

## FINAL TERMS



**Deutsche Bank AG London**

**Up to 200,000 Twin Win Certificates relating to the IBEX 35 Index**

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

**Issue Price: EUR 100 per Security**

**WKN/ISIN: DB11EX / DE000DB11EX8**

The issuer (the "Issuer") of the securities described in these Final Terms 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 200,000 certificates (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"). This Programme shall be used for Securities for which the Issuer has elected Luxembourg as its home Member State as defined in Directive 2003/71/EC Chapter 1, Article 2(1)(m). As such, notes (including reverse convertible notes) issued under this Programme shall have a minimum denomination of EUR 1,000 or near equivalent in foreign currency at the time of their issue. References to the term "Underlying" shall be construed as references to the underlying specified above.

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

Application will be made for the Securities to be admitted to trading on the Stock Exchange of Madrid and Barcelona.

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

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

**The Base Prospectus is dated 5 May 2006 and provides information with respect to various types of financial instruments which are capable of issue under the Programme. This document constitutes Final Terms, in relation to the Securities only, of the Base Prospectus and is dated 24 August 2006.**

**For listing purposes, the Luxembourg Stock Exchange has allocated the No. 13324 to the Base Prospectus allowing the Issuer to issue the Securities.**

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

## **IMPORTANT**

*Deutsche Bank AG, London accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.*

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

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

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

## FORM OF DOCUMENT PUBLICATION

This document constitutes Final Terms (the “**Final Terms**”) according to Art. 5 (4) of the Prospectus Directive (Directive 2003/71/EC), as implemented by the relevant provisions of the EU member states, in connection with Regulation 809/2004 of the European Commission. As such, the Base Prospectus does not contain information which was not yet known at the time the Base Prospectus has been approved and which can only be determined at the time of the individual issue of securities under the Base Prospectus (the “**Base Prospectus**”).

For each issue of securities under the Base Prospectus, the Final Terms are presented as part of a separate document which repeats the information items contained in the Base Prospectus, filled out and amended by the relevant Final Terms. Such amendments are made in places where the Base Prospectus contains blanks for Final Terms or otherwise.

The Final Terms also contain a completed version of the Summary contained in the Base Prospectus, presenting only the information relevant for the respective Securities.

These Final Terms are available, and have been published, in English. In addition, the Base Prospectus and the Final Terms, or the Summary and possibly other parts of both documents, may also have been published in other languages. Investors who wish to receive information in languages other than English should not only study the document containing a translation of the Summary of the Base Prospectus (and, where applicable, other parts of the Base Prospectus), but also refer to the translation of the Summary in the relevant Final Terms (and where applicable, other parts of the Final Terms).

The Base Prospectus has been published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)), as well as on the Issuer’s website ([www.x-markets.db.com](http://www.x-markets.db.com).) In addition, the Base Prospectus shall be available at the registered office of the Issuer and at an agent of the Issuer in Luxembourg.

The Final Terms, together with any translations thereof, or of the Summary as amended by these Final Terms, are published on the Issuer’s website ([www.x-markets.db.com](http://www.x-markets.db.com)). These documents are also available at the registered office of the Issuer, and at an agent of the Issuer in Luxembourg.

The annual reports and accompanying auditors’ reports for 2003 and 2004 shall also be produced on the Issuer’s website ([www.db.com](http://www.db.com)). The annual reports and accompanying auditors’ reports for 2003 and 2004 are also included in the Registration Document of Deutsche Bank AG which is incorporated by reference into the Base Prospectus.

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

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## SUMMARY

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

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

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

*This Summary contains:*

*Summary of Risk Factors*

*Summary of Economic Description*

*Summary of Final Terms of the Offer*

*Summary of Issuer Description*

## SUMMARY OF RISK FACTORS

### Risk Factors

#### Issuer Risk Factors

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

#### Ratings

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

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

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

#### Rating of Subordinated Obligations

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

### Risks relating to the Securities

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

An investment in the Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Underlying, and/or the in the composition or method of calculation of the Underlying, as the return of any such investment will be dependent, *inter alia*, upon such changes. More than one risk factor may have simultaneous effect with regard to the Securities such that the effect of a particular risk factor may

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

## **SUMMARY OF ECONOMIC DESCRIPTION**

The Securities represent an investment similar to a direct investment in the Underlying. Even if the value or average value of the Underlying decreases to a certain extent below its value at the issuance of the securities, the securities provide for a positive return. For these features, however, investors forgo the right to receive any dividends, interest or similar amounts paid in respect of the Underlying.

## SUMMARY OF FINAL 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.*

<b>Issuer:</b>	Deutsche Bank AG, acting through its London branch
<b>Number of Certificates:</b>	200,000 Certificates
	The actual amount of Securities issued will correspond to the sum of all valid subscriptions or orders received by the Issuer.
<b>Issue Price:</b>	EUR 100
	The Issue price will be determined on the Issue Date and then be reset continuously
<b>Nominal Amount:</b>	EUR 100
<b>Underlying:</b>	IBEX 35
<b>Issue Date:</b>	24 August 2006
<b>Initial Reference Valuation Date:</b>	24 July 2006, subject to adjustment
<b>Reference Level:</b>	Means an amount equal to the official closing level of the Underlying, subject to adjustment
<b>Initial Reference Level:</b>	Means the Reference Level on the Initial Reference Valuation Date, subject to adjustment
<b>Final Reference Level:</b>	Means the Reference Level on the Valuation Date, subject to adjustment
<b>Valuation Date:</b>	28 July 2008, subject to adjustment
<b>Settlement Date:</b>	31 July 2008, subject to adjustment
<b>Lower Barrier Level:</b>	80% of the Initial Reference Level
<b>Determination Level:</b>	100% of the Initial Reference Level
<b>Participation Factor:</b>	100%
<b>Downside Differential Amount:</b>	means, in respect of a Security, an amount determined by the Calculation Agent equal to the product of: <ol style="list-style-type: none"><li>(1) the Participation Factor; and</li><li>(2) the Determination Level minus the Final Reference Level</li></ol>
<b>Multiplier:</b>	means the quotient of (i) 100 by (ii) the Initial Reference Level
<b>Cash Settlement Amount:</b>	means, in respect of each Security, an amount determined by the Calculation Agent to be equal to the product of the Multiplier and an amount determined as follows: <ol style="list-style-type: none"><li>(1) if, in the determination of the Calculation Agent, the Final Reference Level is greater than or equal to the Determination Level: the sum of (a) and (b), where: <ol style="list-style-type: none"><li>(a) is the Determination Level; and</li><li>(b) is the product of (i) and (ii), where: <ol style="list-style-type: none"><li>(i) is the Final Reference Level minus the Determination Level; and</li><li>(ii) is the Participation Factor;</li></ol></li></ol></li><li>(2) if, in the determination of the Calculation Agent, the Final Reference Level is less than the Determination Level and</li></ol>

the Lower Barrier Determination Amount has never been equal to or less than the Lower Barrier Level at any time on any Trading Day during the Lower Barrier Determination Period, an amount equal to the sum of (a) and (b), where:

(a) means the Initial Reference Level and

(b) means the Downside Differential Amount; or

(3) if, in the determination of the Calculation Agent, the Final Reference Level is less than the Determination Level and the Lower Barrier Determination Amount has been equal to or less than the Lower Barrier Level at any time on any Trading Day during the Lower Barrier Determination Period, an amount equal to the Final Reference Level;

<b>Settlement:</b>	Cash Settlement
<b>Settlement Currency:</b>	EUR
<b>Listing:</b>	Application has been made for the Securities to be admitted to trading on the Madrid Stock Exchange
<b>Calculation Agent:</b>	The Issuer shall act as the Calculation Agent
<b>Principal Agent:</b>	Deutsche Bank AG London
<b>Clearing Agent:</b>	Iberclear
<b>Governing Law:</b>	English Law
<b>ISIN:</b>	DE000DB11EX8
<b>WKN:</b>	DB11EX

#### **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 Offering Period**

The offer of the Securities starts on 24 August 2006. 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.

## SUMMARY OF ISSUER DESCRIPTION

### History and Development of the Bank

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

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

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

Deutsche Bank operates through three group divisions:

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

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

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

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

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

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

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

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

### **Selected Financial Information**

As of 31 March 2006, Deutsche Bank's issued share capital amounted to Euro 1,325,118,960.64 consisting of 517,624,594 ordinary shares without par value. 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. PRODUCT SPECIFIC RISK FACTORS

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

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

### Introduction

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

The Securities may decline in value and investors should be prepared to sustain a total loss of their investment in the Securities. The shorter the remaining term of the Securities is, the higher the risk of decline in value of the Securities.

An investment in the Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Underlying and/or in the composition or method of calculation of the Underlying, as the case may be, as the return of any such investment will be dependent, inter alia, upon such changes. More than one risk factor may have simultaneous effect with regard to the Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Securities.

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

### Rights under the Securities

The Twin Win Certificates (the "**Securities**") represent the right to receive payment of a cash amount at settlement. The cash amount payable at settlement will vary according to the value or average value of an underlying asset or other basis of reference (the "**Un-**

**derlying**") on one or more specified final valuation day(s) and, on each relevant day during a specified period, as described below in scenarios (A), (B) and (C).

Scenario A:

If the value or average value of the Underlying on the final valuation day(s) is above a specified determination level, the cash amount payable at settlement will be equal to the value or average value of the Underlying on the final valuation day(s).

Scenario B:

If the value or average value of the Underlying on the final valuation day(s) is equal to or less than the determination level and if the value or average value of the Underlying has not been equal to or less than the lower barrier level on any trading day during a specified period, the cash amount payable at settlement will be equal to the sum of such value or average value of the Underlying on the final valuation date(s) and a specified downside differential amount. The downside differential amount will be the difference of the determination level and the value or average value of the Underlying on the final valuation day(s).

Scenario C:

If the value or average value of the Underlying on the final valuation day(s) is equal to or less than the determination level and if the value or average value of the Underlying has been equal to or less than the lower barrier level on any trading day during the specified period, the cash amount payable at settlement will be equal to such value or average value of the Underlying on the final valuation day(s).

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

The Underlying is an index.

**Prospective investors should note that the return (if any) on their investment in the Securities will depend on the value or average value of the Underlying on the specified final valuation day(s) and on each relevant day during the specified period. In the worst-case scenario, if the final value of the Underlying is less than or equal to the specified determination level and has been equal to the lower barrier level during the specified period, investors that have bought the Securities at their issue date and hold them for their entire term will suffer a loss on their investment. Investors will lose their investment altogether if the value or average value, as applicable, of the Underlying on the specified final valuation day(s) is zero. Accordingly, an investment in the Securities involves a number of risks which may include, without limitation, a similar market risk to a direct investment in the Underlying and investors should take advice accordingly.**

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

## **B. GENERAL RISK FACTORS RELATING TO THE SECURITIES**

### **1. No payments until settlement**

Prospective investors should note that no periodic interest payments or other distributions will be made during the term of the Securities. A realisation in the secondary market of the Securities may be the only return potentially available to the investor prior to settlement of the Securities. However, investors should note the risk factors described under the headings "Market value" and "The Securities may be Illiquid" below in this regard.

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

If the Issuer determines that, for reasons beyond its control, the performance of its obligations under the Securities has become illegal or impractical in whole or in part for any reason, or the Issuer determines that, for reasons beyond its control, it is no longer legal or practical for it to maintain its hedging arrangements with respect to the Securities for any reason, the Issuer may at its discretion and without obligation terminate early the Securities. If the Issuer terminates early the Securities, the Issuer will, if and to the extent permitted by applicable law, pay the holder of each such Security an amount determined by the calculation agent to be its fair market value notwithstanding the illegality or impracticality less the cost to the Issuer of unwinding any underlying related hedging arrangements.

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

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

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

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

## **4. Taxation**

Potential purchasers and sellers of the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred. Securityholders are subject to the provisions of General Condition 6 and payment and/or delivery of any amount due in respect of the Securities will be conditional upon the payment of certain taxes, duties and/or expenses as provided in the Product Conditions.

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

## **5. Exercise or delivery notice and certifications**

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

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

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

## **6. Time lag after exercise**

Where the Securities are to be settled by a cash payment, then, upon their exercise, there may be a time lag between the time exercise occurs and the time the applicable cash amount relating to such exercise is determined. Any such delay between the time of exercise and the determination of the cash amount will be specified in the Conditions. However, such delay could be significantly longer, particularly in the case of a delay in exercise of such cash settled Securities arising from, as described below, any daily maximum exercise limitation or, as described below, upon the determination by the calculation agent that a market disruption event has occurred at any relevant time. The applicable cash amount could decrease or increase from what it would have been but for such delay.

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

## **7. Maximum exercise amount**

If so indicated in the Conditions for any Securities that are exercisable by the holders thereof on more than a single date, the Issuer will have the option to limit the number of Securities exercisable on any date (other than the final exercise date) to the maximum number so specified and, in conjunction with such limitation, to limit the number of Securities exercisable by any person or group of persons (whether or not acting in concert) on such date. In the event that the total number of Securities being exercised on any date (other than the final exercise date) exceeds such maximum number and the Issuer has elected to limit the number of Securities exercisable on such date, a holder of Securities may not be able to exercise on such date all the Securities that it desires to exercise. In any such case, the number of Securities to be exercised on such date will be reduced until the total number of Securities exercised on such date no longer exceeds such maximum (unless the Issuer otherwise elects), such Securities being selected as specified in the Conditions. Securities tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Securities may be exercised, subject to the same daily maximum limitation and delayed exercise provisions.

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

## **8. Minimum exercise amount**

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

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

## **9. Option to settle in cash or by physical delivery**

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

## **11. 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.

# **C. MARKET FACTORS**

## **1. Market Factors**

### *1.1 Valuation of the Underlying*

An investment in the Securities involves risk regarding the value of the Underlying. The value of the Underlying may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macroeconomic factors and speculation.

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

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

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

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

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

The value of the Underlying on any day will reflect the value of its constituents on such day. Changes in the composition of the Underlying and factors (including those described in these Risk Factors) which either affect or may affect the value of the constituents will affect the value of the Underlying and therefore may affect the return on an investment in the Securities. Fluctuations in the value of any one constituent may be offset or intensified by fluctuations in the value of other constituents. The historical value (if any) of the constituents does not indicate their future performance. Where the value of the constituents is determined in a different currency to the value of the Underlying, investors may be exposed to exchange rate risk.

1.5 *Exchange rate risk*

Prospective investors should be aware that an investment in the Securities may involve exchange rate risks. For example, the settlement currency of the Securities may be different from the currency of an investor's home jurisdiction or the currency in which an investor wishes to receive funds.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macroeconomic factors, speculation and central bank and government intervention or other political factors (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities and any amounts payable in respect of the Securities.

1.6 *Interest rate risk*

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

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

## **2. Market value**

The market value of the Securities during their term depends primarily on the value and the volatility of the Underlying. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors

protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macroeconomic factors and speculation. If the value of the Underlying falls and/or there is a market perception that the value of the Underlying is likely to fall during the remaining life of the Securities, all other factors being equal, the market value of the Securities will under normal conditions also fall, subject to any minimum redemption amount. If the value of the Underlying rises and/or there is a market perception that the value of the Underlying is likely to rise during the remaining life of the Securities, all other factors being equal, the market value of the Securities will under normal conditions also rise, subject to any maximum redemption amount.

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

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

### **3. Certain hedging considerations**

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

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

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

### **4. The Securities may be illiquid**

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

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

The Issuer may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation. Since the Issuer may be the only market-maker in the Securities, the secondary market may be limited. The more limited the secondary market is, the more difficult it may be for holders of the Securities to realise value for the Securities prior to settlement of the Securities.

### **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 Un-

derlying, or its constituents, or other proceeds which, due to the Securities' design, are economically attributable to the Issuer.

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

Certain costs, like for example management fees charged on the basis of the Product Conditions, are in many cases not taken out of the quoted prices on a consistent basis over the term of the Securities (pro rata temporis), but are subtracted from the Securities' fair value completely at an earlier point in time, as determined by the market-maker in its discretion. The same applies for a premium contained in the issue price and for dividends and other proceeds of the Underlying which, due to the Securities' design, are economically attributable to the Issuer, which often are not subtracted when the Underlying, or its constituents, are traded "ex dividend", but at an early stage of the Securities' term based on expected dividends for the entire term or a certain time span. The rate at which such costs are subtracted depends, *inter alia*, on the net flow back of Securities to the market-maker.

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

7. Market-Making for the Underlying: The Issuer may, in certain cases, act as a market-maker for the Underlying, which might in particular be the case when the Issuer has also issued the Underlying. By such market-making, the Issuer will, to a large extent, determine the price of the Underlying, and consequently influence the value of the Securities itself. The prices quoted by the Issuer in its market-making function will not always correspond to the prices which would have prevailed without such market-making and in a liquid market.
8. Acting as underwriter or otherwise for the issuer of Underlying: The Issuer and its affiliates may also act as underwriter in connection with future offerings of the Underlying or may act as financial adviser to the issuer of an Underlying or in a commercial banking capacity for the issuer of an Underlying. Such activities could present certain conflicts of interest and may affect the value of the Securities.
9. Obtaining of non-public information: The Issuer and/or its affiliates may acquire non-public information with respect to the Underlying, and neither the Issuer nor any of its affiliates undertakes to disclose any such information to any Securityholder. In addition, one or more of the Issuer's affiliates may publish research reports with respect to the Underlying. Such activities could present conflicts of interest and may affect the value of the Securities.

## ECONOMIC DESCRIPTION

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

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

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

### 1. Rights under the Securities

The Twin Win Certificates (the "**Securities**") represent the right to receive payment of a cash amount at settlement. The cash amount payable at settlement will vary according to the value or average value of an underlying asset or other basis of reference (the "**Underlying**") on one or more specified final valuation day(s) and, on each relevant day during a specified period, as described below in scenarios (A), (B) and (C).

#### Scenario A:

If the value or average value of the Underlying on the final valuation day(s) is above a specified determination level, the cash amount payable at settlement, will be equal to the value or average value of the Underlying on the final valuation day(s).

#### Scenario B:

If the value or average value of the Underlying on the final valuation day(s) is equal to or less than the determination level and if the value or average value of the Underlying has not been equal to or less than the lower barrier level on any trading day during a specified period, the cash amount payable at settlement will be equal to the sum of such value or average value of the Underlying on the final valuation date(s) and a specified downside differential amount. The downside differential amount will be the difference of the determination level and the value or average value of the Underlying on the final valuation day(s).

#### Scenario C:

If the value or average value of the Underlying on the final valuation day(s) is equal to or less than the determination level and if the value or average value of the Underlying has been equal to or less than the lower barrier level on any trading day during the specified period,

the cash amount payable at settlement will be equal to such value or average value of the Underlying on the final valuation day(s).

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

The Underlying is an index.

## **2. Economic nature of the Securities**

The Securities represent an investment similar to a direct investment in the Underlying. Even if the value or average value of the Underlying decreases to a certain extent below its value at the issuance of the securities, the securities provide for a positive return.

For these features, however, investors forgo the right to receive any dividends, interest or similar amounts paid in respect of the Underlying.

Investors that buy the Securities at their issue date and hold the Securities for the entire term therefore achieve a positive return on their initial investment when the value or average value of the Underlying on one or more specified final valuation day(s) is greater than the specified determination level. Even if the value or average value is below the determination level but has not been below the specified lower barrier level during a specified period, investors that buy the Securities at their issue date and hold the Securities for the entire term receive at least the issue price.

If the value or average value of the Underlying on the specified final valuation day(s) is equal to or below the determination level and if the value of the Underlying on any trading day during a specified period has been equal to or below the specified lower barrier level, investors that buy the Securities at their issue date and hold the Securities for the entire term will receive no positive return and suffer a loss. Such loss can extend to their whole initial investment where the value or average value of the Underlying is zero at this time.

The Securities do not provide a guarantee of payment of a set amount or for the right to receive repayment of the issue price. As described above, the value of any cash amount payable to the investor at settlement depends on the value or average value of the Underlying on one or more specified final valuation day(s), which, in the worst-case scenario, can result in the total loss of the initial investment. There is no return on the Securities other than the potential cash payment at settlement. In particular there are no periodic interest payments or other distributions (e.g. dividends) payable during the term of the Securities. Accordingly, investors may only receive a positive return on their initial investment if the cash amount received at settlement or after a sale of the Securities in the secondary market during their term exceeds the price originally paid for the Securities. Investors will not receive any amounts paid by way of interest or other distributions (e.g. dividends) from time to time paid by or in respect of the Underlying and will not have any rights against the issuer of the Underlying, any constituents of the Underlying or the issuer of such constituents.

## **3. Market Value of the Securities during their term**

The market value of the Securities during their term can fall below the issue price of the Securities.

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. 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.

Furthermore the market value of the Securities will depend on the remaining term of the Securities to maturity and whether or not the value of the Underlying has been equal to or below the specified lower barrier level or is expected to be greater than the specified determination level and equal to the lower barrier level.

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

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

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

## TERMS OF THE OFFER

### **The Offering Period**

The offer of the Securities starts on 24 August 2006. 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.

### **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.

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

## General Selling and Transfer Restrictions

### 1. General

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

### 2. United States of America

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

### 3. European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) the Securities have not been offered and will not be offered to the public in that Relevant Member State except, with effect from and including the Relevant Implementation Date, the Securities may be offered to the public in that Relevant Member State:

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

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

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

(d) 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) An invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act ("**FSMA**") may only be communicated or caused to be communicated in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA would, if the Issuer was not an authorised person, apply to the Issuer; and

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

### Publication of Final Terms

The Final Terms shall be published on the website on the Issuer's website.

This website can be found at:

Party	"URL"
Issuer	<a href="http://www.x-markets.db.com">www.x-markets.db.com</a>

In addition, the Final Terms shall be available at the registered office of the Issuer and in Luxembourg at the Issuer's branch office, Deutsche Bank Luxembourg Branch, 2, Boulevard Konrad Adenauer, L-1115 Luxembourg.

## PRODUCT CONDITIONS

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

## 1. Definitions

"**Affiliate**" means any entity controlled, directly or indirectly, by the Issuer, any entity that controls, directly or indirectly, the Issuer, or any entity under common control with the Issuer. As used herein "**control**" means ownership of a majority of the voting power of the entity or, as the case may be, the Issuer and "**controlled by**" and "**controls**" shall be construed accordingly;

"**Agent**" means, subject to the provisions of General Condition 5, Deutsche Bank AG, acting through its 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**");

"**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, Frankfurt am Main and Madrid and a day on which each Clearing Agent is open for business and, for the purpose of making payments in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) system is open;

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

"**Cash Settlement Amount**" means, in respect of each Security, an amount determined by the Calculation Agent to be equal to the product of the Multiplier and an amount determined as follows:

- (1) if, in the determination of the Calculation Agent, the Final Reference Level is greater than or equal to the Determination Level:  
the sum of (a) and (b), where:
  - (a) is the Determination Level; and
  - (b) is the product of (i) and (ii), where:
    - (i) is the Final Reference Level minus the Determination Level; and
    - (ii) is the Participation Factor;
- (2) if, in the determination of the Calculation Agent, the Final Reference Level is less than the Determination Level and the Lower Barrier Determination Amount has never been equal to or less than the Lower Barrier Level at any time on any Trading Day during the Lower Barrier Determination Period, an amount equal to the sum of (a) and (b), where:
  - (a) means the Initial Reference Level and
  - (b) means the Downside Differential Amount; or
- (3) if, in the determination of the Calculation Agent, the Final Reference Level is less than the Determination Level and the Lower Barrier Determination Amount has been equal to or less than the Lower Barrier Level at any time on any Trading Day during the Lower Barrier Determination Period, an amount equal to the Final Reference Level;

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

**"Clearing Agent"** means, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A., trading as Iberclear and such further or alternative clearing agent(s) or clearance system(s) as may be approved by the Issuer from time to time and notified to the Securityholders in accordance with General Condition 4 (each a **'Clearing Agent'** and together the **"Clearing Agents"**, which term will include any depositary holding the Global Security on behalf of the Clearing Agent);

**"Determination Level"** means 100 per cent of the Initial Reference Level, subject to adjustment in accordance with Product Condition 4;

**"Downside Differential Amount"** means, in respect of a Security, an amount determined by the Calculation Agent equal to the product of:

- (1) the Participation Factor; and
- (2) the Determination Level minus the Final Reference Level;

**"Exercise Date"** means the Valuation Date or, if such day is not a Business Day, the first succeeding Business Day;

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

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

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

**"Initial Reference Valuation Date"** means 24 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 24 August 2006;

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

**"Lower Barrier Determination Amount"** means at any time on any relevant Trading Day, an amount which shall be deemed to be a monetary value in the Settlement Currency) equal to the level of the Underlying quoted by the Reference Source at such time on such day determined by the Calculation Agent and without regard to any subsequently published correction(s), provided that if a Market Disruption Event has occurred and is prevailing at such time on such day, no Lower Barrier Determination Amount shall be calculated for such time;

**"Lower Barrier Determination Period"** means the period from and including the Issue Date to and including the relevant time for the determination of the Final Reference Level on the Valuation Date as specified in the definition of Reference Level;

**"Lower Barrier Level"** means 80 per cent of the Initial Reference Level, subject to adjustment in accordance with Product Condition 4;

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

**"Multiplier"** means the quotient of (i) 100 (as numerator) and (ii) the Initial Reference Level (as denominator), subject to adjustment in accordance with Product Condition 4;

**"Participation Factor"** means 100 per cent;

**"Reference Level"** means, in respect of any day, 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 official closing level of the Underlying quoted by the Reference Source on such day, all as determined by the Calculation Agent;

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

**"Securities"** means up to 200,000 Twin Win certificates relating to the Underlying represented by the Global Security and each a **"Security"**;

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

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

**"Settlement Currency"** means euro ("**EUR**");

**"Settlement Date"** means 31 July 2008, or if such day is not a Business Day the next following Business Day or if later the third Business Day following the Valuation Date;

**"Trading Day"** means any day that is (or, but for the occurrence of a Market Disruption Event, would have been) a trading day for the 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 week-day closing time;

**"Underlying"** means the following index of the Sponsor or Issuer of the Underlying and with the Reference Source (if any) set out in the table below:

Type of Underlying	Name of Underlying	Sponsor or Issuer of Underlying	Reference Source
Index	IBEX 35 index	Sociedad de Bolsas	Madrid Stock Exchange (Sociedad de Bolsas)

**"Valuation Date"** means 28 July 2008 or, if such day is not a Trading Day, the next following Trading Day unless, in the opinion of the Calculation Agent, a Market Disruption Event has occurred on such day. If there is a Market Disruption Event on such day, then the Valuation Date shall be the first succeeding Trading Day on which there is no Market Disruption Event.

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

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

## **2. Form**

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

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

Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the holder of a particular amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the amount of Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such amount of the Securities (and the terms "**Securityholder**" and "**holder of Securities**" and related expressions shall be construed accordingly) for all purposes.

The terms "**Securityholders**" and "**holders of Securities**" in the Conditions will be construed to mean those persons recognised as the legal owner of the Securities pursuant to German law.

## **3. Exercise Rights and Exercise Procedure**

### *3.1. Exercise*

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

### *3.2. Settlement*

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

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

The Issuer will be discharged of its payment obligations by payment to, or to the order of, the relevant Clearing Agent in respect of the amount so paid. Each of the persons shown in the records of a Clearing Agent as the holder of a particular number of the

Securities must look solely to the relevant Clearing Agent for his share of each such payment so made by the Issuer to, or to the order of, the relevant Clearing Agent.

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

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

### 3.3. *General*

In the absence of gross negligence or wilful misconduct on its part, none of the Issuer, the Calculation Agent and any Agent shall have any responsibility for any errors or omissions in the calculation of any amount payable hereunder or in any other determination pursuant to the provisions hereof. The purchase and/or holding of Securities does not confer on any holder of any Securities any rights (whether in respect of voting, distributions or otherwise) in relation to the Underlying or any asset of any kind whatsoever by reference to which the Cash Settlement Amount is calculated.

### 3.4 *Securityholder Expenses*

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

### 3.5 *Exercise and Settlement Risk*

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

## 4. **Adjustment Provisions**

### 4.1 *Indices*

#### 4.1.1 *Definitions:*

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

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

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

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

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

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

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

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

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

- (i) any country (or any political or regulatory authority thereof) in which a Reference Currency or the Settlement Currency is the legal tender or currency; and
- (ii) any country (or any political or regulatory authority thereof) with which an Index or an Index Constituent has a material connection and, in determining what is material the Calculation Agent may, without limitation, refer to the country or countries in which the Index is calculated or published, the issuer of the Index Constituent is incorporated and/or such other factor(s) as it may deem appropriate,

all as determined by the Calculation Agent.

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

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

#### 4.1.2 *Market Disruption*

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with General Condition 4 if a Market Disruption Event has occurred on any date with respect to which the Calculation Agent would, but for the occurrence of

a Market Disruption Event, have been required by the Product Conditions to determine the level of an Index.

**"Market Disruption Event"** means:

- 4.1.2.1 the occurrence or existence on any Trading Day at the Relevant Time for such Index or such Index Constituent or at any time during the one hour period that ends at the Relevant Time for such Index or such Index Constituent:
  - (A) of any suspension of or limitation imposed on trading (whether by reason of movements in price exceeding limits permitted by any Reference Source or any Related Exchange or otherwise):
    - 4.1.2.1.1 on any Reference Source as a whole; or
    - 4.1.2.1.2 on any Related Exchange of any options contracts or futures contracts on or relating to any Index or any Index Constituent; or
    - 4.1.2.1.3 on any exchange or trading system or quotation system on which an Index Constituent is listed or quoted of such Index Constituent; or
  - (B) of any event that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in relation to or to obtain market values for such Index or such Index Constituent on the relevant Reference Source or to effect transactions in or obtain market values for options contracts or futures contracts on or relating to such Index or such Index Constituent on any Related Exchange; or
- 4.1.2.2 the closure on any Trading Day of any Reference Source or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Reference Source or such Related Exchange, as the case may be, at least one hour prior to (aa) the actual closing time for the regular trading session on such Reference Source or such Related Exchange on such Trading Day or, if earlier, (bb) the submission deadline (if applicable) for orders to be entered into such Reference Source or such Related Exchange system for execution at the Relevant Time on such Trading Day. A "**Scheduled Closing Time**" is the scheduled weekday closing time of the relevant Reference Source or Related Exchange, without regard to after hours or any other trading outside of the regular trading session hours; or
- 4.1.2.3 a general moratorium is declared in respect of banking activities in any Relevant Country;

if, in the determination of the Calculation Agent, any of the foregoing is material and in determining what is "material" the Calculation Agent may have regard to such circumstances as it in its reasonable discretion deems appropriate, including any

hedging arrangements of the Issuer and/or any of its Affiliates in relation to the Securities;

#### 4.1.3 *Adjustments to the Index*

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

4.1.3.1 If an Index is:

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

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

4.1.3.2 If:

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

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

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

Disruption, as the case may be, less the cost to the Issuer and/or any of its Affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its reasonable discretion. Payment will be made in such manner as shall be notified to the Securityholders in accordance with General Condition 4.

## **5. Governing Law and Place of Jurisdiction**

The Securities are governed by and shall be construed in accordance with English law. No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## GENERAL CONDITIONS

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

### 1. Status of the Securities

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

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

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

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

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

### 3. Purchases

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

### 4. Notices

#### 4.1. Validity

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

#### 4.2. Delivery

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

## **5. Agents, Calculation Agent, Determinations and Modifications**

### **5.1. Agents**

The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint additional Agents, provided that no termination of appointment of the Principal Agent shall become effective until a replacement Principal Agent shall have been appointed and provided that, if and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, there shall be an Agent having a specified office in each country if so required by the rules and regulations of each such stock exchange and the securities regulators in each such jurisdiction. Notice of any appointment, or termination of appointment, or any change in the specified office, of any Agent will be given to Securityholders in accordance with General Condition 4. Each Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders. Any calculations or determinations in respect of the Securities made by an Agent shall (save in the case of manifest error) be final, conclusive and binding on the Securityholders.

### **5.2. Calculation Agent**

The Issuer shall undertake the duties of calculation agent (the **“Calculation Agent”** which expression shall include any successor calculation agent) in respect of the Securities unless the Issuer decides to appoint a successor Calculation Agent in accordance with the provisions below.

The Issuer reserves the right at any time to appoint another institution as the Calculation Agent, provided that no termination of appointment of the existing Calculation Agent shall become effective until a replacement Calculation Agent shall have been appointed. Notice of any such termination or appointment will be given to the Securityholders in accordance with General Condition 4.

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

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

### **5.3. Determinations by the Issuer**

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

#### 5.4. *Modifications*

The Issuer may, to the extent permitted by applicable law, modify the Conditions without the consent of the Securityholders or any of them in any manner which the Issuer may deem reasonably necessary in order to maintain or preserve the intended commercial purpose of the Conditions if such modification does not materially adversely affect the interests of the Securityholders or is of a formal, minor or technical nature or intended to correct a manifest error or to cure, correct or supplement any defective provision contained therein. Notice of any such modification will be given to the Securityholders in accordance with General Condition 4 but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

### 6. **Taxation**

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

### 7. **Further Issues**

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

### 8. **Substitution**

#### 8.1. *Substitution of Issuer*

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

- 8.1.1. the obligations of the Substitute under the Securities being guaranteed by Deutsche Bank AG (unless it is the Substitute);
- 8.1.2. all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Securities represent legal, valid and binding obligations of the Substitute having been taken, fulfilled and done and being in full force and effect;
- 8.1.3. the Issuer shall have given at least 30 days’ prior notice of the date of such substitution to the Securityholders in accordance with General Condition 4.

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

#### 8.2. *Substitution of Office*

The Issuer shall have the right upon notice to Securityholders in accordance with General Condition 4 to change the office through which it is acting for the purpose of the Securities, the date of such change to be specified in such notice provided that no change can take place prior to the giving of such notice.

### 9. **Replacement of Securities**

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

### 10. **Adjustments for European Monetary Union**

#### 10.1. *Redenomination*

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

The election will have effect as follows:

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

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

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

#### 10.2. *Adjustment to Conditions*

The Issuer may, without the consent of the Securityholders, on giving notice to the Securityholders in accordance with General Condition 4 make such adjustments to the Conditions as the Issuer may determine to be appropriate to

account for the effect of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Conditions.

10.3. *Euro Conversion Costs, etc.*

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

10.4. *Definitions*

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

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

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

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

“**Treaty**” means the treaty establishing the European Community.

**11. Definitions**

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

## INFORMATION RELATING TO THE UNDERLYING

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

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

Index	Name of Index Sponsor	Website
IBEX 35	Sociedad de Bolsas	<a href="http://www.sbolsas.com/">http://www.sbolsas.com/</a>

*"Ibex 35" is a trade mark of Sociedad de Bolsas which has been licensed for use by Deutsche Bank. The Product(s) is not sponsored, managed, advised, sold or promoted by Sociedad de Bolsas.*

## COUNTRY SPECIFIC INFORMATION

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

### SPAIN

#### 1. Taxation

##### a. General Information

The following is a discussion of certain Spanish tax considerations relevant to a Securityholder. This statement must not be understood to be tax advice. It is based on the Spanish tax laws and their interpretation in effect on the date of this prospectus that may be subject to changes. Such changes may negatively affect the tax treatment as described below. This description does not purport to be complete with respect to the tax information that may be relevant for the Securityholder due to his personal circumstances. Prospective buyers of the Security are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of the Security.

The following information also considers the tax treatment that will presumably apply under new tax legislation to be enforceable on 1 January 2007 onwards. This new legislation is still under Parliamentary discussion so it cannot be guaranteed that the draft text that has been considered herein is not changed before being finally enacted.

##### b. Taxation of a Spanish tax resident individual

###### b.1) Tax treatment under current legislation

According to article 23 of the Spanish Personal Income Tax Act, positive or negative income obtained by Spanish tax residents individuals from the Certificates would be considered as yields from moveable capital.

In case of transfer or cash settlement, the yield obtained by the investor would be the difference between the amount received (reduced in the expenses related to the transfer) and the acquisition cost (incremented in the costs related to the acquisition).

In case of physical settlement, according to the latest position of the General Directorate of Taxes concerning similar structures, the positive or negative yield obtained by the Securityholder would be determined by the difference between the acquisition cost and the quotation value of the shares received at the date of settlement.

Positive yields are taxed at progressive rates from 15% to 45% (depending on the annual income of the Securityholder) and negative yields offset the other positive income of the Securityholder.

In case more than two years from the acquisition have elapsed in the moment of the transfer/settlement of the Certificates, the yield mentioned in the previous paragraphs would be reduced in a 40%.

Positive yields obtained would be subject to withholding tax at a 15%, which is creditable against the investor's final tax liability, being the depository entity resident in Spanish territory (or a Spanish permanent establishment of a non resident entity) obliged to withhold taxes. In case the depository entity were not a Spanish resident company or a Spanish permanent establishment of a non resident entity, the Spanish resident entity (or the Spanish permanent establishment of a non resident entity) which is in charge of collecting the payments would be obliged to withhold taxes.

## **b.2) Tax treatment under proposed legislation**

The proposed legislation would not change the basis for the calculation of the yield, as explained in the previous paragraphs. However, a fixed rate of 18% would apply to positive yields irrespective of the period elapsed between the acquisition and transfer/settlement of the Certificates (that is, no further 40% reduction for long term – over 2 years – yields).

The rate of withholding tax applicable to positive yields would be increased from current 15% to 18%, being the said withholding tax creditable against investor's final tax liability.

## **c. Taxation of a Spanish tax resident company**

### **c.1) Tax treatment under current legislation**

According to article 10.3 of the Spanish Corporate Income Tax Act, income obtained by a Spanish entity from the investment in the Certificates would be included in the taxable base of the said entities in accordance to the accounting standards, being taxed at the rate corresponding to the Securityholder (generally 35%).

As long as the Certificates will be listed in official markets of OECD countries, no withholding tax obligation would arise in accordance to article 59.s of the Corporate Income Tax Regulations.

### **c.2) Tax treatment under proposed legislation**

Corporate Income Tax rate, currently at 35% rate generally, will be reduced gradually until 30% on 2011 onwards (progressive reduction at 1% rate between 2007 and 2011). Latest informations indicate that the 30% rate will already apply on 2009 onwards.

It can reasonably be inferred that by Exercise Date the applicable rate will surely be 30% or below 30%.

## **d. Taxation of a non Spanish resident**

Non Spanish residents would only be taxed in Spain on income obtained from the investment in the Certificates in case they acted in Spain through a permanent establishment to which the certificates were allocated. These non Spanish residents would be taxed as explained in point c above.

**2. Offering Period**

The offer of the Securities starts on 24 August 2006.

**3. Settlement and Clearing**

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

ISIN: DE000DB11EX8

WKN: DB11EX

**4. Agent in Spain**

In Spain, the Agent shall be Deutsche Bank S.A.E acting through its office in Madrid. The Agent shall act as the warrant agent or paying agent as appropriate at the following address: Paseo de la Castellana, 18, 28046 Madrid.

## 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

**Agent in Spain:**

Deutsche Bank S.A.E.  
Paseo de la Castellana, 18  
28046 Madrid

## RESUMEN



### Deutsche Bank AG Londres

Hasta 200.000 "Twin Win" Certificados relacionados con el Índice IBEX 35

Emitidos en el marco de su Programa **X-markets**<sup>TM</sup> registrado en Luxemburgo con fecha 5 de mayo de 2006

Precio de Emisión: EUR 100 por Certificado

WKN/ISIN / DB11EX / DE000DB11EX8

*La siguiente información no es más que un resumen de los Términos Finales y debe leerse junto al resto de los Términos Finales y al Folleto Base. Este resumen pretende expresar las características y riesgos esenciales asociados al Emisor y relacionados con los Valores y no pretende ser exhaustivo. Está extraído de los Términos Finales y del Folleto Base y queda supeditado en su totalidad a lo dispuesto en el resto de los Términos Finales y del Folleto Base. En consecuencia, debe leerse este resumen a modo de introducción a los Términos Finales y toda decisión de invertir en los Valores debe estar basada en el estudio por el inversor del Folleto Base en su conjunto.*

*Los eventuales inversores deben tener presente que en caso de presentarse una demanda ante un tribunal relacionada con la información contenida en este Folleto Base, puede que el inversor que presente la demanda tenga, con arreglo a la legislación nacional del respectivo Estado miembro de la UE, que sufragar los costes de traducción del folleto base antes del inicio de los procedimientos judiciales.*

*El Emisor que ha presentado el resumen, incluida su traducción, y que ha solicitado su notificación, asume la responsabilidad civil que se derive de estos actos, aunque sólo si el resumen es engañoso, inexacto o incoherente al leerse junto a las demás partes del Folleto Base.*

*Este Resumen contiene:*

*Resumen de los factores de riesgo*

*Resumen de descripciones económicas*

*Resumen de las Condiciones de la Oferta*

*Resumen de la Descripción del Emisor*

Deutsche Bank 

## Resumen de factores de riesgo

### Factores de riesgo

#### Factores de riesgo del Emisor

Los eventuales inversores debieran tener en consideración toda la información incluida en el Folleto Base y consultar a sus propios asesores profesionales si lo estiman necesario. Incluimos a continuación una descripción de los factores de riesgo relacionados con la capacidad del Emisor para cumplir sus obligaciones derivadas de los Valores.

#### Ratings

Los ratings asignados al Emisor por determinadas agencias de rating independientes constituyen un indicador de la capacidad del Emisor para atender puntualmente sus obligaciones. Cuanto menor es el rating asignado de la respectiva escala, mayor es el riesgo que observa la respectiva agencia de rating de que las obligaciones no vayan a ser atendidas en absoluto o no vayan a ser atendidas puntualmente. Los ratings asignados en la fecha de publicación de este resumen a Deutsche Bank eran los siguientes:

Agencia de Rating	Largo plazo	Corto plazo
Standard & Poors (S&P)	AA-	A-1+
Moody's	Aa3	P-1
Fitch	AA-	F1+

Las agencias de rating pueden cambiar sus ratings en cualquier momento. Un cambio de rating puede verse reflejado en el precio de los valores en circulación.

#### Rating de las obligaciones subordinadas

Si Deutsche Bank emitiera obligaciones subordinadas, éstas podrían recibir ratings más bajos. Deutsche Bank publicará (en su caso) los ratings de esas obligaciones subordinadas.

### Riesgos relacionados con los Valores

La inversión en los Valores conlleva riesgos. Estos riesgos comprenden, entre otros, los riesgos del mercado de renta variable, del mercado de renta fija, de tipo de cambio, de tipos de interés, de volatilidad del mercado y riesgos económicos, políticos y regulatorios, además de cualquier combinación de éstos y de otros riesgos. Los eventuales compradores deben tener experiencia en operaciones con instrumentos similares a los Valores y el activo subyacente u otra base de referencia para los Valores (en lo sucesivo, el "**Subyacente**"). Los eventuales compradores deben comprender los riesgos asociados a una inversión en los Valores y no deben tomar una decisión de inversión hasta después de haber estudiado detenidamente, con sus asesores jurídicos, fiscales, contables y de otro tipo, (i) la idoneidad de una inversión en los Valores atendiendo a sus propias circunstancias económicas,

fiscales y de otra índole; (ii) la información expuesta en este documento y (iii) el Subyacente.

Los Valores puede perder valor y los inversores deberían estar preparados para soportar la pérdida total de lo invertido en los Valores. Cuanto menos tiempo quede para el vencimiento de los Valores, mayor es el riesgo de pérdida de valor de los Valores

Sólo debe invertirse en los Valores tras evaluar la dirección, el momento de acaecimiento y la magnitud de posibles cambios futuros del valor del Subyacente, y/o de la composición o del método de cálculo del Subyacente, pues la rentabilidad de cualquiera de estas inversiones dependerá, entre otros, de estos cambios. Más de un factor de riesgo puede tener un efecto simultáneo con respecto a los Valores, de manera que puede que sea impredecible el efecto de un factor de riesgo en particular. Además, más de un factor de riesgo puede tener un efecto perjudicial, que posiblemente sea impredecible. No puede darse ninguna certeza acerca del efecto que cualquier combinación de factores de riesgo puede tener en el valor de los Valores.

Los inversores potenciales deben tener en cuenta que el rendimiento de su inversión en los Valores (en el caso de que lo haya) depende del valor o valor medio del Subyacente en la(s) fecha(s) de valoración final y en cualquier día durante el período especificado. En el peor de los escenarios, si el valor final del Subyacente es menor o igual que el nivel de determinación especificado y ha sido igual a la barrera inferior durante el período especificado, los inversores que hayan comprado los Valores en la fecha de emisión y los mantengan hasta su vencimiento, sufrirán una pérdida sobre su inversión. Los inversores perderán su inversión completamente si el valor o valor medio, según sea aplicable, del Subyacente en la(s) fecha(s) final(es) de valoración es cero. Por lo tanto, una inversión en los Valores supone una serie de riesgos que puede incluir, sin que suponga ninguna limitación, un riesgo de mercado similar a una inversión directa en el Subyacente y por lo tanto los inversores deberían tenerlo en cuenta de esta forma.

### **Factores Generales de Riesgo.**

Los inversores deberían tener en cuenta, entre otros, los siguientes factores generales de riesgo que se describen más en detalle en los Términos Finales y en el Folleto Base:

1. Ausencia de pagos hasta la liquidación.
2. Amortización anticipada por motivos extraordinarios, ilegalidad y fuerza mayor.
3. Supuestos de interrupción de mercado, ajustes y vencimiento anticipado de los Valores.
4. Fiscalidad.
5. Ejercicio o entrega de notificación y certificados.
6. Período de tiempo entre ejercicio y determinación del importe a pagar.
7. Importe máximo a ejercitar en una fecha determinada.
8. Existencia de un importe mínimo de ejercicio.
9. Posibilidad de liquidación por diferencias o por entrega física.
10. Precio de Oferta de los distribuidores.

## RESUMEN DE DESCRIPCIONES ECONÓMICAS

Los Valores representan una inversión similar a una inversión directa en el Subyacente. Incluso si el valor o el valor medio del Subyacente desciende de un cierto extremo por debajo de su valor en el momento de la emisión de valores, los valores le proporcionarán un rendimiento positivo.

Para estas características, no obstante, los inversores renuncian al derecho de recibir dividendos, intereses o cantidades similares pagados con relación al Subyacente.

Los Valores incorporan el derecho a recibir el pago de un importe de liquidación en metálico. El importe en metálico a pagar en la liquidación variará de acuerdo con el valor o valor medio del Subyacente en una o más fecha(s) de valoración final especificadas y en cualquier día relevante durante un período determinado, tal y como se describe más adelante en los escenarios (A), (B) y (C).

### Escenario A:

Si el valor o valor medio del Subyacente en la(s) fecha(s) de valoración final está por encima de un nivel de determinación especificado, el importe a pagar en la liquidación será igual al valor o valor medio del Subyacente en la(s) fecha(s) de valoración final.

### Escenario B:

Si el valor o valor medio del Subyacente en la(s) fecha(s) de valoración final es igual o menor que el nivel de determinación y si el valor o valor medio del Subyacente no ha sido en ningún día de negociación del período especificado igual o inferior al nivel de barrera inferior, el importe a pagar en la liquidación será igual a la suma de dicho valor o valor medio del Subyacente en la(s) fecha(s) de valoración final y un importe diferencial inferior determinado. El importe diferencial inferior especificado será la diferencia entre el nivel de determinación y el valor o valor medio del Subyacente en la(s) fecha(s) de valoración final.

### Escenario C:

Si el valor o valor medio del Subyacente en la(s) fecha(s) de valoración final es igual o inferior al nivel de determinación y si el valor o valor medio del Subyacente ha sido en cualquier día de negociación del período especificado igual o inferior al nivel de barrera inferior, el importe a pagar en la liquidación será igual a dicho valor o valor medio del Subyacente en la(s) fecha(s) de valoración final.

En cada uno de los casos, el importe a pagar en la liquidación está sujeto a la deducción de determinados impuesto, tasas y/o gastos.

## RESUMEN DE LAS CONDICIONES FINALES DE LA OFERTA

*Incluimos en esta sección una breve descripción general de las Condiciones del Producto tal como es expuesta posteriormente. No se trata de una descripción completa de los Valores y queda supeditado y debe leerse junto a las Condiciones del Producto, las Condiciones Generales y todas las demás secciones de este documento*

<b>Emisor:</b>	Deutsche Bank AG, Francfort, actuando a través de su sucursal en Londres (Deutsche Bank AG Londres)
<b>Número de Certificados</b>	Hasta 200.000  La cantidad real de Valores emitidos equivaldrá a la suma de todas las suscripciones u órdenes válidas recibidas por el Emisor.
<b>Precio de Emisión</b>	EUR 100
<b>Importe Nominal</b>	EUR 100
<b>Subyacente:</b>	IBEX 35. Ibex 35 es una marca registrada de la Sociedad de Bolsas. Información en relación con el Subyacente puede obtenerse en la página web de la Sociedad de Bolsas ( <a href="http://www.sbolsas.com">http://www.sbolsas.com</a> )
<b>Fecha de Emisión:</b>	24 de agosto de 2006
<b>Fecha de Valoración de Referencia Inicial:</b>	24 de julio de 2006, sujeto a ajustes de acuerdo con la Convención de Día Hábil
<b>Nivel de Referencia</b>	Significa un importe igual al nivel de cierre oficial del Subyacente, sujeto a ajustes de acuerdo con la Convención de Día Hábil
<b>Nivel de Referencia Inicial</b>	El Nivel de Referencia en la Fecha de Valoración de Referencia Inicial, sujeto a ajustes de acuerdo con la Convención de Día Hábil
<b>Nivel de Referencia Final:</b>	El Nivel de Referencia en la Fecha de Valoración de Referencia Final, sujeto a ajustes de acuerdo con la Convención de Día Hábil.
<b>Fecha de Valoración de Referencia Final:</b>	28 de julio de 2008, sujeto a ajustes de acuerdo con la Convención de Día Hábil.
<b>Fecha(s) de Liquidación</b>	31 de julio de 2008, sujeto a ajustes de acuerdo con la Convención de Día Hábil.
<b>Nivel de la Barrera Inferior:</b>	80% del Nivel de Referencia Inicial
<b>Nivel de Determinación:</b>	100% del Nivel de Referencia Inicial
<b>Factor de Participación:</b>	100% por ciento
<b>Importe de Diferencia Inferior:</b>	en relación con los Valores, un importe determinado por el Agente de Cálculo, igual al producto de 1) el Factor de Participación, y 2) el Nivel de Determinación menos el Nivel de Referencia Final
<b>Multiplicador:</b>	El cociente de (i) 100 y (ii) el Nivel de Referencia Inicial
<b>Importe de Liquidación en Efectivo</b>	en relación con los Valores, un importe determinado por el Agente de Cálculo, igual al producto del Multiplicador y un importe determinado como siguiente  (1) si, tal y como determine el Agente de Cálculo, el Nivel de Referencia Final es superior o igual al Nivel de Determinación:  la suma de (a) y (b), dónde:

- (a) es el Nivel de Determinación; y
- (b) es el producto de (i) y (ii), dónde:
  - (i) es la diferencia entre el Nivel de Referencia Final y el Nivel de Determinación ; y
  - (ii) es el Factor de Participación;
- (2) si, tal y como determine el Agente de Cálculo, el Nivel de Referencia Final es inferior al Nivel de Determinación y el Importe de Determinación de la Barrera Inferior en ningún momento ha sido igual o inferior al Nivel de la Barrera Inferior en un Día Hábil durante el Tiempo de la Determinación de la Barrera Inferior, un importe igual a la suma de (a) y (b), dónde:
  - (a) significa el Nivel de Referencia Inicial; y
  - (b) significa el Importe de Diferencia Inferior; o
- (3) si, tal y como determine el Agente de Cálculo, el Nivel de Referencia Final es igual o inferior al Nivel de Determinación y el Importe de Determinación de la Barrera Inferior ha sido igual o inferior al Nivel de la Barrera Inferior en un Día Hábil durante el Tiempo de la Determinación de la Barrera Inferior, un importe igual al Nivel de Referencia Final;

<b>Importe de Determinación de la Barrera Inferior</b>	El producto de: <ul style="list-style-type: none"> <li>(1) El Factor de Participación; y</li> <li>(2) El Nivel de Determinación menos el Nivel de Referencia Final.</li> </ul>
<b>Tiempo de Determinación de la Barrera Inferior:</b>	El período desde e incluida la Fecha de Emisión hasta e incluida la Fecha de Valoración de la Referencia Final.
<b>Día Hábil:</b>	Frankfurt, Londres y Madrid.
<b>Convención Día Hábil:</b>	Siguiente
<b>Liquidación:</b>	En metálico
<b>Moneda de Liquidación:</b>	EUR
<b>Admisión a Cotización en Bolsa:</b>	Se ha solicitado la admisión a cotización de los Valores en la Bolsa de Valores de Madrid y en la Bolsa de Barcelona.
<b>Agente de Cálculo:</b>	El Emisor actuará de Agente de Cálculo
<b>Agente Principal:</b>	Deutsche Bank AG Londres
<b>Agente de Compensación:</b>	Iberclear
<b>Ley Aplicable:</b>	Legislación inglesa.
<b>ISIN:</b>	DE000DB11EX8
<b>WKN:</b>	DB11EX

### **Información posterior a la emisión**

El Emisor no tiene intención de proporcionar ninguna información después de la emisión acerca de cualesquiera activos subyacentes a las emisiones de Valores en el marco de este Programa.

### **Período de Oferta**

La oferta de los Valores comienza el 24 de agosto de 2006. El Emisor se reserva el derecho a reducir el número de Valores ofertados.

**Cancelación de la emisión de los Valores**

El Emisor se reserva el derecho de cancelar, por cualquier motivo, la emisión de los Valores.

## DESCRIPCIÓN DEL EMISOR RESUMIDA

### **Historia y evolución del Banco**

Deutsche Bank Aktiengesellschaft nació de la reunificación de Norddeutsche Bank Aktiengesellschaft, Hamburgo, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf y Süddeutsche Bank Aktiengesellschaft, Munich; conforme a la Ley sobre la Implantación Regional de las Entidades de Crédito, éstas habían sido separadas en 1952 de Deutsche Bank, que fue fundado en 1870. La fusión y la denominación fueron inscritas en el Registro Mercantil del Tribunal de Distrito de Francfort el 2 de mayo de 1957. Deutsche Bank es una entidad bancaria y una sociedad por acciones constituida con arreglo al derecho alemán con el número de inscripción HRB 30 000. El Bank tiene su domicilio social en Francfort (Alemania). Su sede central se encuentra en Taunusanlage 12, 60325 Francfort (teléfono: +49-69-910-00) y dispone de sucursales en Alemania y en el extranjero, en lugares como en Londres, Nueva York, Sidney, Tokio y una Oficina Central para la Región de Asia-Pacífico en Singapur, que ejercen la función de plataforma central de sus actividades en las respectivas regiones.

Deutsche Bank es la sociedad matriz de un grupo compuesto de bancos, empresas de los mercados de capitales, sociedades gestoras de fondos, una financiera inmobiliaria, entidades de financiación de ventas a plazo, empresas de investigación y consultoría y otras sociedades alemanas y extranjeras (en lo sucesivo, el "**Grupo Deutsche Bank**").

El objeto social de Deutsche Bank, según consta en sus Estatutos Sociales, comprende la realización de todo tipo de negocio bancario, la prestación de servicios financieros y de otro tipo y la promoción de las relaciones económicas internacionales. El Banco puede cumplir estos objetivos por sí o a través de empresas filiales y asociadas. En la medida en que lo autorice la ley, el Banco está facultado para realizar toda actividad y adoptar todas las medidas que le parezca posible que contribuyan al cumplimiento de los objetivos del Banco, en particular: adquirir y enajenar bienes inmuebles, abrir sucursales en Alemania y el extranjero, adquirir, administrar y vender participaciones en otras empresas y celebrar acuerdos empresariales.

Deutsche Bank ejerce su actividad a través de tres divisiones de grupo:

**Corporate and Investment Bank (CIB)** comprende las siguientes áreas de negocio:

**Global Markets** comprende toda la actividad de emisión, ventas, contratación y análisis de valores.

**Global Banking** se encarga de todas las necesidades financieras de las empresas, como préstamos, servicios de asesoramiento en materia de fusiones y adquisiciones, financiación comercial y a la exportación y servicios de gestión de tesorería.

**Private Clients and Asset Management (PCAM)** comprende las siguientes áreas de negocio:

**Private & Business Clients** atiende a clientes particulares y empresariales en siete países de Europa y les ofrece soluciones financieras completas e integradas que satisfagan sus necesidades tanto particulares como empresariales.

**Private Wealth Management** aplica un modelo de negocio holístico integrado para atender las complejas necesidades de clientes con grandes patrimonios, sus familias e instituciones seleccionadas.

**Asset Management** reúne gestión de patrimonios para clientes institucionales e inversores privados. Ofrece productos de renta variable, renta fija e inmobiliarios.

**Corporate Investments (CI)** cubre las participaciones industriales de Deutsche Bank, otras participaciones y los activos inmobiliarios ocupados por el Banco y actividades de capital riesgo.

#### **Información financiera seleccionada**

A 31 de marzo de 2006, el capital social emitido de Deutsche Bank ascendía a 1.325.118.960,64 euros, compuesto de 517.624.594 acciones ordinarias, sin valor nominal. Las acciones están enteramente desembolsadas y son nominativas. Cotizan en todas las bolsas de valores alemanas, así como en las Bolsas de Valores de Ámsterdam, Bruselas, Londres, Luxemburgo, Nueva York, París, Tokio, Viena y Zurich.

## INFORMACIÓN ESPECÍFICA DEL PAÍS

*Esta sección debe ser leída junto con las Condiciones del Producto, las Condiciones Generales y todas las demás secciones de este documento, a las que está sujeta.*

### **1. Fiscalidad**

#### **a. Información General**

Lo que se describe a continuación es una mención de ciertas consideraciones fiscales españolas de importancia para los tenedores de los Valores. Esta declaración no puede ser considerada como asesoramiento fiscal. Se basa en las leyes fiscales españolas y su interpretación en la fecha de este folleto y puede estar sujeta a cambios. Dichos cambios pueden afectar negativamente al tratamiento fiscal descrito a continuación. La descripción no pretende ser completa en relación con la información fiscal que pueda ser relevante para el tenedor de los Valores por sus circunstancias personales. Los compradores potenciales de los Valores deberían consultar con sus asesores fiscales en relación con las consecuencias fiscales de la compra, la tenencia, la venta, amortización o transmisión sin contraprestación de los Valores.

La siguiente información también tiene en cuenta el tratamiento fiscal que probablemente será de aplicación bajo la nueva legislación fiscal que entrará en vigor el 1 de enero de 2007. Esta nueva legislación está en fase de discusión parlamentaria, de forma que no puede garantizarse que el borrador del texto que se ha tenido en cuenta no pueda cambiar antes de ser finalmente aprobado.

#### **b. Fiscalidad de un residente español persona física.**

##### **b.1) Tratamiento fiscal bajo la legislación actual**

De acuerdo con el artículo 23 de la Ley de Impuesto de Personas Físicas, el rendimiento positivo o negativo obtenido por un residente persona física por los Certificados, serán considerado como un rendimiento de capital mobiliario.

En caso de transmisión o liquidación en metálico, el rendimiento obtenido por el inversor sería la diferencia entre el importe recibido (deducidos los gastos relacionados con la transmisión) y el coste de adquisición (incrementado en los costes relacionados con la adquisición).

En caso de liquidación física, de acuerdo con la posición más reciente de la Dirección General Fiscal en relación con similares estructuras, el rendimiento positivo o negativo obtenido por el tenedor del Valor, se determinaría por la diferencia entre el coste de adquisición y el valor de cotización de las acciones recibidas en la fecha de liquidación.

Los rendimientos positivos están sometidos a una tipo progresivo desde el 15% al 45% (dependiendo de la renta anual del tenedor del Valor) y los rendimientos negativos compensan los otros rendimientos positivos del tenedor del Valor.

En el caso de que hayan transcurrido más de dos años desde la fecha de adquisición en el momento de la transmisión/liquidación de los Certificados, el rendimiento mencionado en los párrafos anteriores se reduciría en un 40%.

Los rendimientos positivos obtenidos estarían sujetos a una retención del 15%, que es acreedora contra la responsabilidad fiscal final del inversor, siendo la entidad depositaria residente en España (o un establecimiento permanente de una entidad no residente) obligado a retener los impuestos. En caso de que la entidad depositaria no fuese una compañía residente o un establecimiento permanente de una entidad no residente, la entidad residente española (o el establecimiento permanente de la entidad no residente) que está al cargo de realizar los pagos sería responsable de la retención.

## **b.2) Tratamiento fiscal bajo la legislación propuesta**

La legislación propuesta no cambia la base para el cálculo del rendimiento, tal y como se ha explicado en los párrafos anteriores. Sin embargo, un tipo fijo del 18% sería aplicable a aquellos rendimientos positivos independientemente del período transcurrido entre la adquisición y la transmisión/ venta de los Certificados (es decir, no sería aplicable la reducción del 40% para rendimientos a largo plazo- más de dos años).

El tipo de retención aplicable a los rendimientos positivos se incrementaría desde el 15% actual al 18%, siendo dicha retención acreedora contra la responsabilidad fiscal final del inversor.

## **c. Fiscalidad para un residente español persona jurídica**

### **c.1) Tratamiento fiscal bajo la legislación actual**

De acuerdo con el artículo 10.3 de la Ley de Imposición de Personas Jurídicas, el rendimiento obtenido por una entidad española por la inversión en los Certificados estará incluido en la base fiscal de dicha entidad de acuerdo con los criterios contables, estando sujeta al tipo correspondiente del tenedor del Valor (generalmente 35%).

En el caso de que los Certificados estén admitidos a cotización en un Mercado oficial de los países OECD, no habría obligación de retener de acuerdo con el 59.s de las Regulaciones Fiscales de la Persona Jurídica.

### **c.2) Tratamiento fiscal bajo la legislación propuesta**

El tipo fiscal actual general para las compañías del 35% será reducido gradualmente hasta el 30% en 2011 (reducción progresiva de un 1% entre 2007 y 2011). La información más reciente indica que el tipo del 30% se aplicará ya a partir de 2009.

Se puede deducir de forma razonable que en la Fecha de Ejercicio el tipo aplicable será seguramente el 30% o inferior.

## **d. Fiscalidad de un no residente español**

Los no residentes españoles solamente estarían sometidos a impuestos en España por el rendimiento obtenido por la inversión en los Certificados en el caso de que actúen en España a través de un establecimiento permanente al que se asignen los certificados. Estos no residentes españoles estarían sometidos al régimen fiscal

descrito en el punto c anterior.

## **2. Período de Suscripción**

La oferta de los Valores comienza el 24 de agosto de 2006.

## **3. Liquidación y compensación**

El Título Múltiple será depositado en el Agente de Compensación y ha sido aceptado para su compensación por dicho Agente de Compensación con los códigos de valor y de compensación indicados a continuación:

ISIN: DE000DB11EX8

WKN: DB11EX

## **4. Agente en España**

En España, el Agente será Deutsche Bank S.A.E, actuando a través de su oficina en Madrid. El Agente ejercerá de agente de garantías o, en su caso, de agente de pagos en la siguiente dirección: Paseo de la Castellana, 18, 28046 Madrid.

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Nieves Estévez