when appropriate, a range of potential alternative ratings will be shown. CreditWatch is not intended to include all ratings under review, and rating changes may occur without the ratings having first appeared on CreditWatch. The "positive" designation means that a rating may be raised; "negative" means a rating may be lowered; and "developing" means that a rating may be raised, lowered, or affirmed.

**Fitch**

Long-term non-preferred senior debt:	BBB+
Short-term senior debt:	F2

Fitch defines:

**BBB+:** A rating of "BBB" denotes expectations of low credit risk. The capacity for payment of financial commitments is considered adequate. This capacity may, nevertheless, be more likely to be impaired by adverse business or economic conditions than is the case for higher ratings.

Fitch's long-term ratings are divided into several major categories ranging from "AAA", reflecting the lowest expectation of credit risk, over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC" to category "C", reflecting exceptionally high levels of credit risk. Defaulted obligations typically are not assigned "RD" or "D" ratings, but are instead rated in the "B" to "C" rating categories, depending upon their recovery prospects and other relevant characteristics. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the "AAA" obligation rating category or to obligation ratings below "CCC".

The subscript "emr" is appended to a rating to denote embedded market risk which is beyond the scope of the rating. The designation is intended to make clear that the rating solely addresses the counterparty risk of the issuing bank. It is not meant to indicate any limitation in the analysis of the counterparty risk, which in all other respects follows published Fitch criteria for analysing the issuing financial institution.

**F2:** A rating of "F2" indicates the good intrinsic capacity for timely payment of financial commitments. It may have an added "+" to denote any exceptionally strong credit feature.

Fitch's short-term ratings are divided into several categories ranging from "F1", reflecting the strongest intrinsic capacity for timely payment of financial commitments, over categories "F2", "F3", "B", "C", "RD" to category "D" which indicates a broad-based default event for an entity, or the default of a short-term obligation.

**Outlook / Rating** Rating Outlooks indicate the direction a rating is likely to move over a one- to two-year period. They reflect financial or other

Watch: trends that have not yet reached the level that would trigger a rating action, but which may do so if such trends continue. Positive or Negative rating Outlooks do not imply that a rating change is inevitable and, similarly, ratings with Stable Outlooks can be raised or lowered without a prior revision to the Outlook, if circumstances warrant such an action. Occasionally, where the fundamental trend has strong, conflicting elements of both positive and negative, the Rating Outlook may be described as Evolving.

Rating Watches indicate that there is a heightened probability of a rating change and the likely direction of such a change. These are designated as "Positive", indicating a potential upgrade, "Negative", for a potential downgrade, or "Evolving" if ratings may be raised, lowered or affirmed. However, ratings that are not on Rating Watch can be raised or lowered without being placed on Rating Watch first, if circumstances warrant such an action.

## DBRS

Long-term senior debt:	BBB (high) (negative)
Short-term senior debt:	R-1 (low) (stable)

DBRS defines:

**BBB (high):** Adequate credit quality. The capacity for the payment of financial obligations is considered acceptable. May be vulnerable to future events.

Long-term obligations ratings by DBRS are divided into several categories ranging from "AAA", reflecting the highest credit quality, over categories "AA", "A", "BBB", "BB", "B", "CCC", "CC", "C" to category "D", reflecting when the issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods. All rating categories other than "AAA" and "D" also contain subcategories "(high)" and "(low)". The absence of either a "(high)" or "(low)" designation indicates the rating is in the middle of the category.

**R-1 (low):** Good credit quality. The capacity for the payment of short-term financial obligations as they fall due is substantial. Overall strength is not as favourable as higher rating categories. May be vulnerable to future events, but qualifying negative factors are considered manageable.

DBRS's short-term debt ratings are divided into several categories ranging from "R-1", reflecting the highest credit quality, over categories "R-2", "R-3", "R-4", "R-5" to category "D" reflecting when the issuer has filed under any applicable bankruptcy, insolvency or winding up statute or there is a failure to satisfy an obligation after the exhaustion of grace periods. The "R-1" and "R-2" rating categories are further denoted by the subcategories "(high)", "(middle)", and "(low)".

**negative /** Rating trends provide guidance in respect of DBRS's opinion regarding the outlook for a rating. Rating trends have three

stable: categories: "positive", "stable" or "negative". The rating trend indicates the direction in which DBRS considers the rating may move if present circumstances continue, or in certain cases, unless challenges are addressed by the issuer.

It is often the rating trend that reflects the initial pressures or benefits of a changing environment rather than an immediate change in the rating. A positive or negative trend is not an indication that a rating change is imminent. Rather, a positive or negative trend represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a stable trend was assigned to the security.

Generally, the conditions that lead to the assignment of a negative or positive trend are resolved within a twelve month period. However, in some instances, new factors emerge which may cause the positive or negative trend to be maintained, even as the original factors become clarified or resolved.

DBRS places ratings "Under Review" in situations where a significant event occurs that directly impacts the credit quality of a particular entity or group of entities and if there is uncertainty regarding the outcome of the event and DBRS therefore is unable to provide an objective, forward-looking opinion in a timely fashion. DBRS also places ratings "Under Review" in situations where, in the opinion of DBRS, the current rating on the security may no longer be appropriate due to a change in the credit status of the issuing entity for other reasons and additional time is required for further analysis. Furthermore, DBRS may also place a rating "Under Review" if DBRS has announced that one or more of its methodologies that apply to such a rating is being revised and the announcement indicates that the outcome of the rating affected by the revision is uncertain. Using "Under Review Positive" or "Under Review Negative" is a more significant action than changing a rating trend to positive or negative as rating changes are considered more likely with the former than the latter.

## 8. Ranking of the Securities

Pursuant to Section 46f(5)-(7) of the German Banking Act (*Kreditwesengesetz*, "**KWG**"), certain unsecured and unsubordinated debt instruments of the Issuer (hereinafter referred to as "**Non-Preferred Senior Obligations**") rank below the Issuer's other senior liabilities (hereinafter referred to as "**Preferred Senior Obligations**") in insolvency or in the event of the imposition of resolution measures, such as a bail-in, affecting the Issuer. Non-Preferred Senior Obligations rank above the Issuer's contractually subordinated liabilities, including Subordinated Securities issued under the Programme. This order of priority would apply in a German insolvency proceeding or in the event of the imposition of resolution measures with respect to the Issuer commenced on or after 1 January 2017, with effect for any senior unsecured debt instruments out-standing at this time. "Structured" senior unsecured debt instruments as defined in Section 46f(7) KWG, i.e. senior unsecured debt instruments whose terms provide that (i) the amount of the repayment depends on the occurrence or non-occurrence of an event which is uncertain at the point in time when the senior unsecured debt instruments are issued, or settlement is effected in a way other than by monetary payment, or (ii) the amount of the interest payments depends on the occurrence or non-occurrence of an event which is uncertain at the point in time when the senior unsecured debt instruments are issued unless the amount of the interest payments solely depends on a fixed or floating

reference interest rate, and settlement is effected by monetary payment always constitute Preferred Senior Obligations. "Non-structured" unsecured and unsubordinated Securities issued since 21 July 2018 under this Programme that do not meet the terms described in (i) or (ii) above, including Fixed Rate Notes and Floating Rate Notes linked to LIBOR or EURIBOR, constitute Non-Preferred Senior Obligations that would bear losses in a German insolvency proceeding or in the event of the imposition of resolution measures before Preferred Senior Obligations only if (i) their maturity at the time of issuance amounts to at least one year, and (ii) the terms and conditions of the relevant securities and any relevant prospectus explicitly refer to the lower ranking. Otherwise, they constitute Preferred Senior Obligations. In a German insolvency proceeding or in the event of the imposition of resolution measures with respect to the Issuer, the competent resolution authority or court would determine whether unsecured and unsubordinated Securities issued under the Programme qualify as Preferred Senior Obligations or as Non-Preferred Senior Obligations. The German Federal Agency for Financial Market Stabilisation (FMSA), the German Federal Financial Supervisory Authority (BaFin) and the German Central Bank (Deutsche Bundesbank) published a joint interpretative guide on the classification of certain liabilities under Section 46f(5)-(7) KWG.

As of [ ] November 2018, the following ratings were assigned to Deutsche Bank for its long-term preferred senior debt (Preferred Senior Obligations): A3 (Negative) by Moody's and BBB+ by S&P. For information on the definitions employed by the Rating Agencies, see the section above entitled "Ratings of the Issuer".

## VI. GENERAL CONDITIONS

The following "**General Conditions**" of the Securities must be read in their entirety together with the section "Product Terms" (the "**Product Terms**") for the relevant series of Securities that shall complete and put in concrete terms the following General Conditions for the purposes of such Securities. Product Terms and General Conditions together constitute the "**Terms and Conditions**" of the relevant Securities. Terms not otherwise defined in these General Conditions shall have the meaning given in the Product Terms. The Terms and Conditions are subject to adjustment in accordance with §5.

### Overview of Terms and Conditions

References in these Terms and Conditions to a numbered Condition denoted by the term "§" are to the section of these General Conditions so numbered. The Securities may be specified in the Product Terms as notes ("**Notes**"). References to a Security shall mean a Security of a Nominal Amount.

§1	<b>Principal obligation:</b> Entitlement of a Securityholder to receive Cash Settlement.
§2	<b>Exercise and Redemption:</b> Exercise procedure and redemption of Notes.
§3	<b>Settlement:</b> Settlement of a Security.
§4	<b>Coupon:</b> Payment of Coupons.
§5	<b>Adjustment Events and Adjustment/Termination Events:</b> What constitutes an Adjustment Event or an Adjustment/Termination Event and possible adjustments to the Securities by the Calculation Agent or early termination of the Securities on the occurrence of such event.
§6	<b>Form of Securities, Transferability, Status, Securityholders:</b> Form of the Securities, their transferability and status, and holders of Securities.
§7 and §8	<b>Agents and Calculation Agent:</b> The appointment of Agents, the role of the Calculation Agent and determinations by the Calculation Agent.
§9 and §10	<b>Taxation and Presentation Period and Limitation:</b> Taxation, presentation and the limitation period for any claim, in respect of payments under the Securities.
§11	<b>Events of Default:</b> What constitutes an Event of Default, as a result of which the Securities may become subject to repayment.
§12	<b>Substitution of Issuer and Branch:</b> Substitution of an Issuer or a branch of the Issuer.
§13 and §14	<b>Purchases of Securities and Further Issuances of Securities:</b> The right of the Issuer to purchase Securities and to issue further Securities.
§15	<b>Notices:</b> The delivery of notices to Securityholders.
§16	<i>Intentionally not used</i>
§17	<b>Modifications:</b> Power of the Issuer to modify the Terms and Conditions.
§18 and §19	<b>Severability, Governing Law and Place of Jurisdiction:</b> The way in which the Terms and Conditions should be read if any part is unenforceable or invalid and the governing law and jurisdiction of the Securities.

## §1 Principal obligation

- (1) Each security (each a "**Security**"), belonging to a series (each a "**Series**") of Securities identified by its ISIN, entitles its holder (each a "**Securityholder**") to receive from the Issuer in respect of each Nominal Amount, as specified in the Product Terms, by payment of the Cash Amount to each relevant Securityholder.
- (2) The Cash Amount will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards or if the Settlement Currency is Japanese yen rounded down to the nearest yen. The Cash Amount shall be equal to the Nominal Amount.
- (3) Definitions in respect of §1 and, if applicable, other Terms and Conditions:

### *Cash Settlement*

- (a) "**Cash Amount**" means an amount calculated as provided under the heading "Cash Amount" in the Product Terms.

### *General*

- (b) "**Business Day**" means, subject to it not being specified otherwise in the Product Terms, a day (a) on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System is open, (b) 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 the business day location(s) specified in the Product Terms, and (c) on which each Clearing Agent is open for business. Saturday and Sunday are not considered Business Days.
- (c) "**Clearing Agent**" means the entity specified as such in the Product Terms or, if not specified there, means Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany 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 (and the term Clearing Agent will include any depositary holding the Global Security on behalf of a Clearing Agent).
- (d) "**Rate of Exchange**", if relevant, means in respect of any day, unless otherwise specified in the Product Terms, the rate of exchange prevailing at the Relevant Exchange Time as specified in the Product Terms (or at such time approximate thereto as the Calculation Agent determines to be practicable) on such day between (i) the Reference Currency and the Settlement Currency (expressed as the number of units of the Reference Currency, or a fraction thereof required to buy one unit of the Settlement Currency or Reference Currency, as applicable) as determined by the Calculation Agent by reference to such source(s) as the Calculation Agent may reasonably determine to be appropriate at such time.
- (e) "**Issuer**" means Deutsche Bank AG, acting through its branch office in London ("**Deutsche Bank AG, London Branch**").
- (f) "**Settlement**" means Cash Settlement.
- (g) "**Settlement Currency**" is as defined in the Product Terms.
- (h) "**Underlying**" is as specified under the heading "Underlying" in the Product Terms.

## §2 Redemption

### (1) General

The obligation described in §1(1) falls due on the Settlement Date (as specified in the Product Terms) when the Security is redeemed (in the case of Notes), subject to §5.

### (2) Conditions to Payment

The obligation of the Issuer to make payment is subject to prior full payment of any amount due to be paid by the Securityholder to the Issuer pursuant to the Terms and Conditions. In particular, such due amount includes any applicable Securityholder Expenses. Any due amount will, as far as covered by a cash amount(s) to be paid according to the Terms and Conditions, be directly subtracted from such cash amount(s). As long as a due amount has not been settled by a Securityholder, no payment shall be made by the Issuer under the Securities to such Securityholder.

As used herein:

**"Securityholder Expenses"** means, in respect of a Security, all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties arising in connection with the exercise of such Security and/or any payment due following exercise or otherwise in respect of such Security.



### §3 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) and any deduction or withholding required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

#### (2) Settlement Currency Conversion

Unless otherwise specified in the Product Terms, any cash amount payable by the Issuer shall be paid in the Settlement Currency. If payment of any amount to a Securityholder, according to the rules of the relevant Clearing Agent, cannot be made in the Settlement Currency, such payment shall be made in the currency principally used by the relevant Clearing Agent for payments to holders holding accounts with such Clearing Agent, following a conversion of the relevant amount from the Settlement Currency, using a rate of exchange determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate for such conversion.

#### (3) Settlement / Payment details

- (a) Any cash amounts payable by the Issuer shall be transferred to the relevant Clearing Agent for distribution to the Securityholders. The Issuer will be discharged of its payment obligations by payment to, or to the order of, the relevant Clearing Agent in respect of the amount so paid.
- (b) If the Securities are specified in the Product Terms as Notes, the Cash Amount is payable as consideration for the use of the Nominal Amount.

#### (4) Verification

Each payment is subject to reasonable satisfactory evidence being provided of the relevant Securityholder's holding of the Securities.

#### (5) Payment Day

- (a) If any date for payment of any amount by the Issuer in respect of any Security 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.
- (b) As used herein, a "**Payment Day**" means 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 the city where the Principal Agent is located and the Payment Day Location(s), if specified in the Product Terms; (ii) a day on which each Clearing Agent is open for business; and (iii) either (1) in relation to any sum payable in a currency other than euro, a day 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 the principal financial centre of the country of such currency or (2) in relation to any sum payable in euro, a day that the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (or any successor thereto) is open.

(6) **General**

Without prejudice to para. (7) below, the purchase and/or holding of the Securities does not confer on any Securityholder any rights (whether in respect of voting, distributions or otherwise) in relation to the Underlying, any asset of any kind whatsoever by reference to which any amount due under the Securities is calculated.

(7) **Distribution**

Any dividend, coupon, interest or similar payment or distribution (each, a "**Distribution**") in respect of any amount to be delivered will be payable to the party that would receive such Distribution according to market practice for a sale of the relevant amount executed for settlement on the Settlement Date, as specified in the Product Terms, and to be delivered in the same manner as such amount. Any such Distribution to be paid to a Securityholder shall be paid to the Clearing Agent for distribution to the Securityholders.

(8) **Liability (Settlement Risk)**

Settlement and redemption of, and any payment in respect of, the Securities 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 Securities.

## §4 Coupon

### (1) Coupon Payment

- (a) If Coupon Payment is specified to apply in the Product Terms, the Issuer shall, on each Coupon Payment Date, pay the relevant Coupon Amount. The Coupon Amount (if any) is payable as consideration for the use of the Nominal Amount in respect of a Security and as compensation in recognition that the Coupon Amount on any or all of the Coupon Payment Dates may be equal to zero or less than a commercial rate of return on the Securities. For the avoidance of doubt, in the event that the Coupon Amount for a Coupon Payment Date is zero, no amount shall be payable by the Issuer in respect of such Coupon Payment Date.
- (b) If a Coupon is specified in the Product Terms and a Coupon Amount is required to be calculated for a period ending other than on (but excluding) a Coupon Period End Date, such Coupon Amount will be calculated on the basis of the number of days in the Coupon Period, and, if specified, the Coupon applicable to such period (or if no such Coupon is specified in the Product Terms, the interest rate which the Calculation Agent determines would apply to a deposit of the respective Nominal Amount or the total outstanding nominal amount for the relevant period with a commercial bank determined by the Calculation Agent at the relevant time) and the Day Count Fraction. If Coupon Payment is specified in the Product Terms, the Coupon Amount(s) shall be the only periodic amount(s) payable for the Security, and no interest shall accrue in respect of the Securities.

### (2) Accrual of Coupon

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

### (3) Definitions in respect of §4 and, if applicable, other Terms and Conditions:

#### *Coupon Payment*

- (a) "**Nominal Amount**" is as defined in the Product Terms.
- (b) "**Coupon Payment Date**" means each day specified to be a Coupon Payment Date in the Product Terms.
- (c) "**Coupon Cessation Date**" is as specified in the Product Terms.
- (d) "**Coupon Amount**" means, in respect of each nominal amount or in respect of the total outstanding nominal amount, the amount specified in the Product Terms or the amount determined as specified in the Product Terms.
- (e) "**Coupon**" is as defined in the Product Terms.
- (f) "**Day Count Fraction**" means a fraction being any of the following as specified in the Product Terms:
  - 1. the actual number of days in the Coupon Period divided by 365 (or, if any portion of the Coupon Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Coupon Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Coupon Period falling in a non-leap year divided by 365) (**Actual/Actual or Actual/Actual (ISDA)**);
  - 2. (a) if the number of days in the Coupon Calculation Period does not exceed the number of days in the Coupon Period in which the Coupon Calculation

Period ends, the number of days in the Coupon Calculation Period divided by the product of (1) the number of days in the Coupon Period and (2) the number of days in the Coupon Period which would occur in a calendar year; and

- (b) if the Coupon Calculation Period is longer than the Coupon Period in which the Coupon Calculation Period ends, the sum of:
  - (i) the number of days in the Coupon Calculation Period falling in the Coupon Period in which the Coupon Calculation Period begins divided by the product of (x) the number of days in the Coupon Period, and
  - (ii) (y) the number of days in the Coupon Period which would occur in a calendar year; and the number of days in the Coupon Calculation Period which fall in the next Coupon Period divided by the product of (x) the number of days in the Coupon Period and (y) the number of days in the Coupon Period which would occur in a calendar year. **(Actual/Actual (ICMA Rule 251))**;
- 3. the actual number of days in the Coupon Period divided by 365 **(Actual/365 (Fixed))**;
- 4. the actual number of days in the Coupon Period divided by 360 **(Actual/360)**;
- 5. the number of days in the Coupon Period divided by 360, whereby the number of days is to be calculated on the basis of a year of 360 days with 12 months each comprising 30 days (unless (A) 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 (B) 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)) **(30/360, 360/360 or Bond Basis)**;
- 6. the number of days in the Coupon Period 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, without regard to the date of the first day or last day of the Coupon Period unless, in the case of a Coupon Period ending on the Settlement Date, the Settlement Date 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)**(30E/360 or Eurobond Basis)**; or
- 7. the number of days in the Coupon Period divided by 360, calculated according to the following formula:

$$\text{Coupon Rate Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y1" is the year in which the first day of the Coupon Period falls, expressed as a number,

"Y2" is the year in which the day immediately following the last day of the Coupon Period falls, expressed as a number,

"M1" is the calendar month in which the first day of the Coupon Period falls, expressed as a number,

"M2" is the calendar month in which the day immediately following the last day of the Coupon Period falls, expressed as a number,

"**T1**" is the first calendar day of the Coupon Period expressed as a number, where (i) if this day is the last day in February or (ii) if this number is 31, T1 is changed to 30, and

"**T2**" is the calendar day immediately following the last day of the Coupon Period expressed as number, where (i) if this day is the last day in February, but not the Settlement Date or (ii) if the number is 31, T2 is changed to 30 (**30E/360 (ISDA)**).

- (g) "**Coupon Period**" means, unless otherwise specified within the Product Terms, the period commencing on (and including) (x) the Value Date or, (y) if no Value Date is specified in the Product Terms, the Issue Date, to (but excluding) the first Coupon Period End Date, and (where there is more than one Coupon Period) each period commencing on (and including) a Coupon Period End Date to (but excluding) the next following Coupon Period End Date and, if any Coupon Amount is required to be calculated for a period ending other than on (but excluding) the relevant Coupon Period End Date, the period commencing on and including the most recent Coupon Period End Date (or if none (x) the Value Date or, (y) if no Value Date is specified in the Product Terms, the Issue Date) to but excluding the relevant payment date.

If adjusted Coupon Periods are specified in the Product Terms and in the calendar month in which a Coupon Period End Date should fall there is no numerical counterpart to this day or if a Coupon Period End Date falls on a day which is not a Business Day, the Coupon Period End Date is postponed in accordance with the Business Day Convention specified in the Product Terms and the Coupon Period is adjusted accordingly.

If unadjusted Coupon Periods are specified in the Product Terms, the Coupon Period End Date is not postponed and no corresponding adjustment is made to the Coupon Period.

- (h) "**Issue Date**" is as defined in the Product Terms being the date on which the Securities are first issued.
- (i) "**Value Date**" is as defined in the Product Terms.
- (j) "**Coupon Period End Date**" means each day specified to be a Coupon Period End Date in the Product Terms.
- (k) "**Coupon Calculation Period**" is as defined in the Product Terms.
- (l) "**Business Day Convention**" is as defined in the Product Terms.

## §5 Adjustment Events and Adjustment/Termination Events

### (1) Adjustment Events

The occurrence of any of the following events set out under "General" below in respect of a Reference Item (as specified in the Product Terms under the heading "Underlying") shall constitute an "**Adjustment Event**", provided that costs relating to Hedging Arrangements for the Securities shall not be taken into account in determining whether an Adjustment Event has occurred.

General:

- (a) an event occurs which materially affects or may materially affect the theoretical economic value of such Reference Item or which has or may have an economic, dilutive or concentrative effect on the theoretical economic value of such Reference Item;
- (b) an event occurs that materially disrupts the economic link between the value of such Reference Item and the Securities subsisting immediately prior to the occurrence of such event; and/or
- (c) a Reference Item, or the underlying constituent(s) or reference basis(es) for any Reference Item, is materially modified.

*The occurrence of any such Adjustment Event may materially affect the cost of maintaining the Securities, in each case before and after the occurrence of such event in a way which has not been reflected in the pricing of the Securities.*

*As a result the Issuer shall be entitled to make adjustments to the Terms and Conditions following the occurrence of any such Adjustment Event as set out in para. (2) below or if it determines that it is not able to make an appropriate adjustment pursuant to para. (2) below may elect to treat the Adjustment Event as an Adjustment/Termination Event under para. (3) below. See para. (3)(c) below. **This is part of the economic risk Securityholders bear when investing in the Securities and the basis on which the Securities are priced.***

For the avoidance of doubt, an event or circumstance may at the same time qualify as an Adjustment Event under more than one of the above items (a)-(c).

### (2) Consequences of an Adjustment Event

Following the occurrence of an Adjustment Event the Calculation Agent may, in its reasonable discretion, either (i) make no adjustments or modifications to the Terms and Conditions, or (ii) make such adjustments to the Terms and Conditions as it, in its reasonable discretion, determines necessary or appropriate in order (a) to account for the effect of such Adjustment Event, and (b) to preserve as nearly as practicable the economic equivalence of the Securities before and after the occurrence of such Adjustment Event and the economic link between the Underlying and the Securities, and determine when these adjustments become effective.

Such adjustments shall not reduce the Cash Amount paid upon redemption of the Securities on the Settlement Date to an amount less than the Minimum Redemption Amount.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with §15, stating the adjustment made to the Terms and Conditions and giving brief details of the relevant Adjustment Event.

### (3) Adjustment/Termination Event

The occurrence of any of the following events set out under "General" below, in each case, in respect of (i) the Securities, or (ii) a Reference Item (as specified in the Product Terms under

the heading "Underlying") shall constitute an "**Adjustment/Termination Event**", provided that (i) the inability of the Issuer to acquire, establish, substitute, maintain, unwind or dispose of Hedging Arrangements for the Securities shall not be taken into account in determining whether an Adjustment/Termination Event has occurred, and (ii) costs, taxes or expenses relating to Hedging Arrangements for the Securities shall not be taken into account in determining whether an Adjustment/Termination Event has occurred):

General:

- (a) an event occurs which materially affects the method by which the Calculation Agent determines the level or price of any Reference Item or the ability of the Calculation Agent to determine the level or price of any Reference Item;
- (b) a Reference Item is materially modified or affected, whether as a result of a material change in the formula or method for calculating such Reference Item or any other event which the Calculation Agent determines, in its reasonable discretion, constitutes a material modification of or materially affects a Reference Item;
- (c) an Adjustment Event has occurred in respect of which the Calculation Agent determines that it is not able to make an appropriate adjustment pursuant to §5(2);
- (d) the Issuer determines that:
  - (i) the performance of its obligations under the Securities has or will become illegal (an "**Illegality Event**"); or
  - (ii) the performance of its obligations under the Securities would incur materially increased direct or indirect costs, taxes, duties or expenses (as compared to the position on the Issue Date),

(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)); and/or

- (e) a Force Majeure Event occurs. For these purposes, a "**Force Majeure Event**" means an event or circumstance which definitively prevents the performance of the Issuer's obligations and for which the Issuer is not accountable, 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 Adjustment/Termination Event may have the result that the Issuer is not able to continue to perform its obligations under the Securities or will incur increased costs, taxes, or expenses in so doing, and such impracticality or increased costs, taxes, or expenses have not been reflected in the pricing of the Securities. As a result the Issuer shall be entitled to make adjustments to the Terms and Conditions or to substitute a Reference Item or, in certain cases, to cancel and terminate the Securities following the occurrence of any such Adjustment/Termination Event as set out in para. (4) below. **This is part of the economic risk Securityholders bear when investing in the Securities and the basis on which the Securities are priced.***

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

(4) **Consequences of an Adjustment/Termination Event:**

Following the occurrence of an Adjustment/Termination Event, the Calculation Agent may take any of the following actions. **In particular, it should be noted that para. (c) below allows a termination and cancellation of the Securities and payment on the Settlement Date of an amount equal to the Early Termination Amount (Monetisation), subject to the**

**right of the Securityholder to exercise an option to receive an amount equal to the Early Termination Amount (Put) on the Early Termination Date (Put), and para. (d) below allows a termination and cancellation of the Securities and payment of an amount equal to the Market Value:**

- (a) other than in respect of an Adjustment/Termination Event in §5(3)(c), the Calculation Agent may make such adjustments to the Terms and Conditions as it, in its reasonable discretion, determines necessary or appropriate in order (i) to account for the effect of such Adjustment/Termination Event, and (ii) to preserve as nearly as practicable the economic equivalence of the Securities before and after the occurrence of such Adjustment/Termination Event and the economic link between the Underlying and the Securities, and determine when these adjustments become effective.

Such adjustments shall not reduce the Cash Amount paid upon redemption of the Securities on the Settlement Date to an amount less than the Minimum Redemption Amount.

- (b) if Underlying Replacement has been specified to apply in the Product Terms, the Calculation Agent may substitute the relevant Reference Item affected by the Adjustment/Termination Event with a Replacement Asset, as specified in the Product Terms, on or after the effective date of such Adjustment/Termination Event. The Calculation Agent shall make such adjustments to the Terms and Conditions as it in its reasonable discretion deems appropriate to account for such substitution or additional assets;

- (c) **If the Adjustment/Termination Event is an Illegality Event or a Force Majeure Event, and if the Calculation Agent is not able to determine or effect an appropriate adjustment pursuant to §5(4)(a) or §5(4)(b) (where Underlying Replacement has been specified to apply in the Product Terms), the Securities 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 Adjustment/Termination Event. If the Securities 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 Security held by such Securityholder which amount shall be the Market Value of a Security. 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.

- (d) if the Adjustment/Termination Event is other than an Illegality Event or a Force Majeure Event, if the Calculation Agent is not able to determine or effect an appropriate adjustment pursuant to §5(4)(a) or §5(4)(b) (where Underlying Replacement has been specified to apply in the Product Terms), the Securities may be terminated and cancelled by the Issuer giving notice to the Securityholders as soon as practicable in accordance with §15 (such notice, the "**Put Monetisation Notice**"). The Put Monetisation Notice shall contain brief details of the Adjustment/Termination Event and shall state:

- (i) that each Security shall be terminated and cancelled and the Issuer shall pay an amount equal to the Early Termination Amount (Monetisation) on the Settlement Date unless such Securityholder exercises its option in accordance with paragraph (A) below to receive payment of the Early Termination Amount (Put) on the Early Termination Date (Put);
- (ii) the Early Termination Amount (Put) of each Security; and



- (iii) a description of the procedure for a Securityholder to exercise its option, including the form of the notice that a Securityholder must complete to exercise its option (the "**Put Notice**"), the final date on which a Securityholder may exercise the option (the "**Put Option Cut-off Date**"), the date on which payment of the Early Termination Amount (Put) will be made (the "**Early Termination Date (Put)**") and the manner in which payment will be made.

If the Issuer has given a Put Monetisation Notice:

- (A) a Securityholder may exercise its option to receive payment of the Early Termination Amount (Put) on the Early Termination Date (Put) in respect of some or all of the Securities held by such Securityholder by delivery of a duly completed Put Notice to the Principal Agent, with a copy to the relevant Clearing Agent, not later than the Put Option Cut-off Date specified in the Put Monetisation Notice (a Put Notice validly delivered in accordance with this provision shall be a "**Valid Put Notice**"). In respect of each Security in respect of which a Securityholder has delivered a Valid Put Notice, the Issuer shall on the Early Termination Date (Put) pay an amount (the "**Early Termination Amount (Put)**") to the Securityholder and such amount shall be equal to the *sum* of (i) the Market Value of such Security, *plus* (ii) the Issuer Costs Reimbursement Amount of such Security; and
- (B) in respect of each Security in respect of which a Securityholder has not delivered a Valid Put Notice, the Issuer shall on the Settlement Date pay an amount (the "**Early Termination Amount (Monetisation)**") and such amount shall be determined in accordance with the following formula:

$$\text{Minimum Redemption Amount} + (\text{Derivative Value} + \text{ICRA}) \times (1 + r)^n$$

Where:

"**Bond Component**" means 100 per cent. of the Nominal Amount of the relevant Security.

"**Derivative Component**" means, in respect of a Security, the option component or embedded derivative(s) in respect of the nominal amount of the Security equal to the Nominal Amount which provides exposure to the Underlying Asset, the terms of which are fixed on the trade date of the Securities (as determined by the Calculation Agent) in order to enable the Issuer to issue such Security at the relevant price and on the relevant terms. For the avoidance of doubt, the Bond Component in respect of the nominal amount of the Notes is excluded from the Derivative Component.

"**Derivative Value**" means, in respect of a Security, the greater of zero and the value (if any) of the Derivative Component in respect of such Security, as calculated by the Calculation Agent on the date the Issuer gives the Put Monetisation Notice 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;
- (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 derivatives.

"**ICRA**" means the Issuer Costs Reimbursement Amount.

**"Minimum Redemption Amount"** means 100 per cent. (100%) of the Nominal Amount.

**"n"** means the remaining term of the Securities expressed in years (or fractions thereof), calculated from (but excluding) the date the Issuer gives the Put Monetisation Notice to (and including) the Settlement Date, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

**"r"** means the annualised interest rate that the Issuer offers on the date that the Issuer gives the Put Monetisation Notice for a debt security with a maturity date that is the Settlement Date of the Securities, taking into account the credit risk of the Issuer, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner.

Upon payment of the Early Termination Amount (Monetisation) on the Settlement Date or the Early Termination Amount (Put) on the Early Termination Amount (Put) (as applicable), the Issuer shall have no further obligation whatsoever under the Securities.

The following definitions shall apply:

**"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.

**"Hedging Arrangements"** means the arrangements the Issuer makes to have available to it the relevant cash amounts or assets to be paid under the Securities as these fall due. This may involve the Issuer investing directly or indirectly in the Underlying. An indirect investment might be made by an Affiliate or agent of the Issuer or other third party making an investment in the Underlying. Alternatively an indirect investment might involve the Issuer or an Affiliate, agent or other third party entering into or acquiring a derivative contract referencing the Underlying.

**"Issuer Costs Reimbursement Amount"** means, in respect of one Security, an amount equal to the *product* of:

- (a) the total costs of the Issuer (including, without limitation, structuring costs) paid by the original Securityholder as part of the Issue Price of the Security, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner; *multiplied by*
- (b) the *quotient* of:
  - (i) the number of calendar days falling in the period commencing on, but excluding, the date on which the Issuer gives the Put Monetisation Notice and ending on, and including, the Settlement Date of the Securities; *divided by*
  - (ii) the number of calendar days falling in the period commencing on, but excluding, the Issue Date of the Securities and ending on, and including, the Settlement Date of the Securities.

**"Market Value"**, in relation to a Security, means the fair market value of such Security 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;

- (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 Securities.

Where the relevant Securities provide for any minimum amount(s) of cash to be payable this shall be taken into account in determining the Market Value. However, the Calculation Agent shall reduce (i.e., discount) the value of such amounts in determining the Market Value to take into account the length of time remaining to the first possible date on which such amount(s) could otherwise first have been payable. Such discounting may be determined by reference to information as set out in (a) and/or (b) above which may include risk free rate(s).

The Calculation Agent shall also take into account appropriate values for any other amount which would or could otherwise have been payable under the relevant Securities. This may include the element of the return on the Securities determined by reference to the Underlying (i.e., the derivative element). The relevant value for this element of the Securities may be determined by reference to the cost at the relevant time of entering into a transaction to provide similar amounts.

Notwithstanding the foregoing, each of the above determinations will be made without taking into account the creditworthiness of the Issuer at the time of early termination. This means that no reduction shall be made in the Market Value to take account of the perceived ability of the Issuer to make any payment at the time of early termination.

**"Reference Currency"** in relation to a Reference Item, if so specified under the heading "Underlying" in the Product Terms, is the Reference Currency, as specified under such heading or, if not specified there, is the Settlement Currency.

**"Reference Item"** means each asset or reference basis specified, under the heading "Underlying" in the Product Terms, to be the Underlying.

**"Relevant Country"** means, as determined by the Calculation Agent, each of:

- (a) any country (or any political or regulatory authority thereof) in which a Reference Currency or the Settlement Currency is the legal tender or currency; and
- (b) any country (or any political or regulatory authority thereof) with which a Reference Item or, if a security, the relevant issuer has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to the country in which any such issuer is incorporated.

**"Relevant Time"** means, with respect to a Reference Item, the relevant time by reference to which the Calculation Agent determines the level or value of such Reference Item.

**"Settlement Currency"** is as specified in the Product Terms.

## §6 Form of Securities, Transferability, Status, Securityholders

### (1) Form

#### General

The Securities are represented by a global security (the "**Global Security**"). The Product Terms of each Series of Securities will be attached to the relevant Global Security which will be marked with the ISIN for the relevant Securities as specified in the Product Terms. No definitive Securities will be issued.

Where Multi-Series is stated to be applicable in the Product Terms, each Series shall be represented by a separate Global Security. These General Conditions shall be deemed to apply to each Series separately and references to Securities and related expressions in these General Conditions shall be deemed to be references to the relevant Series.

#### Global Security - English law governed Securities

If the Governing Law is specified in the Product Terms to be English Law the following applies:

On or prior to the issue date of the Securities, the Global Security will be deposited with a depository (or if there is more than one Clearing Agent, a common depository) for the Clearing Agent(s).

If the Securities are specified in the Product Terms to be Notes the Global Security will be in bearer form or registered form, as specified in the Product Terms. If the Notes are in registered form, on or prior to the issue date of the Securities the Global Security will be registered in the name of the Clearing Agent or a nominee (or if there is more than one Clearing Agent, a common nominee) of the Clearing Agent(s).

### (2) Transferability

Each Security is transferable in accordance with applicable law and any rules and procedures for the time being of any Clearing Agent through whose books such Security is transferred.

### (3) Status

The obligations under the Securities 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

#### Global Security - English law governed Securities

In respect of Securities represented by a Global Security, if the Governing Law is specified, in the Product Terms, to be English Law, each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the holder of a particular amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the amount of Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such amount of the Securities (and the term "**Securityholder**" and related expressions shall be construed accordingly) for all purposes other than, in the case of Notes represented by a Global Security, with respect to payments obligations in respect of such Notes, for which purpose (i) in the case of Notes in bearer form, the bearer of the Global Security and (ii) in the case of Notes in registered form, the person shown on the Register as the holder of such Notes (being the relevant Clearing Agent, or nominee or common nominee (as applicable) of the Clearing Agent(s)), in each

case shall be treated by such Issuer and any Agent as the holder of such Notes in accordance with and subject to the terms of the Global Security.

## §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, including Agents for specific countries which as of the Issue Date for an issue of Securities shall be specified in the section "Additional Information" of the Product Terms, 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, if and to the extent that the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country if so required by the rules and regulations of each such 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 Securities 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 Terms and Conditions:

(a) "**Agent**" means, subject to (1), the Principal Agent and, if it is not the Principal Agent in respect of the Securities, each of Deutsche Bank AG, acting through its principal office in Frankfurt am Main, Taunusanlage 12, 60325 Frankfurt am Main, Germany, and through its branch office in London, Winchester House 1, Great Winchester Street, London EC2N 2DB, United Kingdom (Deutsche Bank AG London), and each other Agent, if any, specified in the section "Additional Information" of the Product Terms.

(b) "**Principal Agent**" means, subject to §7(1), the Principal Agent specified in the Product Terms or, if no Principal Agent is specified in the Product Terms, Deutsche Bank AG, acting through the office through which the Securities have been issued (as specified in the definition of "Issuer" in the Product Terms).

(3) Registrar

If the Securities are specified in the Product Terms to be Notes represented by a Global Security in registered form, the Issuer reserves the right at any time to vary or terminate the appointment of the Registrar or any successor as provided above, provided that no termination of appointment of the Registrar shall become effective until a replacement Registrar shall have been appointed. The Registrar will maintain a register (the "**Register**") on the terms as agreed between the Issuer and the Registrar, such terms to include that the Register shall at all times be physically located outside the United Kingdom. The Registrar 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 Securities made by the Registrar shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders. The "**Registrar**" shall be such entity specified as such in the Product Terms or any successor as provided above.

## **§8 Calculation Agent**

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

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

The Issuer shall be the Calculation Agent in respect of the Securities, 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.

Any calculations or determinations in respect of the Securities 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.

Subsequent to any calculation or determination by the Calculation Agent in respect of the Securities, any subsequently published corrections in respect of any value or price of a Reference Item used by the Calculation Agent in respect of such calculation or determination shall only be taken into account by the Calculation Agent to the extent that it is published within the Correction Period specified in the Product Terms or, if earlier, on or before the second Business Day preceding the day on which a payment is to be made, the amount of which is determined in whole or in part by reference to such value or price of the Reference Item.

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, provided that, in the case of the Third Party Calculation Agent, such third party is not the Issuer.

### **(2) Determination by the 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 Securities. 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

In the case of Securities represented by a Global Security, any payments will, subject as provided below, be made in the manner provided in §3 and otherwise in the manner specified in the Global Security, if applicable. For all other Securities, any payments will be made in the manner provided in §3.

Where the Securities are specified in the Product Terms to be Notes represented by a Global Security in bearer form, payments of all amounts shall be made against presentation or surrender, as the case may be, of the Global Security, if applicable, at the specified office of any Agent. A record of each payment made will be made on the Global Security by the relevant Agent, if applicable and such record shall be prima facie evidence that the payment in question has been made.

Where the Securities are specified in the Product Terms to be Notes represented by a Global Security in registered form, payments of all amounts shall be made to the person shown on the Register at the close of business on the business day before the due date for payment (being the relevant Clearing Agent, or nominee or common nominee (as applicable) of the Clearing Agent(s)) as the holder of such Notes, and if no further payment falls to be made on the Notes, on surrender of the Global Security to or to the order of the Registrar. A record of each payment made will be made in the Register by the relevant Agent, if applicable and such record shall be prima facie evidence that the payment in question has been made. For the purpose of this paragraph, "**business day**" means a day on which the relevant Clearing Agent(s) is (or are, if applicable) open for business.

Each of the persons shown in the records of a Clearing Agent as the holder of a particular number or nominal amount of the Securities must look solely to the relevant Clearing Agent for his share of each such payment so made by the Issuer to, or to the order of, the holder of the Global Security or the relevant Clearing Agent, as applicable.

### (1) **English law governed Securities**

If the Governing Law is specified in the Product Terms to be English Law, any claim to receive payments under the Securities, will become void unless the Global Security has been presented or the claim otherwise made in accordance with these Terms and Conditions within a period of five years (in relation to the payment of any Coupon Amount) and ten years (in relation to the payment of any other amount), in each case, after the Relevant Date therefor. As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the relevant Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Securityholders in accordance with §15.

## **§11 Events of Default**

### **(1) Events of Default**

If any of the events set out in (a) – (d) below occurs, each Securityholder shall be entitled to declare his Securities due:

- (a) the Issuer fails to make any payment in respect of the Securities within thirty (30) days of the relevant due date after the Principal Agent has received notice thereof from a Securityholder; or
- (b) the Issuer fails duly to perform any other obligation arising from the Securities, if such failure continues for more than sixty (60) days after the Principal Agent has received notice thereof from a Securityholder; or
- (c) the Issuer announces its inability to meet its financial obligations or ceases its payments; or
- (d) 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 Securities due shall terminate if the situation giving rise to it has been cured before the right is exercised.

If the Securities are declared due each Securityholder shall be entitled to demand immediate payment of an amount in respect of each Security held by such Securityholder equal to the Market Value of a Security, as determined by the Calculation Agent in its reasonable discretion.

### **(2) Quorum**

In the events specified in para. (1)(b) above, any notice declaring Securities due shall, unless at the time such notice is received any of the events specified in para. (1)(a), (c) or (d) entitling Securityholders to declare their Securities 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 Securities of the relevant series then outstanding.

### **(3) Form of Notice**

Any notice, including any notice declaring Securities due, in accordance with para. (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 Securities any company (the "**Substitute**"), being any subsidiary or Affiliate of the Issuer, subject to:

- (a) the obligations of the Substitute under the Securities being irrevocably and unconditionally guaranteed by Deutsche Bank AG (unless it is the Substitute);
- (b) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- (c) the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with §15;
- (d) the Substitute shall provide an indemnity in favour of the Securityholders of the Securities in relation to any additional tax or duties or losses suffered by Securityholders due to a different regulatory regime of the Substitute from that of the Issuer and in any case which arise and become payable solely as a result of the substitution of the Issuer for the Substitute; and
- (e) the Issuer (or any previous substituted company) has not failed to make any payment in respect of the Securities on the relevant due date nor is there a substantial likelihood that the Issuer (or any previous substituted company) will fail to make any payment in respect of the Securities on the relevant due date in the immediate future.

In the event of any substitution of the Issuer, any reference in the Terms and 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 Securities, 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 Securities**

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

**§14 Further Issuances of Securities**

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 Securities.

## **§15 Notices**

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

Notices to the Securityholders will be valid if:

- (a) delivered to the Clearing Agent(s) for communication by the Clearing Agent(s) to the Securityholders; and/or
- (b) subject to it not being specified otherwise in the Product Terms, 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:

- (a) if delivered pursuant to para. (1)(a) above, on the Business Day after such delivery to the Clearing Agent or all the Clearing Agents (if more than one);
- (b) if published pursuant to para. (1)(b) above, on the date of such publication; or
- (c) if delivered pursuant to para. (1)(a) above and published pursuant to para. (1)(b), on the earlier of (i) the Business Day after such delivery to the Clearing Agent or all the Clearing Agents (if more than one) (as described in para. (1)(a) above, and/or, if applicable, (ii) the date of such publication as described in para. (1)(b) above.

### **(3) Luxembourg Stock Exchange publication**

If and for so long as the Securities are listed on the Official List and admitted to trading on the regulated market 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** *Intentionally not used*

## **§17 Modifications**

### **Securities not governed by German law**

The Issuer may, to the extent permitted by applicable law and subject as provided below, modify the Terms and Conditions and/or the Product Terms without the consent of the Securityholders or any of them in any manner which the Issuer may deem reasonably necessary (i) in order to maintain or preserve the intended commercial purpose of the Terms and Conditions and/or the Product Terms; 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.

The Issuer may exercise the above discretion for the reasons or in the circumstances described above (i.e., in order to maintain or preserve the intended commercial purpose of the Terms and Conditions and/or the Product Terms or if such modification does not materially adversely affect the interests of the Securityholders or is of a formal, minor or technical nature or is intended to correct any errors or defective provisions in the Terms and Conditions and/or the Product Terms). In each of these cases the Issuer will first satisfy itself that the exercise of the discretion is (i) reasonably necessary and it will consider if there is any reasonable alternative which would not incur additional material costs for the Issuer and/or its Affiliates, and (ii) in accordance with any applicable provisions of the Belgian Code of Economic Law. Following any modification pursuant to this §17, the Issuer may at its discretion amend and restate the Product Terms.



**§18 Severability**

If any of the provisions of the Terms and 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 Terms and Conditions.

## **§19 Governing Law, Place of Jurisdiction and Place of Performance**

### **English law governed Securities**

Subject as provided under (6) below, if the Governing Law is specified in the Product Terms to be English Law, the Securities and any non-contractual obligations arising out of or in connection with the Securities are governed by, and shall be construed in accordance with, English law. No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Securities (including a dispute relating to any non-contractual obligations arising out of or in connection with the Securities).

## VII. PRODUCT TERMS

The Securities will be subject to the General Conditions (the "**General Conditions**"), as set out herein and also to the following provisions (the "**Product Terms**"). In the case of a discrepancy or conflict with such General Conditions or Product Terms, the Product Terms shall prevail.

### General Definitions applicable to the Securities

Security type	Note
	Steepener Note
ISIN	XS1628416965
WKN	DM7GHM
Common Code	162841696
RIC	DEDM7GHM=DBBL
Issuer	Deutsche Bank AG, London Branch
Number of Securities	Up to EUR 50,000,000
Issue Price	101.50 per cent. of the Nominal Amount per Note
Issue Date	28 February 2019
Nominal Amount	EUR 1,000 per Note
Underlying	Type: Interest Rate Name: Reference CMS Rate
Settlement	Cash Settlement
Settlement Date	28 February 2029, or if a Knock-Out Event has occurred the next Coupon Payment Date or if such day is not a Business Day the Settlement Date is postponed to the next day which is a Business Day unless it would then fall in the following calendar month, in which case the Settlement Date brought forward to the immediately preceding Business Day.
Target Return	10%
Target Return Amount	means an amount equal to the product of (a) <i>Nominal Amount</i> and (b) <i>Target Return</i> <i>Nominal Amount x Target Return</i>
Coupon Payment	Coupon Payment applies. For the avoidance of doubt, if a Knock-Out Event has occurred, the Coupon Amount for the Coupon Determination Date on which such Knock-Out Event occurred shall be paid and no further Coupon Amounts shall be paid thereafter.
Coupon	(a) In respect of the Coupon Payment Date for each Coupon Period

commencing on or after 28 February 2019 but ending on 28 February 2024, 1.51 per cent. per annum; and

- (b) in respect of the Coupon Payment Date for each Coupon Period commencing on or after 28 February 2024, the Steepener Interest Rate for such Coupon Period.

Coupon Amount	In respect of each Coupon Payment Date, the Coupon Amount payable for each Security (of the Nominal Amount) shall be calculated by multiplying the Coupon for such Coupon Period by the Nominal Amount, and further multiplying the product by the Day Count Fraction applied to the Coupon Period ending on, but excluding, such Coupon Period End Date
Leverage	150 per cent.
Steepener Interest Rate	In respect of each Coupon Period commencing on or after 28 February 2024, a percentage determined by the Calculation Agent for such Coupon Period equal to the product of (a) Leverage and (b) the Swap Rate Spread for such Coupon Period, provided that such amount will not be less than the Minimum Coupon
Swap Rate Spread	In respect of each Coupon Period commencing on or after 28 February 2024, a percentage determined by the Calculation Agent as the difference between (a) the Reference CMS Rate with a Specified Period equal to 30 years in respect of the Coupon Determination Date for such Coupon Period, minus (b) the Reference CMS Rate with a Specified Period equal to 2 years in respect of the Coupon Determination Date for such Coupon Period
Reference CMS Rate	In respect of a Specified Period and a Coupon Determination Date, the annual swap rate for EUR swap transactions with a term equal to the Specified Period commencing on such Coupon Determination Date, expressed as a percentage, which appears on Reuters Screen ICESWAP2 (or any Successor Source) under the heading "EUR 11:00 AM" and above the caption "<EURSFIX=>", on such Coupon Determination Date. If such rate does not appear on such page (or any Successor Source as aforesaid) at such time on such day, subject as provided below, the Reference CMS Rate shall be a percentage determined on the basis of the mid-market annual swap rate quotations provided by the Reference Banks at approximately 11.00 a.m., London time, on the relevant Coupon Determination Date to prime banks in the London interbank market. For this purpose, the mid-market annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, assuming a 30/360 day count basis, of a fixed-for-floating interest rate swap transaction in EUR with a term equal to the Specified Period commencing on the Coupon Determination Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis is equivalent to such Floating Rate Option determined by the Calculation Agent by reference to the ISDA Definitions with the Specified Period. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the rate for such Coupon Determination Date shall be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the

highest) and the lowest quotation (or, in the event of equality, one of the lowest). If no such rates are quoted, the Reference CMS Rate for such Coupon Determination Date will be the rate determined by the Calculation Agent by reference to such source(s) and at such time as it deems appropriate.

Where "**ISDA Definitions**" means the 2006 ISDA Definitions as amended and updated as at the Issue Date of the first Tranche of the Securities, as published by International Swaps and Derivatives Association, Inc.

Minimum Coupon	0.0 per cent per annum
Day Count Fraction	30/360
Coupon Period	As specified in §4(3)(g)
Adjusted Coupon Period	Not applicable
Unadjusted Coupon Period	Applicable
Coupon Determination Date	The fifth Business Day before the Coupon Payment Date for the relevant Coupon Period
Coupon Payment Date	28 February 2020, 28 February 2021, 28 February 2022, 28 February 2023, 28 February 2024, 28 February 2025, 28 February 2026, 28 February 2027, 28 February 2028 or if such day is not a Business Day such Coupon Payment Date is postponed to the next day which is a Business Day unless it would then fall in the following calendar month, in which case the Coupon Payment Date is brought forward to the immediately preceding Business Date and the Settlement Date
Business Day Convention	Modified Following Business Day Convention
Coupon Period End Date	28 February in each year, commencing on 28 February 2020 and ending on 28 February 2029
Knock-Out Event	<p>With respect to each Security:</p> <p>If on any Coupon Determination Date, the sum of:</p> <p>(i) Sum of Previously Paid Coupons; and</p> <p>(ii) the Coupon Amount due for the Coupon Payment Date in respect of such Coupon Determination Date</p> <p>are equal to or above the Target Return Amount, (such event a "<b>Knock-Out Event</b>"), an amount equal to the Nominal Amount;</p> <p>where: "<b>Sum of Previously Paid Coupons</b>" means, in respect of each Security (of the Nominal Amount) and a Coupon Determination Date, the aggregate of the Coupon Amounts (if any) paid in respect of such Security on each Coupon Payment Date preceding such Coupon Determination Date.</p>
Cash Amount	The Nominal Amount

### Further Definitions applicable to the Securities

Settlement Currency	Euro (" <b>EUR</b> ")
Business Day	A day on which the Trans-European Automated Real-time Gross settlement Express Transfer (TARGET2) system is open, and on which commercial banks and foreign exchange markets settle payments in the Business Day Location(s) specified in the Product Terms.
Business Day Location(s)	London
Payment Day Location(s)	London
Form of Securities	Global Security in bearer form
Clearing Agent	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
Governing Law	English law
Minimum Redemption Amount Payable	Applicable
Minimum Redemption Amount	100 per cent. of the Nominal Amount



	Distributor's usual procedures, notified to investors by the relevant Distributor.
	Prospective investors will not be required to enter into any contractual arrangements directly with the Issuer relating to the subscription for the Securities
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants	Not applicable; there is no possibility to reduce subscriptions and therefore no manner for refunding excess amount paid by applicants
Details of the method and time limits for paying up and delivering the Securities	Investors will be notified by the relevant Distributor of their allocations of Securities and the settlement arrangements in respect thereof. The Securities will be issued and delivered on the Issue Date against payment to the Issuer by the relevant Distributor of the net subscription price
Manner in and date on which results of the offer are to be made public	<p>The Issuer will in its sole discretion determine the final amount of Securities to be issued (which will be dependent on the outcome of the offer), up to a limit of an aggregate nominal amount of EUR 50,000,000.</p> <p>The precise number of Securities to be issued will be published on the website of the Luxembourg Stock Exchange (<a href="http://www.bourse.lu">www.bourse.lu</a>) in accordance with Article 10 of the Luxembourg Law on the Prospectuses for Securities on or around the Issue Date.</p> <p>The results of the offer will be available from the Distributors following the Subscription Period and prior to the Issue Date</p>
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised	Not applicable; a procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights is not planned.
Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries	<p>Non-qualified investors</p> <p>Offers may be made in Belgium to any person which complies with all other requirements for investment as set out in this Prospectus or otherwise determined by the Issuer and/or the relevant financial intermediaries. In other EEA countries, offers will only be made pursuant to an exemption under the Prospectus Directive as implemented in such jurisdictions</p>
Process for notification to applicants of the amount allotted and the indication whether	Each investor will be notified by the relevant Distributor of its allocation of Securities after the



dealing may begin before notification is made end of the Subscription Period and before the Issue Date

No dealings in the Securities may take place prior to the Issue Date

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

Save for the Issue Price, which includes the commissions payable to the Distributor, details of which are set out in the section above entitled "Issue Price" as well as the section below entitled "Fees", the Issuer is not aware of any expenses and taxes specifically charged to the subscriber or purchaser.

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 AG, Brussels Branch ("**DB Brussels Branch**"), Avenue Marnix 13-15, Brussels, Belgium (the "**Distributor**")

Consent to use of Prospectus

The Issuer consents to the use of the Prospectus by the following financial intermediaries (individual consent): Deutsche Bank AG, Brussels Branch, Avenue Marnix 13-15, Brussels, Belgium.

Individual consent to the later resale and final placement of the Securities by the financial intermediaries is given in relation to the Public Offer Jurisdiction.

The subsequent resale or final placement of Securities by financial intermediaries can be made during the Subscription Period as long as this Prospectus is valid in accordance with Article 9 of the Prospectus Directive

## FEES

Fees paid by the Issuer to the Distributor(s)

Trailer Fee

Not applicable

Placement Fee

The Issue Price contains a fee of up to 1.5 per cent of the Nominal Amount per Note.

Other Fees

The Distributor will purchase the Securities at a discount from the Issuer of up to 4.50 per cent. of the Nominal Amount of the Securities placed through it (being the 1.50 per cent. Placement Fee referred to above and a 3 per cent. Distribution Fee).

Collectively, such fees are equivalent to 0.45 per cent. per annum for 10 years.

Fees charged by the *Issuer* to the *Securityholders* post issuance

Not applicable

#### **SECURITY RATINGS**

Rating

The Securities have not been rated

#### **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 as set out under "Fees" above, so far as the Issuer is aware, no person involved in the issue of the Securities 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 Securities will be applied by the Issuer for its general corporate purposes. A substantial portion of the proceeds from the issue of certain Securities may be used to hedge market risk with respect to such Securities.

#### **PUBLICATION OF NOTICES**

Publication of notices

Notices will be published in accordance with §15(1) (a) and 15 (1) (b)

#### **RANKING OF THE SECURITIES**

Ranking of the Securities

The Issuer believes that the Securities will fall within the scope of Sec 46f (7) of the German Banking Act (*Kreditwesengesetz*, "**KWG**") and will constitute Preferred Senior Obligations as described in "IV. General Information" under "8. Ranking of the Securities" in the Prospectus. However, investors should note that in a German insolvency proceeding or in the event of the imposition of resolution measures with respect to the Issuer, the competent resolution authority or court would determine whether unsecured and unsubordinated Securities issued under the Prospectus qualify as Preferred Senior Obligations or as Non-Preferred Senior Obligations.

#### **INFORMATION RELATING TO THE UNDERLYING**

Not applicable.

#### **Further Information Published by the Issuer**

The Issuer does not intend to provide any further information on the Underlying.

#### **COUNTRY SPECIFIC INFORMATION:**

Offers may be made in Belgium to any person which complies with all other requirements for investment as set out in this Prospectus or otherwise determined by the Issuer and/or the relevant financial intermediaries. In other EEA countries, offers will only be made pursuant to an exemption under the Prospectus Directive as implemented in such jurisdictions.

Additional information relating to Belgian law: In respect of public offers of Securities in Belgium, the Issuer could be required to comply with the provisions of the Belgian Code of Economic Law, especially the provisions on unfair terms in the application of the terms and conditions as set out in this Prospectus relating to such Securities in Belgium, insofar as these provisions are applicable. In this respect, every significant new factor, material mistake or inaccuracy relating to the information included in this Prospectus which is capable of affecting the assessment of the Securities and which arises or is noted between the time when the Prospectus is approved and the final closing of the offer of the Securities to the public or, as the case may be, the time when trading of the Securities on a regulated market begins, shall be mentioned in a supplement to this Prospectus.

Agent in Belgium

The Agent in Belgium is Deutsche Bank AG,  
Brussels Branch, Avenue Marnix 13-15, Brussels,  
Belgium

## IX. GENERAL INFORMATION ON TAXATION AND SELLING RESTRICTIONS

### A. GENERAL TAXATION INFORMATION

#### 1. Introduction

Purchasers and/or sellers of Securities may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of transfer of the Securities in addition to the issue price or purchase price of the Securities. The Issuer assumes no responsibility for withholding taxes at source.

Transactions involving the Securities (including purchases, transfers, exercise or non-exercise or redemption, the accrual or receipt of any interest payable on the Securities and the death of a holder of any Securities) 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 General Conditions should be considered carefully by all potential purchasers of any Securities.

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

#### 2. Belgium

*The following is a general description of certain Belgian tax considerations relating to an investment in the Securities. It does not purport to be a complete analysis of all tax considerations relating to the Securities. Prospective purchasers of the Securities should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Belgium of acquiring, holding and disposing of the Securities. This overview is based upon the law as in effect on the date of this prospectus and is subject to any change in law that may take effect after such date.*

For Belgian tax purposes, periodic interest income and amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) are qualified and taxable as "interest". In addition, if the Securities qualify as fixed income securities within the meaning of article 2, §1, 8° of the Belgian Income Tax Code of 1992, in case of a realisation of the Securities between two interest payment dates, an income equal to the pro rata of accrued interest corresponding to the holding period is also taxable as interest.

Any payment of interest (as defined by Belgian tax law) on the Securities made through a paying agent in Belgium will in principle be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 30 per cent.

If the repurchase, redemption or exercise is in full or in part settled by means of a delivery of securities or other assets by the Issuer, interest includes any positive difference between the market value of those assets on the date of their payment or attribution and the initial issue price of the Securities. In the event interest is paid in the form of delivery of securities, the market value of those securities will be deemed at least equal to their value (prior to the date of the payment or attribution) as determined in the most recent publication by the Belgian Government of the value of securities listed on a Belgian stock exchange (such publication is issued monthly, on the 20th of each month) or on a similar foreign stock exchange.

For Belgian tax purposes, if interest is in a foreign currency, it is converted into euro on the date of payment or attribution.

On 25 January 2013, the Belgian tax authorities issued a circular letter on the Belgian tax treatment of income from Structured Securities characterised by an uncertain return on investment due to the variation of the coupons or the repayment terms at maturity, such as securities whose return is linked to the evolution of underlying products (the "Structured Securities"). According to the circular letter, the transfer of Structured Securities to a third party (other than the issuer) results in taxation as

interest income of the "pro rata interest", calculated on an unclear formulae. In addition, any amount paid in excess of the initial issue price upon redemption or repayment of the Structured Securities is considered as interest for Belgian tax purposes. It is highly debatable whether the circular letter is in line with Belgian tax legislation. Furthermore, it is unclear whether the Belgian tax authorities will seek to apply the principles set out in the circular letter to the Securities.

It is assumed that any gains realised upon redemption or repayment of Structured Securities by the Issuer will indeed be viewed as interest by the Belgian tax authorities (and any such gains are therefore referred to as "interest" for the purposes of the following paragraphs), but that the effective taxation of the "pro rata interest" in case of a sale of Structured Securities to a third party (i.e., other than the Issuer) would not be possible, on the basis that it is currently impossible to determine the amount of the "pro rata interest".

#### *Taxation applicable to individuals resident in Belgium*

Belgian resident individuals, i.e., individuals who are subject to Belgian personal income tax, who are holding the Securities as a private investment are normally subject to the following tax treatment with regard to the Securities in Belgium. Other rules may be applicable in certain specific cases, especially when the investors hold the Securities within the framework of their professional activity, or when transactions regarding the Securities fall outside the scope of the normal management of their own private estate.

Any periodic coupon payment as well as any cash payment and/or delivery of a physical delivery amount made by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer) will be treated as interest for Belgian tax purposes and will be subject to a Belgian withholding tax of 30 per cent (calculated on the interest received after deduction of any non-Belgian withholding taxes) if collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the income will not be taxed further, and need not be reported in the personal income tax return.

Nevertheless, Belgian resident individuals may elect to declare interest on the Securities in their personal income tax return. Also, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared this way will in principle be taxed at a flat rate of 30% (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, whichever is more beneficial) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability.

If Belgian resident individuals dispose Securities (other than Structured Securities) to a third party, they are currently not liable to Belgian income tax on the capital gains (if any) realised upon such disposal provided that (i) the Securities have not been used for their professional activity and (ii) the capital gain is realised within the framework of the normal management of their private estate and (iii) the capital gain does not qualify as the pro rata of accrued interest (as defined above). If the capital gain qualifies as the pro rata of accrued interest, such interest will be taxable as set out above). Capital losses realised upon disposal of Securities (other than Structured Securities) held as a non-professional investment are in principle not tax deductible.

If Belgian resident individuals dispose Securities qualifying as Structured Securities to a third party, they are currently not liable to Belgian income tax, provided that the Securities have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of such Structured Securities held as a non-professional investment are in principle not tax deductible.

#### *Taxation applicable to Belgian corporations*

Companies that are subject to Belgian corporate tax are normally subject to the tax treatment described below with regard to the Securities.

Interest received by Belgian resident companies on the Securities will be subject to Belgian corporate income tax at the applicable corporate income tax rates (the ordinary corporate income tax rate is

33.99%, but lower rates apply to small income companies under certain conditions). If the income has been subject to a foreign withholding tax, a foreign tax credit will be applied on the Belgian tax due. For interest income, the foreign tax credit is generally equal to a fraction where the numerator is equal to the foreign tax and the denominator is equal to 100 minus the rate of the foreign tax, up to a maximum of 15/85 of the net amount received (subject to some further limitations). Capital losses are in principle tax deductible.

The income which is treated as interest for Belgian tax purposes is subject to a Belgian withholding tax of 30 per cent if it is collected through a financial intermediary established in Belgium. An exemption of withholding tax may apply if certain formalities are complied with. For zero or capitalisation bonds, an exemption will only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992.

Belgian withholding tax, if due, can be offset against the investor's corporate tax, but only in proportion to the period during which the company held the Securities.

Capital gains realised on the sale of the Securities are taxable, irrespective of whether such Securities relate to shares or other assets or indices, while capital losses are in principle tax deductible.

#### *Taxation applicable to entities subject to the legal entities' tax*

Belgian non-profit legal entities, i.e., entities that are subject to the Belgian tax on legal entities, are subject to the following tax treatment with respect to the Securities in Belgium.

Any periodic coupon payment as well as any cash payment and/or delivery of a physical delivery amount made by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer) will be subject to a Belgian withholding tax of 27 per cent if collected through a financial intermediary established in Belgium. If Belgian withholding tax has been withheld, the interest will not be taxed further. Holders of the Securities who collect the payment abroad without Belgian withholding tax are required to declare this income and to pay the withholding tax on their own initiative.

Capital gains realised on the sale of the Securities to third parties on the secondary market before maturity are generally not taxable for Belgian non-profit legal entities, unless the capital gains qualify as the pro rata of accrued interest from the disposal of Securities other than Structured Securities (as defined above). If the capital gain qualifies as the pro rata of accrued interest, such interest will be taxable as set out above). Capital losses realized on a sale of the Securities are not tax deductible.

#### *Taxation applicable to Organisations for Financing Pensions ("OFP")*

Income from the Securities, including capital gains realized on a sale or settlement of the Securities, derived by Organisations for Financing Pensions will be exempt from Belgian corporate income tax. Subject to certain conditions, any Belgian withholding tax levied on the interest will be fully creditable against any corporate income tax due and any excess amount will in principle be refundable.

#### *Taxation applicable to non-Belgian residents*

Investors who are non-residents of Belgium for Belgian tax purposes and are not holding the Securities through a Belgian establishment and do not invest the Securities in the course of their Belgian professional activity will in principle not incur or become liable for any Belgian tax on income or capital gains (save as the case may be, in the form of withholding tax).

Any periodic coupon payment as well as any cash payment and/or delivery of a physical delivery amount made by the Issuer in excess of the issue price (upon full or partial redemption, whether or not at maturity, or upon purchase by the Issuer) will be subject to a Belgian withholding tax of 27 per cent if collected through a financial intermediary established in Belgium, unless the investor is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors that do not hold the Securities through a Belgian establishment can also obtain an exemption of Belgian withholding tax on interest from the Securities paid through a Belgian credit institution, a Belgian stock market company or a Belgian-recognized clearing or settlement institution, provided that they deliver an affidavit to such institution or company confirming (i) that the investors are non-residents, (ii) that the Securities are held in full ownership or in usufruct and (iii) that the Securities are not held for professional purposes in Belgium.

Non-resident individuals who do not use the Securities for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Securities to Belgium, will be subject to tax in Belgium if the capital gains are obtained or received in Belgium and either (i) are deemed to be realized outside the scope of the normal management of the individual's private estate, or (iii) qualify as the pro rata of accrued interest from the disposal of Securities other than Structured Securities (as defined above). If the capital gain qualifies as the pro rata of accrued interest, such interest will be taxable as set out above). Capital losses are generally not deductible,

#### *Inheritance duties*

No Belgian inheritance duties will be due in respect of the Securities if the deceased holder of the Securities was not a Belgian resident at the time of his or her death, even if the Securities were held in custody in Belgium.

#### *Tax on stock exchange transactions*

Secondary market trades in respect of the Securities may give rise to a tax on stock exchange transactions (taks op beursverrichtingen / taxe sur les opérations de bourse) of 0.09% for debt instruments or 0.27% for other securities if they are carried out through a financial intermediary established in Belgium or if the order is transmitted directly or indirectly to a financial intermediary established outside of Belgium by either a physical person with normal residence in Belgium or by a legal person on behalf of a seat or establishment located in Belgium. The tax is due both on the sale and the acquisition leg of the transaction. The amount of the tax, however, is currently capped at EUR 1,300 for transactions involving debt instruments or EUR 1,600 for transactions involving other securities, per party and per transaction, and various types of investors (including credit institutions, insurance companies, pension funds and all non-residents of Belgium) are exempted from this tax.

The European Commission has published a proposal for a Directive for a common financial transactions tax (the "FTT"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

### **3. Luxembourg**

*The following information 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. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Securities 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.*

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

#### *Non-resident Holders of Securities*

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

### *Resident Holders of Securities*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Securities, nor on accrued but unpaid interest in respect of Securities, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Securities held by Luxembourg resident holders of Securities.

However, under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20 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 Securities coming within the scope of the Relibi Law will be subject to withholding tax of 20 per cent.

#### **4. Germany**

*The following is a general discussion of certain German tax consequences of the acquisition, holding and disposal of Securities. It does not purport to be a comprehensive description of all tax considerations that may be relevant to a decision to purchase Securities, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. This overview is based on the laws of Germany currently in force and as applied on the date of this Prospectus, which are subject to change, possibly with retroactive or retrospective effect.*

As each Series of Securities may be subject to a different tax treatment due to the specific terms of such Series as set out in the respective Product Terms, the following section only provides some general information on the possible tax treatment.

Prospective purchasers of the Securities are advised to consult their own tax advisors as to the tax consequences of the purchase, ownership and disposition of the Securities, including the effect of any state, local or church taxes, under the tax laws of Germany and each country of which they are residents or otherwise subject to tax.

#### **Tax Residents**

The section "Tax Residents" refers to persons who are tax residents of Germany (i.e., persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany). "Individual Securityholder" means an individual that is considered the owner of a Security for German tax purposes and whose Security forms part of his or her non-business assets (Privatvermögen).

#### *Withholding tax on ongoing payments and capital gains*

Ongoing payments received by an Individual Securityholder will be subject to German withholding tax (Abgeltungsteuer) if the Securities are kept in a custodial account with a German branch of a German or non-German bank or financial services institution, a German securities trading company or a German securities trading bank (each, a Disbursing Agent, auszahlende Stelle). The tax rate is 25 per cent. (plus solidarity surcharge at a rate of 5.5 per cent. thereon, the total withholding being 26.375 per cent.). If the Individual Securityholder is subject to church tax, a church tax surcharge will also be withheld unless the Individual Securityholder has filed a blocking notice (Sperrvermerk) with the Federal Central Tax Office (Bundeszentralamt für Steuern).

The same treatment applies to capital gains from the sale or redemption or (under certain circumstances) settlement of Securities (i.e., the difference between the proceeds from the disposal after deduction of expenses directly related to the disposal and the cost of acquisition) derived by an individual Securityholder provided the Securities have been held in a custodial account with the same Disbursing Agent since the time of their acquisition. Where Securities are issued in a currency other than Euro any currency gains or losses are part of the capital gains. In case of a physical settlement of certain Securities which grant the Issuer or the individual Securityholder the right to opt for a physical delivery of a predetermined number of underlying securities instead of a (re)payment of the



Securities' nominal amount, generally no withholding tax has to be withheld by the Disbursing Agent as such exchange of the Securities into the predetermined number of underlying securities does not result in a taxable gain or loss for the Individual Securityholder. Under these circumstances acquisition costs of the Securities are regarded as acquisition costs of the underlying securities received by the Individual Securityholder upon physical settlement. However, withholding tax will then generally apply to any gain from the disposition of the securities received in exchange for the Securities. In other cases, e.g. where the Security has no nominal amount or the Underlying is not a Security, the physical settlement may trigger withholding tax that will be payable by the Individual Securityholder to the Disbursing Agent.

To the extent the Securities have not been kept in a custodial account with the same Disbursing Agent since the time of acquisition, upon the disposal, redemption, repayment or assignment withholding applies at a rate of 26.375 per cent. (including solidarity surcharge) to 30 per cent. of the disposal proceeds (including interest accrued on the Securities and paid separately (Accrued Interest, Stückzinsen), if any), unless the current Disbursing Agent has been notified of the actual acquisition costs of the Securities by the previous Disbursing Agent or by a statement of a bank or financial services institution within the European Economic Area or certain other countries in accordance with art. 17 para. 2 9i) of EC Council Directive 2003/48/EC (e.g. Switzerland or Andorra).

In computing any German tax to be withheld, the Disbursing Agent may - subject to certain requirements and restrictions - deduct from the basis of the withholding tax negative investment income realised by the Individual Securityholder via the Disbursing Agent (e.g., losses from sale of other securities with the exception of shares). The Disbursing Agent may also deduct Accrued Interest paid by the Individual Securityholder. In addition, subject to certain requirements and restrictions the Disbursing Agent may credit foreign withholding taxes levied on investment income in a given year regarding securities held in the custodial account with the Disbursing Agent to the extent such foreign withholding taxes cannot be reclaimed in the respective foreign country.

In addition, for Individual Securityholders an annual allowance (Sparer-Pauschbetrag) of EUR 801 (EUR 1,602 for married couples and registered lifetime partnerships filing jointly) applies to all investment income received in a given year. Upon the Individual Securityholder filing an exemption certificate (Freistellungsauftrag) with the Disbursing Agent, the Disbursing Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the Securityholder has submitted to the Disbursing Agent a certificate of non-assessment (Nichtveranlagungsbescheinigung) issued by the competent local tax office.

German withholding tax will not apply to gains from the disposal of Securities held by a corporation as Securityholder while ongoing payments, such as interest payments under a coupon, are subject to withholding tax. Losses and foreign taxes are not taken into account when calculating the withholding tax. The same rules apply where the Securities form part of a trade or business (Betriebsvermögen) subject to further requirements being met.

#### *Taxation of current income and capital gains*

The personal income tax liability of an Individual Securityholder deriving income from capital investments under the Securities is, in principle, settled by the tax withheld. To the extent withholding tax has not been levied, such as in case of Securities kept in custody abroad, the Individual Securityholder must report his or her income and capital gains derived from the Securities on his or her tax return and then will also be taxed at a rate of 25 per cent. (plus solidarity surcharge and church tax thereon, where applicable).

Further, an Individual Securityholder may request that all investment income of a given year is taxed at his or her lower individual tax rate based upon an assessment to tax with any withholding tax withheld in excess of the tax assessed being refunded. In each case, the deduction of expenses (other than transaction costs) on an itemized basis is disallowed. The utilization of losses from the disposal or redemption of Securities may be restricted. According to the tax authorities losses from a worthless expiration of financial instruments not qualifying as options or the sale at a price not covering the disposal costs may be non-deductible altogether.

Where Securities form part of a trade or business or the income from the Securities qualifies as income from the letting and leasing of property the withholding tax, if any, will not settle the personal

or corporate income tax liability. Where Securities form part of the property of a trade or business, each year the part of the difference between the issue or purchase price and the redemption amount (if such amount is fixed at the time of the acquisition) attributable to such year as well as interest accrued must be taken into account as interest income. The respective Securityholder will have to report income and related (business) expenses on the tax return and the balance will be taxed at the Securityholder's applicable tax rate. Withholding tax levied, if any, will be credited against the personal or corporate income tax of the Securityholder. Where Securities form part of the property of a German trade or business the current income and the proceeds from the disposal, redemption, settlement, repayment or assignment of the Securities may also be subject to German trade tax.

#### *German Investment Tax Act*

German tax consequences different from those discussed above would arise if the respective Securities or the underlying securities delivered upon physical delivery are, or were to be regarded as, investment fund units. In such case, the withholding tax requirements for the Disbursing Agent as well as the taxation of the German holders would depend on whether the disclosure and reporting requirements of the German Investment Tax Act were fulfilled. The German holder may be subject to tax on unrealised income or, in case the reporting and disclosure requirements are not fulfilled, on fictitious income on a lump-sum basis (so-called penalty-taxation). Such deemed distributed income or fictitious income may be offset against any capital gains realised upon disposal of the Securities, subject to certain requirements.

If the respective Securities or the underlying securities delivered upon physical delivery were to be regarded for German tax purposes as shares in an investment company (Investitionsgesellschaft), specific rules of taxation would apply.

#### **Non-resident**

Interest, including Accrued Interest, and capital gains are not subject to German taxation, unless (i) the Securities form part of the business property of a permanent establishment, including a permanent representative, or a fixed base maintained in Germany by the Securityholder; or (ii) the income otherwise constitutes German-source income. In cases (i) and (ii) a tax regime similar to that explained above under "Tax Residents" applies.

Non-residents of Germany are, in general, exempt from German withholding tax on interest and the solidarity surcharge thereon. However, where the interest is subject to German taxation as set forth in the preceding paragraph and the Securities are held in a custodial account with a Disbursing Agent, withholding tax may be levied under certain circumstances. Where Securities are not kept in a custodial account with a Disbursing Agent and interest or proceeds from the disposition, assignment or redemption of a Security are paid by a Disbursing Agent to a non-resident, withholding tax generally will also apply. The withholding tax may be refunded based on an assessment to tax or under an applicable tax treaty.

#### **Inheritance and Gift Tax**

No inheritance or gift taxes with respect to any Securities will arise under the laws of Germany, if, in the case of inheritance tax, neither the deceased nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such Security is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

#### **Other Taxes**

No stamp, issue or registration taxes or such duties will be payable in Germany in connection with the issuance, delivery or exercise of the Securities. Currently, net assets tax is not levied in Germany.

#### **5. US withholding tax pursuant to section 871(m) of the U.S. Internal Revenue Code**

Section 871(m) of the U.S. Internal Revenue Code and the provisions issued thereunder stipulate that for certain financial instruments (such as for securities) a withholding tax (of up to 30% depending on the application of double taxation treaties) shall be imposed if the payment (or amount deemed a

payment) on the financial instruments is contingent upon, or determined by reference to, the payment of a dividend from sources within the United States.

Pursuant to these U.S. provisions, certain payments (or amounts deemed payments) under certain equity-linked instruments that refer to the performance of U.S. equities or certain indices that contain U.S. equities, as an underlying or a basket component, shall be treated as "dividend equivalents" and shall be subject to U.S. withholding tax of 30% (or a lower double tax treaty rate). The aforementioned tax liability shall apply even if pursuant to the terms of the securities no actual dividend-related amount is paid or an adjustment is made and thus investors can only determine with difficulty or not at all any connection to the payments to be made in respect of the securities.

It is thus possible that these U.S. provisions also apply to the securities, particularly if an underlying contains dividends from sources within the United States. In such case U.S. withholding tax may be due, pursuant to the relevant U.S. provisions, on payments (or amounts deemed payments) made in respect of Securities issued (or whose features have changed significantly) after 1 January 2017 (however, the implementation rules issued for the U.S. provisions stipulate that the tax liability will be phased in, not commencing until 1 January 2018 for some securities).

The Issuer intends, if possible, to take any tax liability pursuant to section 871(m) into account in original and continuous pricing of the Securities and to comply with the withholding obligation using provisions that are made accordingly. For Securities structured in such a way that expected dividends cannot be factored into original pricing, the Issuer takes the tax liability into account in its continuous adjustment of amounts such as the strike price to dividends paid and other factors. Investors should note that compliance with tax liability in this manner precludes the issue of tax certificates for tax payments rendered for individual investors and that no potential tax refund pursuant to the relevant U.S. provisions may be claimed either. Moreover, a 30% tax rate is generally applied, also when taking account of the tax liability in continuously adjusting amounts, due to the necessity of using a uniform rate for all investors in all cases mentioned.

If, however, an amount of interest, principal or other payments on the Securities is deducted or withheld, neither the Issuer nor any paying agent or other person pursuant to the terms of the Securities would be obliged to pay additional amounts to Securityholders as a result of the deduction or withholding, in which case Securityholders would thus potentially receive less interest or principal than expected. In the worst case, the payments to be made in respect of the Security would be reduced to zero or the amount of tax due would even exceed the payments to be made in respect of the Security (the latter situation may also arise if the securities were to expire worthless and no payment was made to investors).

## B. GENERAL SELLING AND TRANSFER RESTRICTIONS

### 1. Introduction

The distribution of this Prospectus and the offering of the Securities 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 Securities 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 Securities 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 Securities must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder. No Securities, 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 Securities 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), its territories, its possessions and other areas subject to its jurisdiction, 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 *Securities* have not been offered and will not be offered to the public in that *Relevant Member State* except, with effect from and including the *Relevant Implementation Date*, the *Securities* may be offered to the public in that *Relevant Member State*:

- (a) during the period beginning one weekday after the date of publication of this *Prospectus* in relation to the *Securities* which has been approved by the competent authority in that *Relevant Member State* or in another *Relevant Member State* and notified to the competent authority in that *Relevant Member State*, in accordance with the *Prospectus Directive* in each case, and ending on the date which is twelve months after the date of publication, provided that the *Prospectus* is published in relation to these *Securities* no later than the date of the public offer, and were submitted to the competent authority in the *Relevant Member State*;
- (b) to legal persons which are qualified investors within the meaning of the *Prospectus Directive* (as defined below); or
- (c) in other circumstances under Art. 3 (2) of the *Prospectus Directive* (as defined below),

provided that such an offer of *Securities* does not obligate the issuer to publish a prospectus in accordance with Art. 3 of the *Prospectus Directive* (as defined below) or a supplement to the prospectus in accordance with Art. 16 of the *Prospectus Directive* (as defined below).

For the purposes of this provision, an "offer of *Securities* to the public" in relation to any *Securities* 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 *Securities* to be offered so as to enable an investor to decide to purchase or subscribe the *Securities*, if a measure implementing the *Prospectus Directive* in that *Member State* results in deviation; "**Prospectus Directive**" means Directive 2003/71/EC (and amendments, including the *2010 PD Amending Directive* provided it was implemented in the *Relevant Member State*); "**2010 PD Amending Directive**" means Directive 2010/73/EU.

#### 4. **United Kingdom**

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 *Securities* in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer.

All applicable provisions of the FSMA must be complied with in respect to anything carried out in relation to any *Securities* in, from or otherwise involving the United Kingdom.

#### 5. **Italy**

The offering of the *Securities* has not been registered pursuant to Italian securities legislation and, accordingly, no *Securities* may be offered, sold or delivered, nor may copies of this Prospectus or of any other document relating to the *Securities* be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**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 *Securities* or distribution of copies of this Prospectus or any other document relating to the *Securities* in the Republic of Italy under (a) or (b) above must:

- (a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the 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 Banking Act); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the *Securities* on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971.

Failure to comply with such rules may result in the sale of such *Securities* being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

#### 6. **France**

*Offer to the public in France*: the *Securities* will only be offered or sold, directly or indirectly, to the public in France and the Prospectus, and any other offering material relating to the *Securities* will only

be distributed to the public in France in the period beginning on the date of publication of the Prospectus, in accordance with Articles L.412-1 and L.621-8 of the French Monetary and Financial Code (*Code monétaire et financier*) and the *Règlement général* of the *Autorité des marchés financiers*, and ending at the latest within the 12-month period after the date of the visa of the Prospectus;

*Private placement in France:* the Securities will not be offered or sold, directly or indirectly, to the public in France and the Prospectus, and any other offering material relating to the Securities will not be distributed to the public in France, and such offers, sales and distributions will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Monetary and Financial Code (*Code monétaire et financier*).

## 7. **Switzerland**

The offering of the Securities 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 Securities or the distribution of any offering material in Switzerland in respect of such Securities.

## 8. **Luxembourg**

In addition to the cases described in the European Economic Area selling restrictions in respect of an offer of Securities to the public in an EEA Member State (including the Grand Duchy of Luxembourg) ("**Luxembourg**"), an offer of Securities 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 Directive 2003/71/EC (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.

## 9. **General**

The Securities 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 Securities 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 Securities under the laws and regulations in force in any jurisdiction is obtained.

With regard to each issue of Securities, certain other additional restrictions may be set out in the Product Terms.

**Issuer**

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**Paying Agent and Calculation Agent**

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