



Deutsche Bank AG London

Up to 20,000 Notes linked to a Basket of Shares

Issued under its **X-markets™** Programme

Issue Price: CHF 1,000 plus subscription charge of up to CHF 30 per Security

WKN/ISIN: DB1CDJ/ DE000DB1CDJ2

The issuer (the “**Issuer**”) of the securities described in this Prospectus 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.

Under its X-markets Programme (the “**Programme**”), 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. The Issuer has determined to issue up to 20,000 notes (the “**Securities**”) relating to the Basket 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**”). 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.

The Securities will not be admitted to the regulated market or unregulated market of any exchange.

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 Conditions section of this document.

This Prospectus is dated 6 April 2006.

Deutsche Bank 

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.

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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 Product Conditions and Terms of the Offer

Summary of Issuer

SUMMARY OF RISK FACTORS

Risk Factors

Issuer Risk Factors

Prospective investors should consider all information provided in the Registration Document 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 & Poors (S&P)	AA-	A-1+
Moodys	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.

SUMMARY OF TERMS 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 Notes:	Up to 20,000 The actual amount of Securities issued will correspond to the sum of all valid subscriptions or orders received by the Issuer.
Nominal Amount per Security:	CHF 1,000 per Security
Issue Price:	CHF 1,000
Offer Price:	CHF 1,000 per Note plus a subscription charge of up to CHF 30
Underlying:	Basket of 24 Shares
Issue Date:	12 July 2006
Primary Market End Date:	30 June 2006
Initial Reference Valuation Date:	12 July 2006
Valuation Dates:	Means each of 12 July in each calendar year, commencing and including the 12 July 2007 up to and including 11 July 2014
Redemption Cash Amount:	Means, with respect to each Security, an amount equal to the product of (A) the Nominal Amount and (B) the sum of (1) and (2), where (1) is 100%; and (2) is the product of (i) and (ii), where (i) is the Participation Factor; and (ii) is in relation to all Valuation Dates the arithmetic mean of the Relevant Performance Factor, subject to a minimum of CHF 1,000, all as determined by the Calculation Agent. Expressed as a formula: $\text{Nominal Amount} \times \left(100\% + \left(\text{Participation Factor} \times \frac{1}{8} \times \sum_{t=1}^8 \text{Relevant Performance Factor} \right) \right)$ The Redemption Cash Amount will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards
Maturity Date:	Means the third Payment Day following the Final Valuation Date
Settlement:	Cash Settlement
Settlement Currency:	Swiss Francs ("CHF")
Listing:	No application has been made to list the Securities on the regulated or unregulated market of any stock exchange.
Calculation Agent:	The Issuer shall act as the Calculation Agent
Principal Agent:	Deutsche Bank AG London
ISIN:	DE000DB1CDJ2
WKN:	DB1CDJ
Valor:	2518598

Post-issuance Information

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

The Subscription Period

Applications to subscribe for the Securities may be made from 1 April 2006 until the Primary Market End Date as described in the section titled "Country Specific Information". The Issuer reserves the right for any reason to reduce the number of Securities offered.

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

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).

Selected Financial Information

As of 31 March 2005, the issued share capital of Deutsche Bank amounted to Euro 1,403,558,410.24 consisting of 548,265,004 ordinary shares without par values. The shares are fully paid up and in registered form. They are listed on all German stock exchanges as

well as on the Stock Exchanges in Amsterdam, Brussels, London, Luxembourg, New York, Paris, Tokyo, Vienna and Zurich.

RISK FACTORS

A. GENERAL RISK FACTORS RELATING TO THE SECURITIES

1. No payments until settlement

Apart from the payment of the coupon amount, being part of the redemption amount, prospective investors should note that no other payments or other distributions will be made. 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. 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 the Prospectus 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.

B. 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.

TERMS OF THE OFFER

The Subscription Period

Applications to subscribe for the Securities may be made from 1 April 2006 until the Primary Market End Date as described in the section titled "Country Specific Information". The Issuer reserves the right for any reason to reduce the number of Securities offered.

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

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.

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.

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 this Base Prospectus in relation to those Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus

Directive and ending on the date which is 12 months after the date of such publication;

(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) at any time 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) In relation to any Securities which have a maturity of less than one year, (i) the Securities shall not be sold by any person other than a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) no such person has offered or sold and will not offer or sell any Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Securities would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer [or the Guarantor]; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

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.

Product Conditions

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 branch office in London (Deutsche Bank AG London) (the "**Principal Agent**") and through its principal office in Frankfurt am Main, (each an "**Agent**" and together the "**Agents**");

"**Basket**" means a basket of assets which comprises on the Issue Date the assets as set out below in the table under "Name of Basket Constituent and ISIN" and which excludes Eliminated Constituents as of the Trading Day following a Valuation Date, all subject to adjustment in accordance with Product Condition 4:

Type of Basket Constituent	Name of Basket Constituent and ISIN	Sponsor or Issuer of Basket Constituent	Reference Source	Reuters RIC Code
Share	Akzo Nobel NV (NL0000009132)	Akzo Nobel NV	Euronext Amsterdam	AKZO.AS
Share	Altria Group Inc (US02209S1033)	Altria Group Inc	New York Stock Exchange	MO.N
Share	Anheuser Busch (US0352291035)	Anheuser-Busch Cos Inc.	New York Stock Exchange	BUD.N
Share	Bank of America (US0605051046)	Bank of America Corp	New York Stock Exchange	BAC.N
Share	BASF AG (DE0005151005)	BASF AG	XETRA	BASF.DE
Share	Bayer AG (DE0005752000)	Bayer AG	XETRA	BAYG.DE
Share	Bristol-Myers Squibb Co (US1101221083)	Bristol-Myers Squibb Co	New York Stock Exchange	BMY.N
Share	Brit Am Tobacco (GB0002875804)	British American Tobacco Plc	London Stock Exchange	BATS.L
Share	Canon Inc (JP3242800005)	Canon Inc	Tokyo Stock Exchange	7751.T
Share	Coca-Cola Co	Coca-Cola Co	New York Stock Exchange	KO.N

Type of Basket Constituent	Name of Basket Constituent and ISIN	Sponsor or Issuer of Basket Constituent	Reference Source	Reuters RIC Code
	(US1912161007)			
Share	Deutsche Telekom (DE0005557508)	Deutsche Telekom AG	XETRA	DTEGn.DE
Share	The Dow Chemical Co (US2605431038)	The Dow Chemical Co	New York Stock Exchange	DOW.N
Share	Du Pont de Nemours & Co (US2635341090)	Du Pont de Nemours & Co	New York Stock Exchange	DD.N
Share	Enel Spa (IT0003128367)	Enel Spa	Milan Stock Exchange	ENEI.MI
Share	Fuji Photo Film Co Ltd (JP3814000000)	Fuji Photo Film Co Ltd	Tokyo Stock Exchange	4901.T
Share	Groupe Danone (FR0000120644)	Groupe Danone	Euronext Paris	DANO.PA
Share	Heineken (NL0000009165)	Heineken NV	Euronext Amsterdam	HEIN.AS
Share	HSBC Holdings (GB0005405286)	HSBC Holdings Plc	London Stock Exchange	HSBA.L
Share	Kellogg Co (US4878361082)	Kellogg Co	New York Stock Exchange	K.N
Share	Lloyds TSB Group Plc (GB0008706128)	Lloyds TSB Group Plc	London Stock Exchange	LLOY.L
Share	Nestle AG (CH0012056047)	Nestle SA	Virt-X	NESN.VX
Share	Tokyo Electric Power Co Inc (JP3585800000)	Tokyo Electric Power Co Inc	Tokyo Stock Exchange	9501.T
Share	Unicredito (IT0000064854)	Unicredito Italiano Spa	Milan Stock Exchange	CRDI.MI
Share	Unilever Cert (NL0000009348)	Unilever NV	Euronext Amsterdam	UNc.AS

Name of Basket Constituent	Country of Origin of Basket Constituent	Basket Constituent Currency	Reference Level determination
Akzo Nobel	Europe	EUR	Closing price

Name of Basket Constituent	Country of Origin of Basket Constituent	Basket Constituent Currency	Reference Level determination
Altria Group Inc	Europe	EUR	Closing price
Anheuser-Busch Cos Inc.	USA	USD	Closing price
Bank of America Corp	USA	USD	Closing price
BASF AG	Europe	EUR	Closing price
Bayer AG	Europe	EUR	Closing price
Bristol-Myers Squibb Co	USA	USD	Closing price
British American Tobacco Plc	Europe	GBP	Closing price
Canon Inc	Japan	JPY	Closing price
Coca-Cola Co	USA	USD	Closing price
Deutsche Telekom AG	Europe	EUR	Closing price
Dow Chemical	USA	USD	Closing price
Du Pont (E.I.) de Nemours	USA	USD	Closing price
Enel Spa	Europe	EUR	Closing price
Fuji Photo Film Co Ltd	Japan	JPY	Closing price
Groupe Danone	Europe	EUR	Closing price
Heineken NV	Europe	EUR	Closing price
HSBC Holdings Plc	Europe	GBP	Closing price
Kellogg Co	USA	USD	Closing price
Lloyds TSB Group Plc	Europe	GBP	Closing price
Nestle SA	Europe	CHF	Closing price
Tokyo Electric Power Co Inc	Japan	JPY	Closing price
Unicredito Italiano Spa	Europe	EUR	Closing price
Unilever NV	Europe	EUR	Closing price

"Basket Constituent" means each of the assets as defined in "Basket" in the column "Name of Basket Constituent and ISIN", provided such asset is not an Eliminated Constituent and subject to adjustment in accordance with Product Condition 4;

"Basket Constituent Currency" means, in relation to a Basket Constituent, the currency specified for such Basket Constituent in the column "Name of Basket Constituent and ISIN" in the definition of "Basket" above, subject to adjustment in accordance with Product Condition 4;

"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, Zurich 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;

"Clearing Agent" means Clearstream Banking AG in Frankfurt am Main, Germany and such further or alternative clearing agent(s) or clearance system(s) as may be

approved by the Issuer from time to time and notified to the Securityholders in accordance with General Condition 4 (each a "**Clearing Agent**" and together the "**Clearing Agents**", which term will include any depository holding the Global Security on behalf of the Clearing Agent(s));

"**Eliminated Constituent**" means, in relation to a Valuation Date, the three (3) Basket Constituents with the highest Performance Factor on such Valuation Date. The Eliminated Constituents will be excluded from the Basket as of the first Trading Day following such Valuation Date;

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

"**Initial Reference Level**" means, subject to adjustment in accordance with Product Condition 4, in relation to a Basket Constituent 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 12 July 2006 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 12 July 2006;

"**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;

"**Maturity Date**" means the third Payment Day following the Final Valuation Date;

"**Nominal Amount**" means CHF 1,000;

"**Participation Factor**" means 85%, subject to adjustment in accordance with Product Condition 4;

"**Payment Day**" means any day which is (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation and London and Zurich; and (ii) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such currency (if other than the place of presentation) or (2)

in relation to any sum payable in euro, a day that the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

"Performance Factor" means, in relation to a Valuation Date and a Basket Constituent, an amount expressed as a percentage (which may be positive, negative or zero) equal to the difference between (1) and (2), where

- (1) is the quotient of (i) and (ii), where
- (i) is the Reference Level of a Basket Constituent on such Valuation Date (as numerator); and
 - (ii) is the Initial Reference Level of a Basket Constituent (as denominator); and
- (2) is 1,

all as determined by the Calculation Agent;

"Primary Market End Date" means 30 June 2006 or, if such day is not a Business Day, the first succeeding Business Day;

"Redemption Cash Amount" means, with respect to each Security, an amount equal to the product of (A) the Nominal Amount and (B) the sum of (1) and (2), where

- (1) is 100%; and
- (2) is the product of (i) and (ii), where
- (i) is the Participation Factor; and
 - (ii) is in relation to all Valuation Dates the arithmetic mean of the Relevant Performance Factor,

subject to a minimum of CHF 1,000, all as determined by the Calculation Agent.

Expressed as a formula:

$$\text{Nominal Amount} \times \left(100\% + \left(\text{Participation Factor} \times \frac{1}{8} \times \sum_{t=1}^8 \text{Relevant Performance Factor} \right) \right)$$

The Redemption Cash Amount will be rounded to the nearest two decimal places in the Settlement Currency, 0.005 being rounded downwards;

"Reference Level" means in respect of any day and a Basket Constituent, subject to adjustment in accordance with Product Condition 4, an amount (which shall be deemed to be a monetary value in the Settlement Currency) equal to the price or level of the Basket Constituent on such day determined in the manner as defined in the column "Reference Level determination" in the definition of "Basket" above, without regard to any subsequently published correction(s);

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

"Relevant Performance Factor" means in respect of a Security and each Valuation Date, the three (3) Basket Constituents with the highest Performance Factor on such Valuation Date. If two or more Basket Constituents have identical Performance Factors when determining the Relevant Performance Factor, the Calculation Agent will select the Basket Constituents with the Relevant Performance Factors in its reasonable discretion. Following the Valuation Date, the three (3) Basket Constituents with

the highest Performance Factor on such Valuation Date will be Eliminated Constituents;

"**Securities**" means 20,000 notes 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 or transaction charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, arising in connection with any payment due on redemption or otherwise in respect of such Security;

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

"**Settlement Currency**" means Swiss Francs ("**CHF**");

"**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 share basket as defined in the definition of "Basket" above; and

"**Valuation Date**" means each of 12 July in each calendar year, from and including 12 July 2007 up to and including 11 July 2014 (the "**Final Valuation 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 issued in bearer form in the denomination of the Nominal Amount and will be represented by a global security (the "**Global Security**"). The Global Security has been deposited with Clearing Agent(s). 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.

Where Product Condition 5 specifies that the governing law of the Securities is English law, each person (an "**Accountholder**") (other than a Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the holder of a

particular nominal amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the nominal amount of the 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 nominal amount of the Securities (and the terms "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly) for all purposes other than with respect to any payments in respect of the Securities, the right to which shall be vested, as against the Issuer and the Agents, solely in the bearer of the Global Security.

Where Product Condition 5 specifies that the governing law of the Securities is German law, the terms "**Securityholder**" and "**holder of Securities**" in the Conditions will be construed to mean those persons recognised as the legal owners of the Securities pursuant to German law and the term "**Accountholder**" shall in the Conditions mean each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the owner of a particular nominal amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the nominal amount of the Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error).

3. Redemption, Interest and Payments

3.1. Redemption at Maturity

Unless previously redeemed or purchased and cancelled and subject as provided in the Conditions, each Security will be redeemed by the Issuer, in respect of each Nominal Amount by payment of the Redemption Cash Amount, such redemption to occur, subject as provided below, on the Maturity Date.

3.2. Coupon

On the Maturity Date, the Issuer shall pay, in respect of each Security, the relevant coupon amount (if any) which forms part of the Redemption Cash Amount.

3.3. Accrual of Interest

The coupon amount shall be the only interest payable for the Securities. No further interest shall accrue in respect of any Security whether by reason of late payment of any coupon amount or otherwise.

3.4. Method of payment

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 Condition 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.

3.5. Presentation

Payments will, subject as provided below, be made in the manner provided in Product Condition 3.4 and otherwise in the manner specified in the Global

Security against presentation or surrender, as the case may be, of the Global Security at the specified office of any Agent. A record of each payment made against presentation or surrender of the Global Security will be made on the Global Security by the relevant Agent and such record shall be *prima facie* evidence that the payment in question has been made.

The bearer of a Security shall be the only person entitled to receive payments and the Issuer will be discharged by payment to, or to the order of, the bearer of the Global Security 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 nominal amount of the Securities must look solely to the relevant Clearing Agent for his share of each such payment so made by the Issuer to, or to the order of, the bearer of the Global Security.

3.6. *Payment Day*

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

3.7. *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 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 Basket or any asset of any kind whatsoever by reference to which any amount payable hereunder.

3.8. *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 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.

3.9. *Redemption and Settlement Risk*

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

4. Adjustment Provisions

4.1 Shares

4.1.1 Definitions:

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

"**Other Exchange**" means, with respect to a Share, each exchange, trading system or quotation system other than the Reference Source on which such Share is listed, traded or quoted;

"**Reference Currency**" is as defined in Product Condition 1 or, if not defined in Product Condition 1, is the Settlement Currency;

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

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

"**Related Exchange**" means, unless otherwise defined in Product Condition 1, with respect to a Share, any exchange, trading system or quotation system on which options contracts or futures contracts on such Share 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 a Share or the related Share Company has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to the country in which the Share Company 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 any Share, the relevant time by reference to which the Calculation Agent determines the price or value of such Share for the purposes of determining the Reference Level;

"**Settlement Currency**" is as defined in Product Condition 1;

"**Share**" means the or, as the case may be, each share specified in the definition of "Underlying", "Securities" or "Basket", as the case may be, in Product Condition 1; and

"**Share Company**" means, with respect to a Share, the issuer specified for such Share in the definition of "Underlying", "Securities" or "Basket", as the case may be, 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 price or value of a Share.

"Market Disruption Event" means:

- 4.1.2.1 the occurrence or existence on any Trading Day at the Relevant Time for such Share or at any time during the one hour period that ends at the Relevant Time for such Share:
 - (A) of any suspension of or limitation imposed on trading (whether by reason of movements in price exceeding limits permitted by the relevant Reference Source or any Related Exchange or otherwise):
 - 4.1.2.1.1 of the Share on the Reference Source or any Other Exchange; or
 - 4.1.2.1.2 in options contracts or futures contracts relating to the Share on any Related Exchange; 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 the Share 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 Share on any Related Exchange; or
- 4.1.2.2 the closure on any Trading Day of the 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 the 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;

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 *Potential Adjustment Events*

Following the declaration by a Share Company of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a dilutive or concentrative or other effect on the theoretical value of the relevant Share and, if so, will (1) make the corresponding adjustment, if any, to any one or more of the Conditions as the Calculation Agent determines appropriate to account for that dilutive or concentrative or other effect; and (2) determine the effective date of that adjustment. The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by a Related Exchange to options contracts or futures contracts on the relevant Share traded on that Related Exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 4, stating the adjustment made to the Conditions and giving brief details of the Potential Adjustment Event.

"Potential Adjustment Event" means any of the following:

- 4.1.3.1 a subdivision, consolidation or reclassification of relevant Shares (unless it has resulted in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- 4.1.3.2 a distribution, issue or dividend to existing holders of the relevant Shares of (1) such Shares, or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Company equally or proportionately with such payments to holders of such Shares, or (3) share capital or other securities of another issuer as a result of a "spin-off" or other similar transaction, or (4) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or in other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- 4.1.3.3 an extraordinary dividend;
- 4.1.3.4 a call by the Share Company in respect of relevant Shares that are not fully paid;
- 4.1.3.5 a repurchase by or on behalf of the Share Company or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- 4.1.3.6 in respect of a Share Company, an event that results in any shareholder rights being distributed, or becoming separated from shares of common stock or other shares of the capital stock of such Share Company pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent;

- 4.1.3.7 any redemption of shareholder rights referred to in 4.1.3.6 above;
and
- 4.1.3.8 any other event that may have a diluting or concentrative or other effect on the theoretical value of the relevant Shares.

4.1.4. *Merger Event, Tender Offer, De-Listing, Nationalisation and Insolvency*

If a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency occurs in relation to a relevant Share (such Share, a **“Disrupted Basket Constituent”**), then:

4.1.4.1 in the case of a Share-for-Share Merger Event, Share-for-Share Tender Offer, Share-for-Combined Merger Event or Share-for-Combined Tender Offer where the relevant New Basket Constituent are not already a Basket Constituent, the Calculation Agent shall replace the Disrupted Basket Constituent with such New Basket Constituents on the relevant Replacement Date; or

4.1.4.2 in the case of (i) any Merger Event or Tender Offer other than as described in 4.1.4.1 above or (ii) or any De-Listing, Nationalisation or Insolvency, the Calculation Agent shall replace the Disrupted Basket Constituent with a Replacement Basket Constituent on the relevant Replacement Date,

all as described below.

4.1.4.3 With effect from and including the relevant Replacement Date:

(i) the New Basket Constituent or Replacement Basket Constituent and its issuer will be deemed to be a “Share” and a “Share Company”, respectively, and to replace the Disrupted Basket Constituent and its issuer;

(ii) the Calculation Agent will calculate the Initial Coupon Reference Level for the Replacement Basket Constituent or New Basket Constituent in accordance with and as set out in the definition of such term in Product Condition 1 (but for this purpose as though (a) the relevant date on which such value is determined (as specified in the definition of such term in Product Condition 1) was the Replacement Date but, if applicable, subject to adjustment as specified in the relevant definition and (b) references in the definition of such term to “Basket Constituent” referred to the Replacement Basket Constituent or New Basket Constituent, as the case may be) and the resulting amount shall be multiplied by the quotient of x (as numerator) and y (as denominator), where:

“ x ” is the Initial Reference Level of the Disrupted Basket Constituent as determined by the Calculation Agent, and

“ y ” is the fair market value of the Disrupted Basket Constituent on the Replacement Date expressed in the Basket Constituent Currency (but which shall be deemed to be an amount in the Settlement Currency) determined by the Calculation Agent in its sole and absolute discretion by reference to such source(s) as it may deem applicable.

(iii) the Calculation Agent shall determine the relevant Reference Source for such Replacement Basket Constituent or New Basket Constituent for the purposes of the definition of “Basket” in

Product Condition 1 and make such other adjustments to the Conditions as may be necessary to take account of the removal of the Disrupted Basket Constituent and the addition of the New Basket Constituent or Replacement Basket Constituent.

Upon the occurrence of a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 4 stating the occurrence of the Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto. However, Securityholders should be aware that there may necessarily be some delay between the time at which any of the above events occur and the time at which it is notified to Securityholders.

As used herein:

"Combined Consideration" means New Basket Constituents in combination with Other Consideration;

"De-Listing" means, for any Share for which the Reference Source is an exchange or a trading system or a quotation system, the Reference Source announces that pursuant to the rules of such Reference Source, such Share ceases (or will cease) to be listed, traded or publicly quoted on the Reference Source for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange, trading system or quotation system acceptable to the Calculation Agent;

"Eligible Share" means, for the purposes of determining a Replacement Basket Constituent for any Disrupted Basket Constituent, those ordinary shares or common shares from the same Region and Industry Sector as the Disrupted Basket Constituent as of the Replacement Date which are not already Basket Constituents and which, when ranked by free float capitalisation, are the top three highest shares from such group, all as determined by the Calculation Agent in its sole and absolute discretion or, if applicable, such lesser number of shares as exist in such group. Free float capitalisation shall be as announced by MSCI, and in the event that any relevant shares as announced by MSCI have an equal free float capitalisation ("Equal Shares"), then the Equal Shares shall be placed in alphabetical order of share issuer name and an Equal Share which then appears before another Equal Share(s) in such order shall be deemed to be higher than such other Equal Share(s). If free float capitalisation is not announced by MSCI at any relevant time, this shall be determined by the Calculation Agent in a comparable manner or otherwise as it may determine to be appropriate in its discretion;

"Industry Sector" means, in respect of any share, the industry sector allocated to such share by MSCI, as determined by the Calculation Agent or if no industry sector is allocated to such share by MSCI or if the Calculation Agent determines the industry sector allocated to such share by MSCI to be inappropriate, such other industry sector as the Calculation Agent may deem to be appropriate;

"Insolvency" means, in relation to a Share, that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Share Company (A) all the Shares of that Share Company are required to be transferred to a trustee, liquidator or

other similar official or (B) holders of the Shares of that Share Company become legally prohibited from transferring them;

"Merger Date" means the closing date of a Merger Event or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent;

"Merger Event" means, in respect of any relevant Shares, any (i) reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of a Share Company with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Company is the continuing entity and which does not result in reclassification or change of all of such Shares outstanding), (iii) takeover offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Shares of the Share Company that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Company or its subsidiaries with or into another entity in which the Share Company is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Shares immediately following such event (a **"Reverse Merger"**), in each case if the Merger Date is on or before the Final Coupon Determination Date;

"MSCI" means the Morgan Stanley Capital Index or any successor index thereto;

"Nationalisation" means that all the Shares or all or substantially all of the assets of a Share Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof;

"New Basket Constituents" means ordinary or common shares, whether of the entity or person (other than the Share Company) involved in the Merger Event or the making of the Tender Offer or a third party, that are, or that as of the Merger Date or Tender Offer Date are promptly scheduled to be, (i) publicly quoted, traded or listed on an exchange or quotation system acceptable to the Calculation Agent and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations;

"Other Consideration" means cash and/or any securities (other than New Basket Constituents) or assets (whether those of the offeror or of a third party);

"Region" means, in respect of any share, the geographical region (e.g. Europe, North America, Asia or Japan) in which the issuer of such share is incorporated or, if different, in which it principally conducts its operations, all as determined by the Calculation Agent. In relation to each share initially comprising the Basket the Region shall be the Basket Constituent Region as specified in relation to such Share in the definition of "Basket" in Product Condition 1;

"Replacement Date" means, in relation to a Merger Event, Tender Offer, De-Listing, Nationalisation or Insolvency, such date as the Calculation Agent shall

select in its sole and absolute discretion falling on or after the relevant Merger Date, Tender Offer Date or date on which such De-Listing, Nationalisation or Insolvency occurs, all as determined by the Calculation Agent in its sole and absolute discretion;

"Replacement Basket Constituent" means, in relation to a Disrupted Basket Constituent, any one of the relevant Eligible Shares as selected by the Calculation Agent in its sole and absolute discretion by reference to such factor(s) as it may deem appropriate which may include, without limitation, hedging arrangements of the Issuer and/or any Affiliate in relation to the Securities;

"Share-for-Combined" means, in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists of Combined Consideration and "Share-for-Combined Merger Event" and "Share-for-Combined Tender Offer" shall be construed accordingly;

"Share-for-Share" means, (i) in respect of a Merger Event or Tender Offer, that the consideration for the relevant Shares consists (or, at the option of the holder of such Shares, [will] consist) solely of New Basket Constituents, and (ii) a Reverse Merger and "Share-for-Share Merger Event" and "Share-for-Share Tender Offer" shall be construed accordingly;

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Share Company, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant; and

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent).

5. Governing Law

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 Section I of 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.

COUNTRY SPECIFIC INFORMATION

SWITZERLAND

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.

1. Taxation

The following is a summary only of the Issuer's understanding of current law and practice in Switzerland relating to the taxation of the Securities. Because this summary does not address all tax considerations under Swiss law and does not consider the specific tax situation of an investor, prospective investors are recommended to consult their personal tax advisors as to the tax consequences of the purchase, ownership, sale or repayment at maturity of the Securities including, in particular, the effect of tax laws of any other jurisdiction.

The Swiss Federal Tax Administration has issued on April 12, 1999 a Circular Letter no. 4 Regarding Notes and Derivative Financial Instruments Subject to Direct Federal Tax, Anticipatory Tax and Stamp Duty, updated as per January 28, 2002. It is most likely that the Securities will be qualified as transparent capital protected derivatives IUP pursuant to section 2.3.1 and 3.4 of the above mentioned Circular Letter no. 4. Without a written confirmation, however, the Swiss Federal Tax Administration is not bound to such qualification. With respect to the Securities such written confirmation has neither been requested nor issued. If qualified as transparent capital protected derivatives IUP the Swiss tax consequences of the Securities would be the following:

- The Securities would be considered as taxable securities in the sense of the Swiss Stamp Tax Law (*Stempelsteuergesetz*) and would therefore be subject to Swiss Securities Transfer Tax (*Umsatzabgabe*) at a current rate of up to 0,3%, calculated on the purchase price or sales proceeds, respectively, upon issuance and on subsequent purchase or sale of the Securities, whether by Swiss resident or non-Swiss resident certificate holders, if the purchase or sale occurs through or with a Swiss bank or other Swiss securities dealer as defined in the Swiss Stamp Tax Law, and no exemption applies.
- Since the Securities are issued by a foreign issuer, the issue of the Securities would not be subject to Swiss Securities Issue Tax (*Emissionsabgabe*) and income derived from the Securities would not be subject to Swiss Anticipatory Tax (*Verrechnungssteuer*).
- For private investors resident in Switzerland and holding the Securities as private assets, the increase of the value of the bond part when sold before maturity, called by the Issuer before maturity or redeemed at maturity (calculated according to the so-called "*Modifizierte Differenzbesteuerung*") are subject to the Swiss federal direct tax. The present value of the guaranteed payback at issue is CHF 851.00 (indicative) (ref swap 2.02 %) per denomination. However, any gain derived from the option is considered as capital gain and therefore for such taxpayers in principle not subject to the Swiss federal direct tax. Basically, the respective Circular Letter no. 4 of the Swiss Federal Tax Administration is applicable for direct federal tax purposes only. But it is likely that the responsible cantonal tax authorities will apply the same qualification for cantonal and communal tax purposes as well.

Switzerland has introduced a tax retention on interest payments or other similar income paid by a Swiss paying agent as defined in Articles 1 and 6 of the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Agreement") to the beneficial owner who is an individual and resident in the EU as of 1 July 2005 unless the interest payments are made on debt-claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments of non-residents located in Switzerland. The tax retention will be withheld at the rate of 15 % during the first three years from the date of application of the Agreement, 20 % for the subsequent three years and 35 % thereafter. The beneficial owner of the interest payments will be entitled to a credit for or a refund of the tax retention if certain conditions are met. The Swiss paying agent can be explicitly authorized by the beneficial owner of the interest payments to report the interest payments to the Swiss Federal Tax Administration. Such report will then substitute the tax retention. The tax retention most likely does not apply to the payments under the Securities.

2. *Subscription Period*

In Switzerland, applications to subscribe for the Securities may be made at the offices of Deutsche Bank, during the period commencing on 1 April 2006 and ending on 30 June 2006. However, the Issuer reserves the right for any reason to close the subscription period prior to its stated expiry or to cancel the issuance of the Securities for any reason.

3. *Settlement and Clearing*

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

ISIN: DE000DB1CDJ2

Valoren: 2243797

4. *Agent in Switzerland*

In Switzerland, the Agent shall be Deutsche Bank (Switzerland) Limited. The Agent shall act as the note agent, paying agent and/or as listing agent, as appropriate at the following address:

Bahnhofquai 9-11
PO Box 7381
CH-8023
Zurich
Switzerland

Attention: Custody Department

5. *Documents Available for Inspection*

Annual and Interim Reports of Deutsche Bank AG, as well as all documents (Preliminary Offering Circular, Offering Circular etc.) specified in this Offering Circular, including the annual reports of the issuer of the underlying shall be available, free of charge, at the office of the Agent in Switzerland specified above.

6. *Swiss Regulatory Issues*

The Securities do not constitute collective investment schemes governed by the Swiss Investment Fund Act of March 18, 1994 and are, therefore, not subject to su-

pervision by the Swiss Federal Banking Commission. Investors may, therefore, not claim the protection of the Swiss Investment Fund Act.

7. *Credit Risk of Deutsche Bank AG*

As stated in the General Conditions, the investors bear the credit risk of Deutsche Bank AG as issuer of the Securities. The Securities constitute unsubordinated, unsecured contractual obligations of the issuer and rank *pari passu* in all respect with all other unsubordinated, unsecured contractual obligations of the Issuer. The insolvency of the Issuer may lead to a partly or total loss of the invested capital.

PARTY LIST

Issuer:

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Agent:

Deutsche Bank AG
Taunusanlage 12
D-60262 Frankfurt
Germany

**REGISTRATION DOCUMENT
SUPPLEMENTAL REGISTRATION DOCUMENT**