

SECURITIES NOTE & SUMMARY



Deutsche Bank AG London

Up to 300,000 Certificates linked to a Basket of Emerging Market Indices

Issued under its **X-marketsTM Programme**

Issue Price: USD 100 per Security

WKN/ISIN: DB6HMY / DE000DB6HMY0

The issuer (the “**Issuer**”) of the securities described in this **Prospectus** (consisting of a Registration Document dated 15 May 2006, Securities Note and Summary) is Deutsche Bank AG, Frankfurt am Main, incorporated under the laws of Germany, acting through its London branch (“**Deutsche Bank AG London**”). Deutsche Bank AG London is registered as a foreign company in England and Wales.

The Issuer is authorised to and may issue securities relating to shares and/or indices and/or other securities and/or fund shares and/or commodities and/or foreign exchange rates and/or other assets as part of its general banking business (set out in article 2(1) of the Articles of Association of Deutsche Bank AG). The Issuer has determined to issue up to 300,000 certificates (the “**Securities**”) relating to the index specified above and upon the final terms and conditions set out in the “**Product Conditions**” section of this document and the general terms and conditions set out in this document (the “**General Conditions**”, which together with the Product Conditions shall be referred to as the “**Conditions**”). The Issuer has elected Luxembourg as its home Member State as defined in Directive 2003/71/EC Chapter 1, Article 2(1)(m). References to the term “**Underlying**” shall be construed as references to the Basket specified above.

The Issuer has a right of substitution and a right to change the office through which it is acting, subject as provided in General Condition 8.

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

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 document. The Securities will represent unsubordinated, unsecured contractual obligations of the Issuer which will rank *pari passu* in all respects with each other.

The Securities have not been and will not be and are not required to be registered under the United States Securities Act of 1933, as amended. The Securities may not be offered or sold except to persons located outside the United States. For a description of certain restrictions on the sale and transfer of the Securities, please refer to the General Information section of this document.

The Securities Note and Summary are dated 26 February 2007.

Deutsche Bank The Deutsche Bank logo, which consists of a square with a diagonal line from the bottom-left to the top-right.

IMPORTANT

Deutsche Bank AG, London accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (who has 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.

No dealer, salesman or other person is authorised to give any information or to make any representation other than those contained in this document in connection with the offering or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Agent. None of this document and any further information supplied in connection with the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer that any recipient of this document or any further information supplied in connection with the Securities should purchase any of the Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the risks involved in an investment in the Securities. Neither this document nor any other information supplied in connection with the Securities constitutes an offer by or on behalf of the Issuer or any other person to subscribe for or purchase any Securities, i.e. no subscription agreement or purchase agreement may be effectively concluded in connection with Securities by way of unilateral statement by or on behalf of the subscribing or purchasing party.

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

This document contains forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about our beliefs and expectations. Any statement in this document that states our intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates, and projections as they are currently available to the management of Deutsche Bank. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results of the Issuer or of the Securities to differ materially from those contained in any forward-looking statement.

FORM OF DOCUMENT PUBLICATION

This document, together with the Registration Document dated 15 May 2006 of the Issuer, constitutes a prospectus (the “**Prospectus**”) according to Art. 5 (3) of the Prospectus Directive (Directive 2003/71/EC), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission.

This Prospectus is available, and has been published, in English. In addition, the Summary and possibly other parts of the Prospectus may also have been published in other languages. Investors who wish to receive information in languages other than English should study the translation of the Summary of the Prospectus (and, where applicable, other parts of the Prospectus).

The Prospectus, together with any translations thereof, or of the Summary section of the Prospectus, has been published on the Issuer’s website (www.x-markets.db.com). In addition, the Prospectus, together with any translations thereof, or of the Summary section of the Prospectus, shall be available at the registered office of the Issuer and in Luxembourg at the Issuer’s agent in Luxembourg, Banque de Luxembourg, at 55 rue des Scillas, L-2529, Luxembourg.

Any decision to invest in the Securities should be based on consideration of all the constituent parts of the Prospectus as a whole.

The annual reports and accompanying auditors’ reports for 2004 and 2005 shall also be produced on the Issuer’s web-site (www.db.com).

The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of securities.

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SUMMARY

The information set out below is a summary only and should be read in conjunction with the rest of the Prospectus. This summary is intended to convey the essential characteristics and risks associated with the Issuer and in relation to the Securities, and does not purport to be complete. It is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Accordingly, this summary should be read as an introduction to the Prospectus, and any decision to invest in the Securities should be based on consideration of the Prospectus as a whole by the investor.

Prospective investors should be aware that where a claim relating to the information contained in this Prospectus is brought before a court, the investor making the claim might, under the national legislation of the respective EU member state, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

Civil liability attaches to the Issuer who has tabled the summary including the translation thereof and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

This Summary contains:

Summary of Risk Factors

Summary of Economic Description

Summary of Terms and Conditions of the Offer

Summary of Issuer Description

SUMMARY OF RISK FACTORS

Risk Factors

Issuer Risk Factors

Prospective investors should consider all information provided in the Prospectus and consult with their own professional advisers if they consider it necessary. The following describes risk factors relating to the issuer's ability to meet its obligations under the securities.

Ratings

Ratings assigned to the issuer by certain independent rating agencies are an indicator of the issuer's ability to meet its obligations in a timely manner. The lower the assigned rating is on the respective scale the higher the respective rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner. As of the publication date of this summary, the following ratings were assigned to Deutsche Bank:

Rating Agency	Long-term	Short-term
Standard & Poor's (S&P)	AA-	A-1+
Moody's	Aa3	P-1
Fitch	AA-	F1+

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

Rating of Subordinated Obligations

If Deutsche Bank enters into subordinated obligations these obligations may be rated lower. Deutsche Bank will disclose such ratings of subordinated obligations (if any).

Risks relating to the Securities

An investment in the Securities involves risks. These risks may include, among others, equity market, bond market, foreign exchange, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Prospective purchasers should be experienced with respect to transactions in instruments such as the Securities and in the underlying asset or other basis of reference for the Securities (the "**Underlying**"). Prospective purchasers should understand the risks associated with an investment in the Securities and should only reach an investment decision after careful consideration, with their legal, tax, accounting and other advisers, of (i) the suitability of an investment in the Securities in the light of their own particular financial, tax and other circumstances; (ii) the information set out in this document and (iii) the Underlying.

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 the in the composition or method of calculation of the Underlying, as the return of any such investment will be dependent, *inter alia*, 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.

SUMMARY OF ECONOMIC DESCRIPTION

The Securities represent an investment similar to a direct investment in the Underlying. Like a direct investment, the Securities offer a participation in the performance of the Underlying until one or more specified final valuation day(s). However, in contrast to a direct investment, if the amount of cash determined is equal to or less than a specified minimum amount, the cash amount payable at settlement will be equal to that specified minimum amount.

SUMMARY OF TERMS AND CONDITIONS OF THE OFFER

This section is a brief overview of the Product Conditions as set out subsequently. It is not a complete description of the Securities and should be read in conjunction with, and is subject to, the Product Conditions, the General Conditions and all other sections of this document.

Issuer:	Deutsche Bank AG, Frankfurt am Main, acting through its London branch (Deutsche Bank AG London).
Number of Securities:	Up to 300,000 Certificates. The actual amount of Securities issued will correspond to the sum of all valid subscriptions or orders received by the Issuer.
Issue Price:	USD 100 per Security.
Offer Price	USD 100 per Security, inclusive of a placement fee of 1 per cent or lower, being the price of the Securities fixed at the end of the Subscription Period.
Underlying:	Basket of indices (each a "Basket Constituent") consisting of Kuala Lumpur Stock Exchange Composite Index (Bloomberg KLCI Index) Morgan Stanley Capital International Taiwan Index (Bloomberg TWY Index) Hang Seng China Enterprises Index (Bloomberg HSCEI Index) Morgan Stanley Capital International Singapore Cash Index (Bloomberg SGY Index)
Issue Date:	9 March 2007.
Initial Reference Level:	Means, subject to adjustment in accordance with Product Condition 4, an amount equal to the Reference Level on the Initial Reference Valuation Date.
Initial Reference Valuation Date:	7 March 2007.
Final Reference Level:	Means, subject to adjustment in accordance with Product Condition 4, an amount equal to the Reference Level on the Valuation Date.
Valuation Date:	Means the Exercise Date.
Exercise Date:	20 March 2008.
Settlement:	Cash Settlement.
Cash Settlement Amount:	Means, with respect to each Security, an amount determined by the Calculation Agent as follows: $\text{USD } 100 \times [\text{Protection Factor} + \text{Participation Factor} \times \text{Max}(0; \text{Final Reference Level} - \text{Initial Reference Level}) \times \text{Multiplier}]$ subject to a minimum of 96.75 per cent. The Redemption Cash Amount will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards.
Multiplier:	Means 1, subject to adjustment in accordance with Product Conditions 4.
Protection Factor:	Means 96.75 per cent, subject to adjustment in accordance with Product Condition 4.
Participation Factor:	Means 100 per cent, subject to adjustment in accordance with Product Condition 4.
Reference Level:	Means, in respect of any day, subject to adjustment in accordance with Product Condition 4, an amount determined by the Calculation Agent equal to the sum of the products for each Basket Constituent of: <ol style="list-style-type: none">1) the Basket Constituent Level for each Basket Constituent on any day or, if such day is not a Trading Day, the first succeeding Trading Day; and2) the Basket Constituent Weight of each Basket Constituent on such day As a formula:

$$\text{Reference Level } t = \sum_i^n P_{i,t} \times BCW_{i,t}$$

where:

- n = number of Basket Constituents in the Basket
 $P_{i,t}$ = the Basket Constituent Level i on day t
 $BCW_{i,t}$ = Basket Constituent Weight i on day t.

Basket Constituent Weight:	Means in relation to each Basket Constituent and subject to adjustment in accordance with Product Condition 4, a number equal to the quotient of: 1) the relevant Basket Constituent Percentage Weight (as numerator); and 2) the Basket Constituent Level on the Initial Reference Valuation Date or, if such day is not a Trading Day, the first succeeding Trading Day (as denominator).
Settlement Currency:	United States Dollar (“USD”).
Settlement Date:	Means, in respect of a Security and the Exercise Date, the fifth Business Day following the Valuation Date.
Listing and Admission to Trading:	Application has been made to list the Securities on the Official List of the Luxembourg Stock Exchange and traded on the regulated market of the Luxembourg Stock Exchange, which is a regulated market for the purposes of Directive 2004/39/EC.
Calculation Agent:	The Issuer shall act as the Calculation Agent.
Principal Agent:	Deutsche Bank AG London.
ISIN:	DE000DB6HMY0
WKN:	DB6HMY
Common Code:	028717717.

Post-issuance Information

The Issuer does not intend to provide any post-issuance information in relation to any underlying assets.

The Subscription Period

Applications to subscribe for the Securities in Italy may be made from 28 February 2007 until 7 March 2007 (the “Primary Market End Date”) as described in Country Specific Information, paragraph 2 below.

Cancellation of the Issuance of the Securities

The issuer reserves the right for any reason to cancel the issuance of the Securities.

Early Closing of the Subscription of the Securities

In accordance with the section titled “Country Specific Information”, paragraph 2, the Issuer reserves the right for any reason to close the subscription period early.

SUMMARY OF ISSUER DESCRIPTION

History and Development of the Bank

Deutsche Bank Aktiengesellschaft originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main (telephone: +49-69-910-00) and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

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

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

Deutsche Bank operates through three group divisions:

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

Global Markets comprises all origination, sales, trading and research in securities.

Global Banking handles all financial requirements of companies including loans, M&A advisory services, trade and export finance and cash management services.

Private Clients and Asset Management (PCAM) comprises the following businesses:

Private & Business Clients serves private and business clients in seven countries in Europe and provides them with comprehensive and integrated financial solutions both for their private and business requirements.

Private Wealth Management pursues an integrated holistic business model to cater for the complex needs of high net worth clients, their families and selected institutions.

Asset Management combines asset management for institutional clients and private investors. It offers products in equities, bonds and real estate.

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

Selected Financial Information

As of 30 September 2006, Deutsche Bank's issued share capital amounted to Euro 1,334,735,508.48 consisting of 521,381,058 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quota-

tion on all the German Stock Exchanges. They are also listed on the New York Stock Exchange. The Management Board has decided to pursue delisting on certain stock exchanges other than Germany and New York in order to benefit from the integration of financial markets. In respect of the stock exchanges Amsterdam, Brussels, London, Luxembourg, Paris, Vienna, Zurich and Tokyo, this decision has completely been implemented.

RISK FACTORS

A. PRODUCT SPECIFIC RISK FACTORS

The discussion below is intended to describe various risk factors associated with an investment in the certificates (the "**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. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the Issuer does not represent that the statements below regarding risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this document and reach their own views prior to making any investment decision.

Prospective investors should also consider carefully the description of the Underlying (as defined below) in the sections "Product Conditions" and "Information relating to the Underlying" and the further information which is available in relation to the Underlying (which may include additional risk factors).

Introduction

An investment in the Securities involves risks. These risks may include, among others, equity market, bond market, foreign exchange, interest rate, market volatility and economic, political and regulatory risks and any combination of these and other risks. Some of these are briefly discussed below. Prospective purchasers should be experienced with respect to transactions in instruments such as the Securities and in the underlying asset or other basis of reference for the Securities (the "**Underlying**"). Prospective purchasers should understand the risks associated with an investment in the Securities and should only reach an investment decision after careful consideration, with their legal, tax, accounting and other advisers, of (i) the suitability of an investment in the Securities in the light of their own particular financial, tax and other circumstances, (ii) the information set out in this document and (iii) the Underlying.

The Securities may decline in value and investors should be prepared to sustain a loss of their investment in the Securities.

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 Underlying, as the case may be, as the return of any such investment will be dependent, *inter alia*, 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.

Risk Factors are set out under the headings (A) Product Specific Risk Factors, (B) General Risk Factors relating to the Securities and (C) Market Factors. In addition prospective investors should also review the section headed "Conflicts of Interest"

1. Rights under the Securities

The certificates (the "**Securities**") represent the right to receive payment of a cash amount at settlement, which will reflect the product of (a) the value or the average value of an underlying asset or other basis of reference (the "**Underlying**") to which the Securities are linked on one or more specified final valuation day(s) and (b) a specified multiplier, subject to a specified minimum amount. The payment of cash at settlement is subject to deduction of certain taxes, duties and/or expenses.

Prospective investors should note that the return they will receive for their investment will depend on the value or average value of the Underlying on the specified final valuation day(s). If such value is less than the value of the Underlying at or around issuance of the Securities and if the minimum cash amount is lower than the price which the investor has paid for the Securities, investors that have bought the Securities at their issue date and held them for their entire term will suffer a loss with their investment. An investment in the Securities involves a number of risks which may include, without limitation, a similar market risk to a direct investment in the Underlying and investors should take advice accordingly.

In each case, the cash amount payable at settlement is subject to deduction of certain taxes, duties and/or expenses.

B. GENERAL RISK FACTORS RELATING TO THE SECURITIES

1. No payments until settlement

Prospective investors should note that no periodic interest payments or other distributions will be made during the term of the Securities. 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. However, investors should note the risk factors described under the headings "Market value" and "The Securities may be Illiquid" below in this regard.

2. Early termination for extraordinary reasons, illegality and force majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Securities has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Securities for any reason, the Issuer may at its discretion and without obligation terminate early the Securities. If the Issuer terminates early the Securities, 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 notwithstanding the illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements.

3. Market disruption events, adjustments and early termination of the Securities

If so indicated in the Conditions, the calculation agent may determine that a market disruption event has occurred or exists at a relevant time. Any such determination may delay valuation in respect of the Underlying which may have an effect on the value of the Securities and/or may delay settlement in respect of the Securities.

In addition, if so indicated in the Conditions, the calculation agent may make adjustments to the Conditions to account for relevant adjustments or events in relation to the Underlying including, but not limited to, determining a successor to the Underlying or its issuer or its sponsor, as the case may be. In addition, in certain circumstances, the Issuer may terminate early the Securities following any such event. In this case, in relation to each Security, the Issuer will pay an amount, if any, determined as provided in the Conditions.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities and what constitutes a market disruption event or relevant adjustment event.

4. 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 General Condition 6 and payment and/or delivery 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 Product 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.

5. Exercise or delivery notice and certifications

If the Securities are subject to provisions concerning delivery of an exercise or delivery notice and such notice is received by either the relevant principal agent with a copy to the clearing agent after the latest time specified in the Conditions, it will not be deemed to be duly delivered until the next following business day. Such deemed delay may in the case of cash settled Securities increase or decrease the cash amount payable at settlement from what it would have been but for such deemed delivery. In the case of Securities which are exercisable on one day only or only during an exercise period, any exercise notice, if not delivered by the latest time specified in the Conditions, shall be void.

The failure to deliver any certifications required by the Conditions could result in the loss or inability to receive amounts or deliveries otherwise due under the Securities. Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

Securities not exercised in accordance with the Conditions will expire worthless. Prospective purchasers should review the Conditions to ascertain whether the Securities are subject to automatic exercise, and when and how an exercise notice may be validly delivered.

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 Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of such cash settled Securities arising from, as described below, any daily maximum exercise limitation or, as described below, upon the determination by the calculation agent that a market disruption event has occurred at any relevant time. The applicable cash amount could decrease or increase from what it would have been but for such delay.

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

7. Maximum exercise amount

If so indicated in the Conditions for any Securities that are exercisable by the holders thereof on more than a single date, the Issuer will have the option to limit the number of Securities exercisable on any date (other than the final exercise date) to the maximum number so specified and, in conjunction with such limitation, to limit the number of Securities exercisable by any person or group of persons (whether or not acting in concert) on such date. In the

event that the total number of Securities being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer has elected to limit the number of Securities exercisable on such date, a holder of Securities may not be able to exercise on such date all the Securities that it desires to exercise. In any such case, the number of Securities to be exercised on such date will be reduced until the total number of Securities exercised on such date no longer exceeds such maximum (unless the Issuer otherwise elects), such Securities being selected as specified in the Conditions. Securities tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Securities may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

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

8. Minimum exercise amount

If so indicated in the Conditions for any Securities that are exercisable by the holders thereof, a holder of Securities must tender or hold a specified minimum number of the Securities at any one time in order for the Securities to be exercised. Thus holders with fewer than the specified minimum number of such Securities will either have to sell their Securities or purchase additional Securities, incurring transaction costs in each case, in order to realise a return on their investment, and may incur the risk that the trading price of the Securities at that time is different from, in the case of Securities settled in cash, the applicable cash amount and/or, in the case of Securities settled by way of physical delivery, the value of the applicable Underlying, in each case upon exercise.

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

9. Option to settle in cash or by physical delivery

If so indicated in the Conditions, the Issuer will have the option to settle in cash or by physical delivery. Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

10. Re-offer Price

The Issuer may enter into distribution agreements with various financial institutions and other intermediaries as determined by the Issuer (collectively the "**Selling Agents**"). The Selling Agents 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 Selling Agents have agreed to bear certain costs in connection with the issue of the Securities. A periodic fee may be payable to the Selling Agents in respect of all outstanding Securities up to and including the Expiry Date at a rate as determined by the Issuer. Such rate may vary from time to time. The Selling Agents will agree to comply with the selling restrictions set out in this document as amended and supplemented by the additional selling restrictions set out in the relevant distribution agreements and final terms of the prospectus.

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.

C. MARKET FACTORS

1. Market Factors

1.1 *Valuation of the Underlying*

An investment in the Securities involves risk regarding the value of the Underlying. The value of the Underlying 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.

1.2 *The historical performance of the Underlying is not an indication of future performance*

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

1.3 *The basis of calculating the level of the Underlying may change over time*

The basis of calculating the level of the Underlying may from time to time be subject to change (as described in *Information relating to the Underlying*) which may affect the market value of the Securities at any time and therefore the cash amount payable on settlement.

1.4 *The value of the constituents of the Underlying will affect its value*

The value of the Underlying on any day will reflect the value of its constituents on such day. 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 will affect the value of the Underlying and therefore may affect the return on an investment in the Securities. Fluctuations in the value of any one constituent may be offset or intensified by fluctuations in the value of other constituents. The historical value (if any) of the constituents does not indicate their future performance. Where the value of the constituents is determined in a different currency to the value of the Underlying, 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. 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.

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.

1.6 *Interest rate risk*

An investment in the Securities may involve interest rate risk where there are fluctuations in the interest rate 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 Underlying. 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. If the value of the Underlying falls and/or there is a market perception that the value of the Underlying is likely to fall during the remaining life of the Securities, all other factors being equal, the market value of the Securities will under normal conditions also fall, subject to any minimum redemption amount. If the value of the Underlying rises and/or there is a market perception that the value of the Underlying is likely to rise during the remaining life of the Securities, all other factors being equal, the market value of the Securities will under normal conditions also rise, subject to any maximum redemption amount.

Other factors which may influence the market value of the Securities include interest rates, potential dividend or interest payments in respect of the Underlying changes in the method of calculating the level of the Underlying from time to time and market expectations regarding the future performance of the Underlying and the Securities.

The value of the Underlying on any day will reflect the value of its constituents on such day. 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, will affect the value of the Underlying and therefore may affect the market value of the Securities. Fluctuations in the value of any one constituent may be offset or intensified by fluctuations in the value of other constituents.

3. 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 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 and the composition of the Underlying 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. 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.

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

4. 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. If so specified in this document, 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.

If the Securities are not listed or quoted or admitted to trading on any stock exchange or quotation system, pricing information for the Securities may be more difficult to obtain and the liquidity of the Securities may be adversely affected. The liquidity of the Securities may also be affected by restrictions on offers and sales of the Securities in some jurisdictions.

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, 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.

5. Creditworthiness of the Issuer

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Any reduction in the creditworthiness of the Issuer could result in a reduction in the value of the Securities. If a bankruptcy proceeding is commenced in respect to the Issuer, the return to a Securityholder may be limited and any recovery will likely be substantially delayed.

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.
2. 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, agent and/or index sponsor. Such functions can allow the Issuer to determine the composition of the Underlying or to calculate its value, 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 of such securities or assets.
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 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 (i) at or about the time of the maturity or expiration of the Securities or (ii), 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 loading charges, 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.
6. Market-Making for the Securities: The Issuer, or an agent on its behalf, may 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 of the Securities are to be subtracted from the cash amount (including management, transaction or other fees charged on the basis of the Product 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. above), and by dividends paid or received by 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 Product 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 and for dividends and other proceeds of the Underlying which, due to the Securities' design, are economically attributable to the Issuer, which often are not subtracted when the Underlying, or its constituents, are traded "ex dividend", but at an early stage of the Securities' 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.

Subsequently, 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.

7. 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.
8. 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.
9. 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, 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.

ECONOMIC DESCRIPTION

The information contained in this section is intended to provide a general description of the Securities. It is qualified by the more detailed explanation set forth in the sections "Product Conditions" and "General Conditions" of this Prospectus, which constitute the legally binding conditions of the Securities as attached to the global security. Prospective investors should read carefully and understand the "Product Conditions" and "General Conditions" before making any decision to invest in the Securities. The Product Conditions specify among other things:

- *Whether the Securities will be exercised automatically or not;*
- *If the Securities are not exercised automatically, the procedure and deadlines for exercising the Securities, and the consequences if the investor does not exercise the Securities in time;*
- *How and when the value of the Underlying is determined for the purposes of valuation of the Securities; and*
- *How the cash amount payable or asset(s) deliverable at settlement will be determined (including, without limitation, whether a multiplier will be applied).*

Defined terms used in this Economic Description are more fully defined in the section "Product Conditions" of this Prospectus.

1. Rights under the Securities

The certificates (the "**Securities**") represent the right to receive payment of a cash amount at settlement, which will reflect the product of (a) the value or average value of a basket of underlying assets or other bases of reference (the "**Underlying**") to which the Securities are linked on one or more specified final valuation day(s) and (b) a specified multiplier, subject to a specified minimum amount. The payment of cash at settlement is subject to deduction of certain taxes, duties and/or expenses.

The Underlying is a basket consisting of indices. Accordingly, the value of the Underlying basket at any time reflects the sum of the value of each basket constituent multiplied by its weighting in the basket.

2. Economic nature of the Securities

The Securities represent an investment similar to a direct investment in the Underlying. Like a direct investment, the Securities offer a participation in the performance of the Underlying until one or more specified final valuation day(s). However, in contrast to a direct investment, if the amount of cash so determined is equal to or less than a specified minimum amount, the cash amount payable at settlement will be equal to that specified minimum amount.

Investors that buy the Securities at their issue date and hold the Securities for the entire term achieve a positive return on their initial investment when the value or average value of the Underlying on the specified final valuation day(s) exceeds the value or average value of the Underlying at or about the date of issuance of the Securities. If the value or average value of the Underlying on the specified final valuation day(s) is less than the value or average value of the Underlying at or about the time of issuance of the Securities, investors that have bought the Securities at their issue date and hold them for their entire term will suffer a loss.

The Securities do not provide a guarantee of the right to receive payment of a cash amount or for the right to receive repayment of the issue price. As described above, the value of any cash amount payable to the investor at settlement depends on (a) the value or average value of the Underlying on one or more specified final valuation day(s) and (b) the value of the

specified multiplier and (c) the specified minimum amounts. In particular there are no periodic interest payments or other distributions (e.g. dividends) payable during the term of the Securities. Accordingly, investors may only receive a positive return on their initial investment if the cash amount received at settlement or after a sale of the Securities in the secondary market during their term exceeds the price originally paid for the Securities. Investors will not receive any amounts paid by way of interest or other distributions (e.g. dividends) from time to time paid by or in respect of the Underlying and will not have any rights against the issuer of the Underlying, any constituents of the Underlying or the issuer of any such constituents.

3. Market Value of the Securities during their term

The market value of the Securities during their term depends primarily on the value of the Underlying. If the value of the Underlying falls and/or there is a market perception that the value of the Underlying is likely to fall during the remaining life of the Securities, all other factors being equal, the market value of the Securities will be expected to fall. If the value of the Underlying rises and/or there is a market perception that the value of the Underlying is likely to rise during the remaining life of the Securities, all other factors being equal, the market value of the Securities will be expected to rise.

Other factors which may influence the market value of the Securities include interest rates, potential dividend or interest payments in respect of the Underlying, changes in the method of calculating the level of the Underlying from time to time and market expectations regarding the future performance of the Underlying and the Securities.

The value of the Underlying on any day will reflect the value of its constituents on such day. Changes in the composition of the Underlying and factors (including those described above) which either affect or may affect the value of the constituents, will affect the value of the Underlying and therefore may affect the return on an investment in the Securities. Fluctuations in the value of any one constituent may be offset or intensified by fluctuations in the value of other constituents.

If, following the purchase of any Securities, the market value of the Securities falls below the purchase price paid for such Securities, investors should not expect the market value of the Securities to increase to or above the purchase price paid by the investor during the remainder of the term of the Securities.

TERMS OF THE OFFER

Number of Securities

Up to 300,000 Securities will be issued. Information on the actual amount and the results of the offer will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu).

The Subscription Period

Applications to subscribe for the Securities may be made from 28 February 2007 until 7 March 2007 (the "Primary Market End Date") as described in the section titled "Country Specific Information" below, paragraph, 2.

Early Closing of the Subscription of the Securities

In accordance with the section titled "Country Specific Information" below, in paragraph 2, the Issuer reserves the right for any reason to close the subscription period early.

Delivery of the Securities

The Securities will be delivered against payment of the Issue Price, in accordance with applicable law and any rules and procedures for the time being of any clearing agent through whose books any of the Securities are transferred. Investors purchasing Securities will receive delivery of them through an account with a financial institution that is a member of one of the respective clearing agents.

Use of Proceeds

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

GENERAL INFORMATION

General Taxation Information

1. General

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 in addition to the issue price or purchase price (if different) of the Securities.

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.

For more specific information on the tax consequences please see the appropriate Country Specific Information.

General Condition 6 (Taxation) in the General Conditions should also 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. Luxembourg Taxation

The following summary is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the 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.

(i) 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-residents 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.

However, under the Luxembourg laws of 21 June 2005 (the **Laws**), implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the **Territories**), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 15% during the first three-year period starting 1 July 2005, at a rate of 20% for the subsequent three-year period and at a rate of 35% thereafter. 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 Laws would at present be subject to withholding tax of 15%.

(ii) 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 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 Luxembourg law of 23 December 2005 (the **Law**) payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 10%. 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 Law would be subject to withholding tax of 10%.

3. Stamp Duty and Withholding Tax in Germany

The following paragraphs, which are intended as a general guide on stamp duty and withholding tax only, are based on current legislation and German tax authority practice. They summarise certain aspects of German taxation only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold, transfer or redeem the Securities. In particular, this general summary does not consider any specific facts or circumstances that may apply to a particular purchaser. Potential purchasers of the Securities who are in any doubt about their tax position on purchase, ownership, transfer or exercise or non-exercise or redemption, as the case may be, of any Security should consult their own tax advisers.

The purchase or sale of a Security is not subject to stamp, value added or similar taxes or charges in Germany, regardless of the place of issuance, execution and delivery of the Security.

Payments in respect of interest (if any) made in respect of a Security to its holder if made by an Agent having its specified office in Germany or any other financial institution in Germany or if made by the Issuer from Germany may be subject to withholding tax. For a more detailed description of the German withholding tax position the appropriate Country Specific Information should be considered carefully.

4. Stamp Duty and Withholding Tax in the United Kingdom

The following paragraphs, which are intended as a general guide on stamp duty and withholding tax only, are based on current legislation and United Kingdom Inland Revenue practice. They summarise certain aspects of United Kingdom taxation only which may be applicable to the Securities but do not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase, hold, transfer or redeem the Securities. In particular, this general summary does not consider any specific facts or circumstances that may apply to a particular purchaser. Potential purchasers of the Securities who are in any doubt about their tax position on purchase, ownership, transfer or exercise or non-exercise or redemption, as the case may be, of any Security should consult their own tax advisers.

A purchaser of a Security may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the purchase price of such Security.

Potential purchasers of the Securities should note that the Global Security may constitute an instrument which is subject to United Kingdom stamp duty on issue by reference to the amount of the consideration paid or the value of the Security. However, the Global Security will be executed and delivered outside the United Kingdom and should not be brought into

the United Kingdom save for the purposes of enforcement. So long as the Global Security is held outside the United Kingdom, it will not be necessary to pay United Kingdom stamp duty or interest or penalties in connection therewith. However, if the Global Security were brought into the United Kingdom (for example, for enforcement purposes), United Kingdom stamp duty may be required to be paid on the Global Security (subject to the availability of exemptions and reliefs). In addition, where the Global Security is executed outside the United Kingdom is subsequently brought into the United Kingdom and stamped, interest on the amount of the unpaid stamp duty will be payable in addition to the stamp duty in respect of the period from the expiry of 30 days from the date of execution of the Global Security to the date of stamping, unless the Global Security is stamped within 30 days of execution, in which case no interest is payable. No penalties are payable where the Global Security is executed outside the United Kingdom and subsequently brought into the United Kingdom and stamped, provided the Global Security is stamped within 30 days of being brought into the United Kingdom. If the Global Security is subject to United Kingdom stamp duty, it would be inadmissible in evidence in civil (as opposed to criminal) proceedings in an English court unless duly stamped.

The comments above relate to United Kingdom stamp duty on issue only.

Any interest payable on the Securities, any original issue discount in respect of the Securities and/or any proceeds on redemption or exercise of the Securities will not be subject to United Kingdom withholding tax.

These General Conditions relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions set out in this document. The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.

General Selling and Transfer Restrictions

1. General

The distribution of this document and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document 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**”). No Securities, or interests therein, may at any time be offered, sold, resold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person or to others for offer, sale, resale 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. As used herein, “**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 CFTC’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 Securities Act or in regulations adopted under the Commodity Exchange Act.

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) in (or in Germany, where the offer starts within) the period beginning on the date of publication of the Prospectus, where such Prospectus has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of publication of the Prospectus;

(b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or

(d) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression 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, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression **Prospectus Directive** means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

4. United Kingdom

(a) An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act ("**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, if the Issuer was not an authorised person, apply to the Issuer; and

(b) 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.

Publication of Prospectus

The elements of this Prospectus shall be published on the Issuer's website and on website of the Luxembourg Stock Exchange.

These websites can be found at:

Party	"URL"
Issuer	www.x-markets.db.com
Luxembourg Stock Exchange	www.bourse.lu

In addition, the Prospectus, shall be available at the registered office of the Issuer and in Luxembourg at the Issuer's agent in Luxembourg, Banque de Luxembourg, at 55, rue des Scillas, L-2529, Luxembourg.

PRODUCT CONDITIONS

These Product Conditions relate to the Securities and must be read in conjunction with, and are subject to, the General Conditions set out in this document. The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.

1. Definitions

"**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;

"**Agent**" means, subject to the provisions of General Condition 5, Deutsche Bank AG, acting through its principal office in Frankfurt am Main (the "**Principal Agent**") and through its branch office in London (Deutsche Bank AG London) , (each an "**Agent**" and together the "**Agents**");

"**Basket**" means a basket of assets comprised as follows:

<i>Type of Basket Constituent</i>	<i>Name of Basket Constituent</i>	<i>Sponsor or Issuer of Basket Constituent</i>	<i>Reference Source</i>	<i>Basket Constituent Percentage Weight</i>	<i>Reference Level determination</i>	<i>Security Code / ISIN of Basket Constituent</i>
Index	Kuala Lumpur Stock Exchange Composite Index	Kuala Lumpur Stock Exchange	Kuala Lumpur Stock Exchange	25%	Closing Price	KLCI Index
Index	Morgan Stanley Capital International Taiwan Index	MSCI Barra	Taiwan Stock Exchange	25%	Closing Price	TWY Index
Index	Hang Seng China Enterprise Index	Hong Kong Stock Exchange	Hong Kong Stock Exchange	25%	Closing Price	HSCEI Index
Index	Morgan Stanley Capital International Singapore Cash Index	MSCI Barra	Singapore Stock Exchange	25%	Closing Price	SGY Index

"Basket Constituent" means each of the assets as defined in "Basket" above, subject to adjustment in accordance with Product Conditions 4;

"Basket Constituent Level" means in respect of any day, subject to adjustment in accordance with Product Condition 4, an amount equal to the price or level of the Basket Constituent determined in the manner as defined in the column "Reference Level determination" in "Basket" above, all as determined by the Calculation Agent;

"Basket Constituent Weight" means in relation to each Basket Constituent and subject to adjustment in accordance with Product Condition 4, a number equal to the quotient of:

- 1) the relevant Basket Constituent Percentage Weight (as numerator); and
- 2) the Basket Constituent Level on the Initial Reference Valuation Date or, if such day is not a Trading Day, the first succeeding Trading Day (as denominator);

"Basket Constituent Percentage Weight" means, in relation to each Basket Constituent, a number as defined for such Basket Constituent in the column "Basket Constituent Percentage Weight" in "Basket" above;

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Tokyo, New York and a day on which each Clearing Agent is open for business and for the purpose of making payments in euro a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system is open;

"Calculation Agent" means the Issuer, subject to the provisions of General Condition 5;

"Cash Settlement Amount" means, with respect to each Security, an amount determined by the Calculation Agent as follows:

$$\text{USD } 100 \times [\text{Protection Factor} + \text{Participation Factor} \times \text{Max} (0; \text{Final Reference Level} - \text{Initial Reference Level}) \times \text{Multiplier}]$$

subject to a minimum of 96.75 per cent. The Cash Settlement Amount will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

"Clearing Agent" means Euroclear Bank S.A./N.V., as operator for the Euroclear System, 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 General Condition 4 (each a **"Clearing Agent"** and together the **"Clearing Agents"**, which term will include any depositary holding the Global Security on behalf of the Clearing Agent);

"Exercise Date" means 20 March 2008 or, if such day is not a Business Day, the first succeeding Business Day;

"Final Reference Level" means, subject to adjustment in accordance with Product Condition 4 and as provided in the definition of "Valuation Date", an amount equal to the Reference Level on the Valuation Date as determined by the Calculation Agent and without regard to any subsequently published correction(s);

"Following Business Day Convention" means, in relation to the Settlement Date if such date would otherwise be a day which is not a Business Day, then such day will be postponed to the next day that is a Business Day;

"Global Security" has the meaning ascribed thereto in Product Condition 2;

"Initial Reference Level" means, subject to adjustment in accordance with Product Condition 4 and as provided in the definition of "Initial Reference Valuation Date", an amount equal to the Reference Level on the Initial Reference Valuation Date as determined by the Calculation Agent and without regard to any subsequently published correction(s);

"Initial Reference Valuation Date" means 7 March 2007 or, if such day is not a Trading Day, the next following Trading Day unless, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on such day. If there is a Market Disruption Event on such

day, then the Initial Reference Valuation Date shall be the first succeeding Trading Day on which there is no Market Disruption Event. If the first succeeding Trading Day on which there is no Market Disruption Event has not occurred by the eighth Trading Day immediately following the original date which, but for the occurrence of a Market Disruption Event, would have been the Initial Reference Valuation Date, then (A) that eighth Trading Day shall be deemed to be the Initial Reference Valuation Date notwithstanding the Market Disruption Event and (B) the Calculation Agent shall determine the Reference Level for the Initial Reference Valuation Date by determining the price or level of the Underlying that would have prevailed but for the occurrence of a Market Disruption Event as of that eighth Trading Day having regard to the then prevailing market conditions, the last reported, published or traded level or price of the Underlying and, if applicable, of each asset included in the Underlying and such other factors as the Calculation Agent considers relevant;

"Issue Date" means 9 March 2007;

"Issuer" means Deutsche Bank AG, Frankfurt am Main, acting through its London branch (Deutsche Bank AG London);

"Market Disruption Event" means each event specified to be a Market Disruption Event in Product Condition 4;

"Multiplier" means 1, subject to adjustment in accordance with Product Condition 4;

"Participation Factor" means 100 per cent, subject to adjustment in accordance with Product Condition 4;

"Protection Factor" means 96.75 per cent, subject to adjustment in accordance with Product Condition 4;

"Primary Market End Date" means 7 March 2007;

"Reference Level" means, in respect of any day, subject to adjustment in accordance with Product Condition 4, an amount determined by the Calculation Agent equal to the sum of the products for each Basket Constituent of:

- 1) the Basket Constituent Level for each Basket Constituent on any day or, if such day is not a Trading Day, the first succeeding Trading Day; and
- 2) the Basket Constituent Weight of each Basket Constituent on such day

As a formula:

$$\text{Reference Level } t = \sum_i^n P_{i,t} \times BCW_{i,t}$$

where:

- n = number of Basket Constituents in the Basket
- P_{i,t} = the Basket Constituent Level i on day t
- BCW_{i,t} = Basket Constituent Weight i on day t;

"Reference Source" means the reference source or reference sources specified in the table under the definition of "Basket" above, or any successor to any such reference source acceptable to the Calculation Agent, as determined by the Calculation Agent;

"Securities" means up to 300,000 certificates relating to the Underlying represented by the Global Security and each a "Security";

"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 (i) the exercise of such Security and/or (ii) any payment and/or delivery due following exercise or otherwise in respect of such Security;

"**Settlement**" means cash settlement ("**Cash Settlement**");

"**Settlement Currency**" means United States Dollar ("**USD**");

"**Settlement Date**" means in respect of a Security and the Exercise Date, the fifth Business Day following the Valuation Date;

"**Trading Day**" means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day for each Reference Source, provided that trading day shall mean, for any Reference Source which is an exchange, a trading system or a quotation system, any day on which such Reference Source is open for trading other than a day on which trading on any such Reference Source is scheduled to close prior to its regular weekday closing time;

"**Underlying**" means the Index basket as defined in "Basket" above;

"**Valuation Date**" means the Exercise Date or, if such day is not a Trading Day, the next following Trading Day unless, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on such day. If there is a Market Disruption Event on such day, then the Valuation Date shall be the first succeeding Trading Day on which there is no Market Disruption Event. If the first succeeding Trading Day on which there is no Market Disruption Event has not occurred by the eighth Trading Day immediately following the original date which, but for the occurrence of a Market Disruption Event, would have been the Valuation Date, then (A) that eighth Trading Day shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event and (B) the Calculation Agent shall determine the Reference Level for the Valuation Date by determining the price or level of the Underlying that would have prevailed but for the occurrence of a Market Disruption Event as of that eighth Trading Day having regard to the then prevailing market conditions, the last reported, published or traded level or price of the Underlying and, if applicable, of each asset included in the Underlying and such other factors as the Calculation Agent considers relevant.

Terms with initial capital letters which are not defined in these Product Conditions shall have the meanings ascribed to them in the General Conditions.

2. Form

The Securities are represented by a global security (the "**Global Security**") which will, if deposited with a Clearing Agent in Germany, be in bearer form for the purposes of German law. The Global Security has been deposited with the Clearing Agent. No definitive Securities will be issued.

The Securities are transferable in accordance with applicable law and any rules and procedures for the time being of any Clearing Agent through whose books any of the Securities are transferred.

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 terms "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly) for all purposes.

3. Exercise Rights and Exercise Procedure

3.1. Exercise

Each Security will be exercised automatically on the Exercise Date and the provisions of Product Condition 3.2 shall apply. The expressions "exercise", "due exercise" and related expressions shall be construed to apply to any Securities which are automatically exercised on the Exercise Date in accordance with this provision. No Securityholder will be required to complete an Exercise Notice

3.2. *Settlement*

Each Security entitles its holder to receive from the Issuer, the Cash Settlement Amount less any Securityholder Expenses for value on the Settlement Date.

Subject as provided below, payment of the Cash Settlement Amount will be made by an Agent on behalf of the Issuer by credit or transfer to the relevant Clearing Agent for the account of the relevant Securityholder, such payment to be made in accordance with the rules of such Clearing Agent.

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. Each of the persons shown in the records of a Clearing Agent as the holder of a particular number 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 relevant Clearing Agent.

All payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment and subject to the provisions of General Conditions 6.

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

3.3. *General*

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. The purchase and/or holding of Securities does not confer on any holder of any Securities any rights (whether in respect of voting, distributions or otherwise) in relation to the Underlying or any asset of any kind whatsoever by reference to which the Cash Settlement Amount is calculated.

3.4 *Securityholder Expenses*

In respect of each Security, all Securityholder Expenses in respect thereof shall be for the account of the relevant Securityholder and where any Cash Settlement Amount and/or other amount in respect of a Security is payable no payment shall be made until all Securityholder Expenses in respect thereof have been paid to the satisfaction of the Issuer.

3.5 *Exercise and Settlement Risk*

Exercise and settlement 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. Adjustment Provisions

4.1 Indices

4.1.1 Definitions:

"**Affiliate**" is as defined in Product Condition 1;

"**Index**" means (i) the or, as the case may be, each index specified in the definition of "Underlying" or "Basket", as the case may be, in Product Condition 1 (each a "**Principal Index**") and (ii) any index included in any Principal Index, or used for the calculation or determination of any Principal Index or any Index Constituent thereof (a "**Sub-Index**");

"**Index Constituent**" means any security or other asset or reference value (other than a Sub-Index) constituting an Index at a relevant time;

"**Index Sponsor**" means (i) in relation to a Principal Index, the sponsor specified for such Principal Index in the definition of "Underlying" or "Basket", as the case may be, in Product Condition 1 and (ii) in relation to a Sub-Index, the entity determined by the Calculation Agent to be principally responsible for the determination and publication of such Sub-Index, provided that, in either case all references to an Index Sponsor shall include any Successor Sponsor (as defined below);

"**Reference Currency**" (i) in relation to a Principal Index, is as defined in Product Condition 1 or, if not defined in Product Condition 1, is the Settlement Currency and (ii) in relation to an Index Constituent or a Sub-Index, is the currency in which the Index Constituent or Sub-Index is denominated or quoted or with which it is most closely connected, as determined by the Calculation Agent;

"**Reference Level**" is as defined in Product Condition 1;

"**Reference Source**" (i) in relation to a Principal Index, is as defined in Product Condition 1 and (ii) in relation to any Sub-Index or Index Constituent, is the reference source or reference sources determined by the Calculation Agent to be applicable to the valuation of such Sub-Index or such Index Constituent, as the case may be, for the purposes of determining the Reference Level;

"**Related Exchange**" means, unless otherwise defined in Product Condition 1, with respect to an Index or an Index Constituent, any exchange, trading system or quotation system on which options contracts or futures contracts on such Index or such Index Constituent are traded, as determined by the Calculation Agent;

"**Relevant Country**" means, each of:

- (i) 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
- (ii) any country (or any political or regulatory authority thereof) with which an Index or an Index Constituent has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to the country or countries in which the Index is calculated or published, the issuer of

the Index Constituent is incorporated and/or such other factor(s) as it may deem appropriate,

all as determined by the Calculation Agent.

"Relevant Time" means, with respect to an Index or an Index Constituent, the relevant time by reference to which the relevant Index Sponsor determines the price or value of such Index or such Index Constituent for the purposes of determining the Reference Level; and

"Settlement Currency" is as defined in Product Condition 1.

4.1.2 *Market Disruption*

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 4 if a Market Disruption Event has occurred on any date with respect to which the Calculation Agent would, but for the occurrence of a Market Disruption Event, have been required by the Product Conditions to determine the level of an Index.

"Market Disruption Event" means:

- 4.1.2.1 the occurrence or existence on any Trading Day at the Relevant Time for such Index or such Index Constituent or at any time during the one hour period that ends at the Relevant Time for such Index or such Index Constituent:
 - (A) of any suspension of or limitation imposed on trading (whether by reason of movements in price exceeding limits permitted by any Reference Source or any Related Exchange or otherwise):
 - 4.1.2.1.1 on any Reference Source as a whole; or
 - 4.1.2.1.2 on any Related Exchange of any options contracts or futures contracts on or relating to any Index or any Index Constituent; or
 - 4.1.2.1.3 on any exchange or trading system or quotation system on which an Index Constituent is listed or quoted of such Index Constituent; or
 - (B) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in relation to or to obtain market values for such Index or such Index Constituent on the relevant Reference Source or to effect transactions in or obtain market values for options contracts or futures contracts on or relating to such Index or such Index Constituent on any Related Exchange; or
- 4.1.2.2 the closure on any Trading Day of any Reference Source or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source or such Related Exchange, as the case may be, at least one hour

prior to (aa) the actual closing time for the regular trading session on such Reference Source or such Related Exchange on such Trading Day or, if earlier, (bb) the submission deadline (if applicable) for orders to be entered into such Reference Source or such Related Exchange system for execution at the Relevant Time on such Trading Day. A "**Scheduled Closing Time**" is the scheduled weekday closing time of the relevant Reference Source or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours; or

4.1.2.3 a general moratorium is declared in respect of banking activities in any Relevant Country; or

4.1.2.4 in relation to a Reference Currency for a Principal Index, a Sub-Index or an Index Constituent which is different from the Settlement Currency, the occurrence at any time of an event which the Calculation Agent determines would have the effect of preventing, restricting or delaying the Issuer and/or any of its Affiliates from:

(i) converting such Reference Currency into the Settlement Currency through customary legal channels or transferring within or from any Relevant Country either currency, due to the imposition by such Relevant Country of any controls restricting or prohibiting such conversion or transfer, as the case may be;

(ii) converting such Reference Currency into the Settlement Currency at a rate at least as favourable as the rate for domestic institutions located in any Relevant Country;

(iii) delivering such Reference Currency or Settlement Currency from accounts inside any Relevant Country to accounts outside such Relevant Country; or

(iv) transferring such Reference Currency or Settlement Currency between accounts inside any Relevant Country or to a party that is a non-resident of such Relevant Country; or

4.1.2.5 a Relevant Country (a) imposes any controls or announces its intention to impose any controls or (b)(i) implements or announces its intention to implement or (ii) changes or announces its intention to change the interpretation or administration of any laws or regulations, in each case which the Calculation Agent determines is likely to affect the Issuer and/or any of its Affiliates' ability to acquire, hold, transfer or realise such Index Constituent or otherwise to effect transactions in relation to such Index,

if, in the determination of the Calculation Agent, any of the foregoing is material and in determining what is "material" the Calculation Agent may have regard to such circumstances as it in its reasonable discretion deems appropriate, including any hedging arrangements of the Issuer and/or any of its Affiliates in relation to the Securities.

4.1.3 Adjustments to the Index

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 4 of any determination made by it pursuant to paragraph 4.1.3.1 or 4.1.3.2 below.

4.1.3.1 If an Index is:

- 4.1.3.1.1 not calculated and announced by the relevant Index Sponsor but is calculated and published by a successor sponsor (the "**Successor Sponsor**") acceptable to the Calculation Agent; or
- 4.1.3.1.2 replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index,

then in each case that Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

4.1.3.2 If:

- 4.1.3.2.1 on or prior to any date with respect to which the Calculation Agent is required by the Product Conditions to determine the level of an Index, the relevant Index Sponsor or, if applicable, the Successor Sponsor (i) makes or announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**") or (ii) permanently cancels that Index (an "**Index Cancellation**") or (iii) fails to calculate and announce that Index (an "**Index Disruption**") and, in each case, Product Condition 4.1.3.1.1 or 4.1.3.1.2 does not apply,

then the Issuer may take any action described in 4.1.3.2.2 or 4.1.3.2.3 below:

- 4.1.3.2.2 require the Calculation Agent to determine the level of that Index on that date using, in lieu of a published level for that Index, the level for that Index as at that date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the Index Modification, Index Cancellation or Index Disruption but using only those Index Constituents that comprised that Index immediately prior to the Index Modification, Index Cancellation or Index Disruption; or
- 4.1.3.2.3 cancel the Securities by giving notice to Securityholders in accordance with General Condition 4. If the Securities are so cancelled, the Issuer will pay an amount to each Securityholder in respect of each Security held by such Securityholder which amount shall be the fair market value of a Security taking into account the Index Modification, Index Cancellation or Index Disruption, as the case may be, less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its

reasonable discretion. Payment will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 4.

4.1.3.3. The Calculation Agent shall, as soon as practicable after receipt of any written request to do so, advise a Securityholder of any determination made by it pursuant to this Product Condition 4 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.

5. Governing Law and Place of Jurisdiction

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.

GENERAL CONDITIONS

These General Conditions relate to the Securities and must be read in conjunction with, and are subject to, the Product Conditions set out in this document. The Product Conditions and the General Conditions together constitute the Conditions of the Securities and will be attached to the Global Security representing the Securities.

1. Status of the Securities

The Securities constitute unsubordinated, unsecured contractual obligations of the Issuer and rank *pari passu* in all respects with each other.

2. Early Exercise, Redemption or Termination for Extraordinary Reasons, Illegality and Force Majeure

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Securities has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Securities for any reason, the Issuer may at its discretion and without obligation deem exercised, redeem or terminate the Securities early by giving notice to the Securityholders in accordance with General Condition 4.

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

If the Issuer exercises, redeems or terminates the Securities early, then 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 holder equal to the fair market value of a Security notwithstanding such illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payment will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 4.

3. Purchases

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.

4. Notices

4.1. Validity

Notices to the Securityholders will be valid if delivered to the Clearing Agent(s) for communication by the Clearing Agent(s) to the Securityholders provided that so long as the Securities are listed on any stock exchange or publicly offered in any jurisdiction, any notice to the Securityholders shall be published in accordance with the rules and regulations of each such stock exchange and each such jurisdiction. In the Federal Republic of Germany it is expected that any notices to the Securityholders will normally be published in the *Börsen-Zeitung*.

4.2. Delivery

Notices given pursuant to 4.1 above will become effective on, if delivered to the Clearing Agent(s), the third day after such delivery to the Clearing Agent or all the Clearing Agents (if more than one) or, if published (whether or not also so given), on the date of such publication, or, if published more than once, on the date of the first

such publication or, if required to be published in more than one newspaper, on the date of the first such publication in all the required newspapers.

5. Agents, Calculation Agent, Determinations and Modifications

5.1. Agents

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional Agents, provided that no termination of appointment of the Principal Agent shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of 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 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 General Condition 4. 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.

5.2. Calculation Agent

The Issuer shall undertake the duties of calculation agent (the “**Calculation Agent**” which expression shall include any successor 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 General Condition 4.

The Calculation Agent (except where it is the Issuer) acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. Any calculations or determinations in respect of the Securities made by the Calculation Agent shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

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

5.3. Determinations by the Issuer

Any determination made by the Issuer pursuant to the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

5.4. Modifications

The Issuer may, to the extent permitted by applicable law, modify the Conditions without the consent of the Securityholders or any of them in any manner which the Issuer may deem reasonably necessary in order to maintain or preserve the intended commercial purpose of the Conditions 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 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 General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

6. Taxation

In relation to each Security the relevant Securityholder shall pay all Securityholder Expenses as provided in the Product Conditions. All payments or, as the case may be, deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever). The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer, any payment and/or any delivery in respect of the Securities held by such Securityholder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable or, as the case may be, any delivery due to the Securityholder such amount or portion as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment. Each Securityholder shall indemnify the Issuer against any loss, cost or other liability whatsoever sustained or incurred by the Issuer in respect of any such tax, duty, charge, withholding or other payment as referred to above in respect of the Securities of such holder.

7. Further Issues

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.

8. Substitution

8.1. 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:

- 8.1.1. the obligations of the Substitute under the Securities being guaranteed by Deutsche Bank AG (unless it is the Substitute);
- 8.1.2. 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;
- 8.1.3. the Issuer shall have given at least 30 days' prior notice of the date of such substitution to the Securityholders in accordance with General Condition 4.

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

8.2. Substitution of Office

The Issuer shall have the right upon notice to Securityholders in accordance with General Condition 4 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.

9. Replacement of Securities

Should any Security be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Agent (or such other place of which notice shall have been given in accordance with General Condition 4) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and as to indemnity as the Issuer may reasonably require. Mutilated or defaced Securities must be surrendered before replacements will be issued

10. Adjustments for European Monetary Union

10.1. *Redenomination*

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 4 elect that, with effect from the Adjustment Date specified in the notice, certain terms of the Securities shall be redenominated in euro;

The election will have effect as follows:

10.1.1. where the Settlement Currency is the National Currency Unit of a country which is participating in the third stage of European Economic and Monetary Union, whether as from 1999 or after such date, such Settlement Currency shall be deemed to be an amount of euro converted from the original Settlement Currency into euro at the Established Rate, subject to such provisions (if any) as to rounding as the Issuer may decide and as may be specified in the notice, and after the Adjustment Date, all payments in respect of the Securities will be made solely in euro as though references in the Securities to the Settlement Currency were to euro;

10.1.2. where the Conditions contain a rate of exchange or any of the Conditions are expressed in a currency (the "**Original Currency**") of a country which is participating in the third stage of European Economic and Monetary Union, whether as from 1999 or after such date, such rate of exchange and/or any other terms of the Conditions shall be deemed to be expressed in or, in the case of a rate of exchange, converted for or, as the case may be into, euro at the Established Rate; and

10.1.3. such other changes shall be made to the Conditions as the Issuer may decide to conform them to conventions then applicable to instruments expressed in euro.

10.2. *Adjustment to Conditions*

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.

10.3. *Euro Conversion Costs, etc.*

Notwithstanding Condition 10.1 and/or Condition 10.2, none of the Issuer, the Calculation Agent and any Agent shall be liable to any Securityholder or other person for any commissions, costs, losses or expenses in relation to or resulting from the transfer of euro or any currency conversion or rounding effected in connection therewith.

10.4. *Definitions*

In this General Condition, the following expressions have the following meanings:

"Adjustment Date" means a date specified by the Issuer in the notice given to the Securityholders pursuant to this Condition which falls, if the currency is that of a country not initially participating in the third stage of European Economic and Monetary Union pursuant to the Treaty, on or after such later date as such country does so participate;

"Established Rate" means the rate for the conversion of the Original Currency (including compliance with rules relating to rounding in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to the first sentence of Article 123(4), formerly 109 I (4) of the Treaty;

“National Currency Unit” means the unit of the currency of a country, as those units are defined on the day before the start of the third stage of European Economic and Monetary Union or, in connection with the expansion of such third stage, to any country which has not initially participated in such third stage;

“Treaty” means the treaty establishing the European Community.

11. Definitions

Terms in capitals which are not defined in these General Conditions shall have the meanings ascribed to them in the Product Conditions.

INFORMATION RELATING TO THE UNDERLYING

The information below consists of extracts from, or summaries of, publicly available information. The Issuer accepts responsibility for accurately extracting such information. The Issuer has not independently verified any such information and takes no further or other responsibility (express or implied) in respect of such information.

Information about the past and the further performance of the Underlying and its volatility can be found on the *Bloomberg* or *Reuters* page as provided for the, or each, index, as the case may be, composing the Underlying in the table under Product Condition 1 in “Basket” or “Underlying” above.

The sponsor of the, or each, index composing the Underlying also maintains an Internet Site at the following address where further information may be available in respect of the Underlying.

Name of Index Sponsor	Website
Kuala Lumpur Stock Exchange	www.klse.com
MSCI Barra	www.ms cibarra.com
Hong Kong Stock Exchange	www.hkex.com.hk

The MSCI Taiwan Index

Disclaimer and Responsibility

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- recommend that any person invest in the Securities or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount or pricing of the Securities;
- have any responsibility or liability for the administration, management or marketing of the Securities; or
- consider the needs of the Securityholders in determining, composing or calculating the Index or have any obligation to do so.

MSCI Taiwan Index Fund will not have any liability in connection with the Securities. Specifically:

(i) MSCI Taiwan Index Fund do not make any warranty, express or implied and disclaim any and all warranty about:

- *the results to be obtained by the Securities, the Securityholders or any other person in connection with the use of the Index and the data included in the Index;*
- *the accuracy or completeness of the Index and its data; and*
- *the merchantability and the fitness for a particular purpose or use of the Index and its data;*

(ii) MSCI Taiwan Index Fund will have no liability for any errors, omissions or interruptions in the Index or its data; and

(iii) under no circumstances will MSCI Taiwan Index Fund be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if MSCI Taiwan Index Fund knows that they might occur.

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THE Hang Seng China Enterprises INDEX

Index Disclaimer

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- **the accuracy or completeness of the Index and its data; and**
- **the merchantability and the fitness for a particular purpose or use of the Index and its data;**

(ii) **MSCI Singapore Index Fund will have no liability for any errors, omissions or interruptions in the Index or its data; and**

(iii) **under no circumstances will MSCI Singapore Index Fund be liable for any lost profits or indirect, punitive, special or consequential damages or losses, even if MSCI Singapore Index Fund knows that they might occur.**

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MSCI Singapore Index Fund is owned by Morgan Stanley Capital International Inc.

COUNTRY SPECIFIC INFORMATION

This section should be read in conjunction with, and is subject to, the Product Conditions, the General Conditions and all other sections of this document.

ITALY

1. Taxation

Purchasers of Securities may be required to pay taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Security.

Transactions involving securities may have tax consequences for potential purchasers which may depend, amongst other things, upon the status of the potential purchaser and laws relating to transfer and registration taxes. Potential purchasers who are in any doubt about the tax position of any aspect of transactions involving securities should consult their own tax advisers.

The following is a summary of current Italian law and practise relating to the taxation of the Securities. Prospective purchasers of the Securities are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Securities.

The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Securities and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules.

Law No. 80 of 7 April, 2003 for the reform of the Italian tax system was approved by the Italian Parliament on 26 March, 2003 and authorises the Italian Government, *inter alia*, to issue, within two years of the entering into force of such law, legislative decrees introducing a general reform of the tax treatment of financial income.

Legislative Decree No. 344 of 12 December 2003 published in the Italian Official Gazette of 16 December 2003, No. 261 (Ordinary Supplement No. 190), effective as of 1 January 2004 introduced the reform of taxation of corporations and of certain financial income amending the Italian Income Taxes Consolidated Code.

Legislative Decree No. 247 of 19 November 2005, published in the Official Gazette No. 280 of 1 December 2005 (known as the "*Correttivo IRES*"), introduced changes to the taxation of corporation and certain financial incomes, amending, *inter alia*, the Italian Income Taxes Consolidated Code.

Italian Taxation of Securities

Pursuant to Article 67 of Presidential Decree No. 917 of 22 December, 1986 and Legislative Decree No. 461 of 21 November, 1997, as subsequently amended, where the Italian resident Securityholder is (i) an individual not engaged in an entrepreneurial activity to which the Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or

public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains accrued under the sale or the exercise of the Securities are subject to a 12.5% substitute tax ("*imposta sostitutiva*"). The recipient may opt for three different taxation criteria:

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

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

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

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the Securities are effectively connected, capital gains arising from the Securities will not be subject to *imposta sostitutiva*, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax (IRES).

Capital gains realised by non-Italian resident Securityholders are not subject to Italian taxation, provided that the Securities are held outside of Italy.

Atypical securities

In accordance with a different interpretation of current tax law it is possible that the Securities would be considered as 'atypical' securities pursuant to Article 8 of Law Decree No. 512 of 30 September, 1983 as implemented by Law No. 649 of 25 November, 1983. In this event, payments relating to Securities may be subject to an Italian withholding tax, levied at the rate of 27 per cent.

The 27 per cent. withholding tax mentioned above does not apply to payments made to a non-Italian resident Securityholder and to an Italian resident Securityholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution. The 27 per cent. withholding tax is applied as an advance payment (ritenuta d'acconto) for Italian resident individuals engaged in an entrepreneurial activity to which the Securities are connected.

2. Subscription Period

In Italy, applications to subscribe for the Securities may be made at the offices of Deutsche Bank S.p.A., during the period commencing on 28 February 2007 and ending on 7 March 2007 (the "Primary Market End Date"). However, the Issuer reserves the right for any reason to close the subscription period prior to its stated expiry.

3. Settlement and Clearing

The Global Security will be deposited with the Clearing Agent and has been accepted for clearing by it under security and clearing codes set out below.

ISIN: DE000DB6HMY0
WKN: DB6HMY
Common Code: 028717717

4. Agent in Italy

In Italy, the Agent shall be Deutsche Bank S.p.A. acting through its office in Milan. The Agent shall act as the agent or paying agent as appropriate at the following address: Piazza de Calendario, 3, 20126 - Milan.

PARTY LIST

Issuer:

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Winchester House
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London EC2N 2DB
United Kingdom

Agent:

Deutsche Bank AG
Taunusanlage 12
D-60262 Frankfurt
Germany

Agent in Italy:

Deutsche Bank S.p.A.
Piazza del Calendario, 3,
20126 Milan
Italy

Listing Agent and Agent in Luxembourg:

Banque de Luxembourg
55, rue des Scillas
L-2529, Luxembourg