

Report Prepared On: 07/30/13

Structured Product Details

Name	Buffered Notes linked to iShares MSCI Emerging Markets Index Fund
Issue Size	\$2.00 million
Issue Price	\$1,000
Term	13 Months
Annualized Coupon	0.00%
Pricing Date	July 27, 2012
Issue Date	August 1, 2012
Valuation Date	August 27, 2013
Maturity Date	August 30, 2013
Issuer	Deutsche Bank
CDS Rate	94.27 bps
Swap Rate	1.01%
Reference Asset	iShares MSCI Emerging Markets Index Fund
Initial Level	\$39.54
Dividend Rate	2.04%
Implied Volatility	26.40%
Delta¹	0.51
Fair Price at Issue	\$976.87
CUSIP	2515A1L82
SEC Link	www.sec.gov/Archives/edgar/data/1159508/000095010312003858/dp31956_424b2-1584af.htm

Related Research

Research Papers:

www.slcg.com/research.php

- "Are Structured Products Suitable for Retail Investors?" December 2006.
- "Structured Products in the Aftermath of Lehman Brothers," November 2009.
- "What TiVo and JP Morgan Teach Us about Reverse Convertibles," June 2010.

Tim Husson, Ph.D.,
Senior Financial Economist, SLCG
(+1) 703.890.0743
TimHusson@slcg.com

Buffered Notes linked to iShares MSCI Emerging Markets Index Fund

Description

Deutsche Bank issued \$2.00 million of Buffered Notes linked to iShares MSCI Emerging Markets Index Fund on August 1, 2012 at \$1,000 per note.

These notes are Deutsche Bank-branded Buffered PLUS securities that do not pay periodic coupons, but instead pay a single amount at maturity depending on the final level of iShares MSCI Emerging Markets Index Fund.

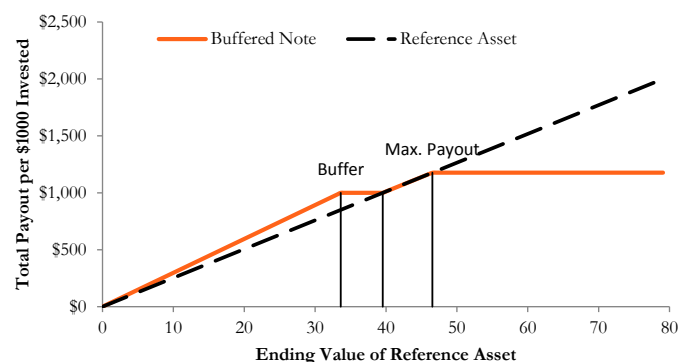
If on August 27, 2013 iShares MSCI Emerging Markets Index Fund's share price is higher than \$39.54, but lower than \$46.54, the notes pay a return equal to the percentage increase in iShares MSCI Emerging Markets Index Fund, up to a cap of 17.70%. If on August 27, 2013 the refc is below \$39.54 but not below \$33.61, investors receive \$1,000 face value per note. If iShares MSCI Emerging Markets Index Fund's share price on August 27, 2013 is lower than \$33.61, investors receive face value per note reduced by 1.18 times the amount the reference asset is below \$33.61 as a percent of the initial level, \$39.54.

Valuation

This product can be valued as a combination of a note from Deutsche Bank, 1.18 short out-of-the-money put options, one long at-the-money call option, and one short out-of-the-money call option. For reasonable valuation inputs this note was worth \$976.87 when it was issued on August 1, 2012 because the value of the options investors gave Deutsche Bank plus the interest investors would have received on Deutsche Bank's straight debt was worth \$23.13 more than the options investors received from Deutsche Bank.

There is no active secondary market for most structured products. Structured products, including this note, therefore are much less liquid than simple stocks, bonds, notes and mutual funds. Investors are likely to receive less than the structured product's estimated market value if they try to sell the structured product prior to maturity. Our valuations do not incorporate this relative lack of liquidity and therefore should be considered an upper bound on the value of the structured product.

Payoff Curve at Maturity

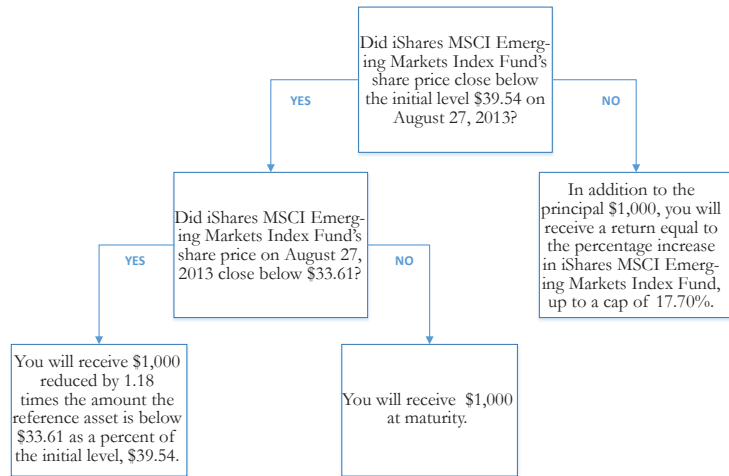


The payoff diagram shows the final payoff of this note given iShares MSCI Emerging Markets Index Fund's share price (horizontal axis). For comparison, the dashed line shows the payoff if you invested in iShares MSCI Emerging Markets Index Fund directly.

Principal Payback Table

iShares MSCI Emerging Markets Index Fund	Note Payoff
\$0.00	\$0.00
\$3.95	\$117.65
\$7.91	\$235.29
\$11.86	\$352.94
\$15.82	\$470.59
\$19.77	\$588.24
\$23.72	\$705.88
\$27.68	\$823.53
\$31.63	\$941.18
\$35.59	\$1,000.00
\$39.54	\$1,000.00
\$43.49	\$1,100.00
\$47.45	\$1,177.00
\$51.40	\$1,177.00
\$55.36	\$1,177.00
\$59.31	\$1,177.00

Maturity Payoff Diagram

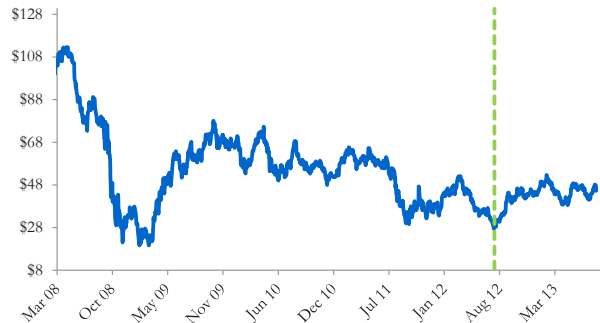


The contingent payoffs of this Buffered Note.

Analysis

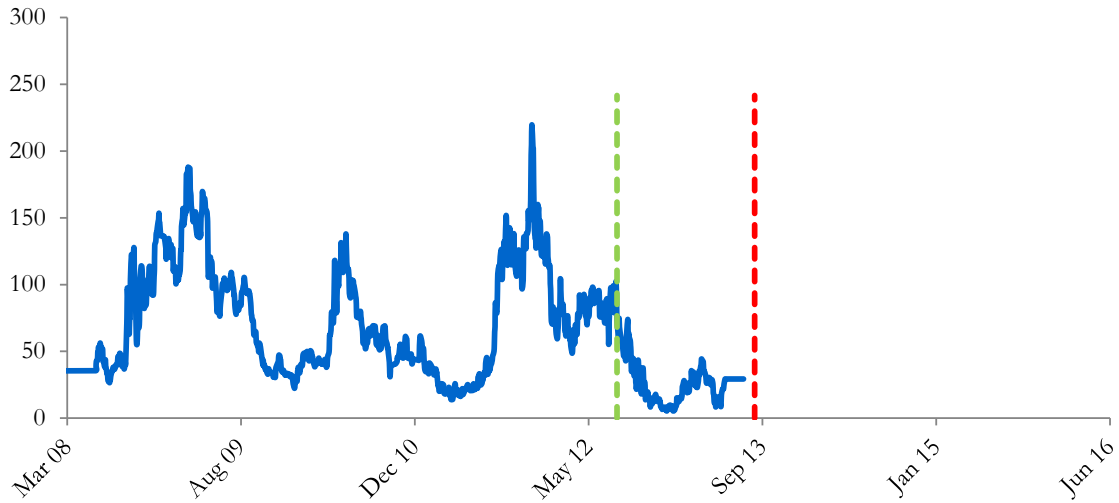
This Buffered Note pays investors the increase in iShares MSCI Emerging Markets Index Fund capped at 17.70%, but if iShares MSCI Emerging Markets Index Fund declines over the term of the note, investors will suffer losses equal to the percentage decline in iShares MSCI Emerging Markets Index Fund. In addition, investors bear the credit risk of Deutsche Bank. Investors purchasing this Buffered Note effectively sell at-the-money put and out-of-the-money call options to Deutsche Bank, buy at-the-money call options, and a zero-coupon note from Deutsche Bank. This Buffered Note is fairly priced if and only if the market value of the options investors received from Deutsche Bank equals the market value of the options investors gave Deutsche Bank plus the interest investors would have received on Deutsche Bank's straight debt.

Deutsche Bank's Stock Price



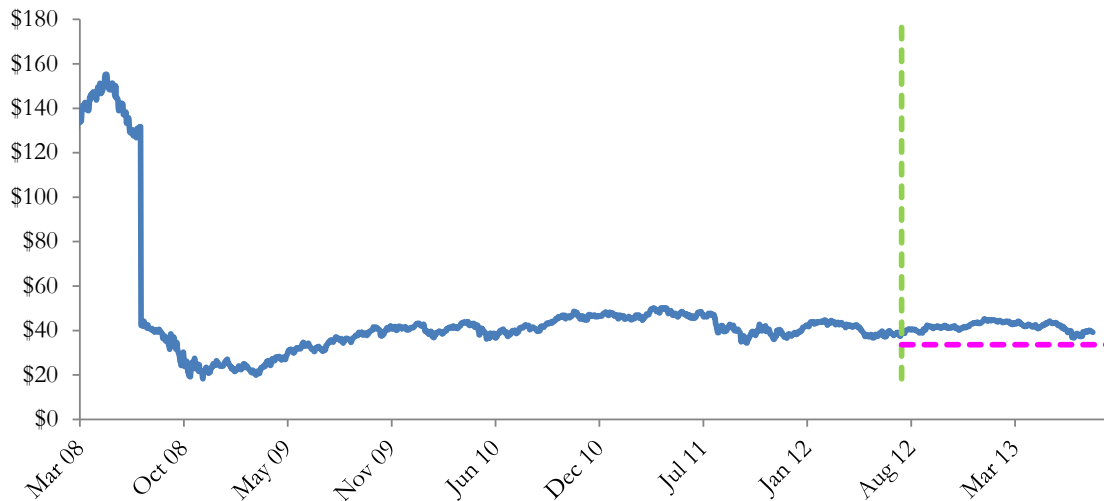
The graph above shows the adjusted closing price of the issuer Deutsche Bank for the past several years. The stock price of the issuer is an indication of the financial strength of Deutsche Bank. The adjusted price shown above incorporates any stock split, reverse stock split, etc.

Deutsche Bank's CDS Rate



Credit default swap (CDS) rates are the market price that investors require to bear credit risk of an issuer such as Deutsche Bank. CDS rates are usually given in basis points (bps). One basis point equals 0.01%. Higher CDS rates reflect higher perceived credit risk, higher required yields, and therefore lower market value of Deutsche Bank's debt, including outstanding Buffered Note. Fluctuations in Deutsche Bank's CDS rate impact the market value of the notes in the secondary market.

iShares MSCI Emerging Markets Index Fund's Share Price

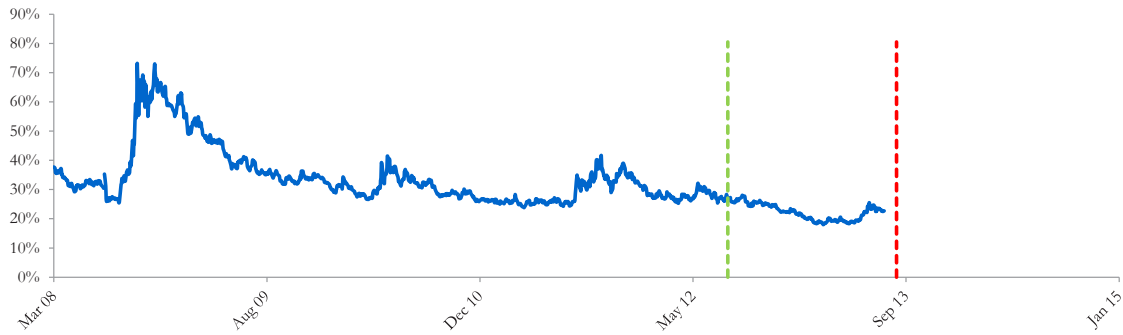


The graph above shows the historical levels of iShares MSCI Emerging Markets Index Fund for the past several years. The final payoff of this note is determined by iShares MSCI Emerging Markets Index Fund's share price at maturity. Higher fluctuations in iShares MSCI Emerging Markets Index Fund's share price correspond to a greater uncertainty in the final payoff of this Buffered Note.

Realized Payoff

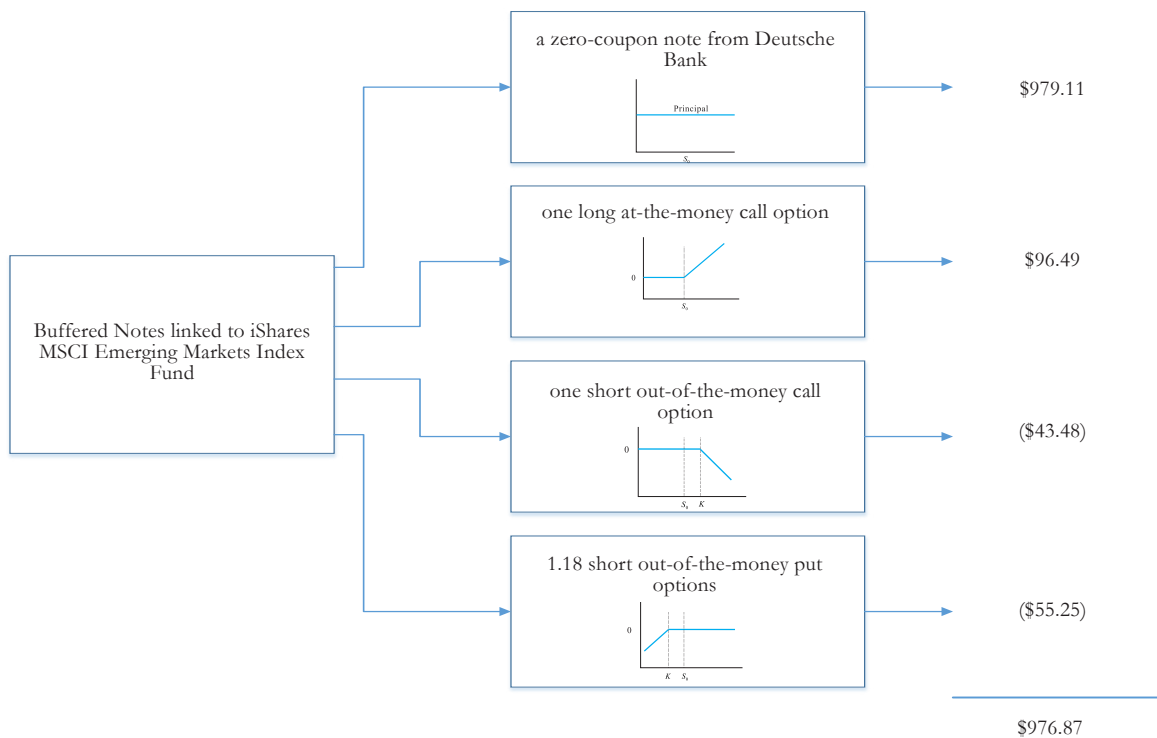
This product will mature on August 30, 2013.

Reference Asset iShares MSCI Emerging Markets Index Fund's Implied Volatility



The annualized implied volatility of iShares MSCI Emerging Markets Index Fund on July 27, 2012 was 26.40%, meaning that options contracts on iShares MSCI Emerging Markets Index Fund were trading at prices that reflect an expected annual volatility of 26.40%. The higher the implied volatility, the larger the expected fluctuations of iShares MSCI Emerging Markets Index Fund's share price and of the Note's market value during the life of the Notes.

Decomposition of this Buffered Note



This note can be decomposed into different components, and each component can be valued separately. The chart above shows the value of each component of this Buffered Note.

1. Delta measures the sensitivity of the price of the note to the iShares MSCI Emerging Markets Index Fund's share price on July 27, 2012.
2. CDS rates can be considered a measure of the probability that an issuer will default over a certain period of time and the likely loss given a default. The lower the CDS rate, the lower the default probability. CDS rate is given in basis points (1 basis point equals 0.01%), and is considered as a market premium, on top of the risk-free rate, that investors require to insure against a potential default.
3. Fair price evaluation is based on the Black-Scholes model of the iShares MSCI Emerging Markets Index Fund on July 27, 2012.
4. Calculated payout at maturity is only an approximation, and may differ from actual payouts at maturity.
5. Our evaluation does not include any transaction fees, broker commissions, or liquidity discounts on the notes.