

DEUTSCHE BANK AKTIENGESELLSCHAFT  
Form FWP  
December 31, 2015

Term Sheet No. 2606

To underlying supplement No. 1 dated August 17, 2015, Registration Statement No. 333-206013

underlying supplement No. 3 dated July 31, 2015, Dated December 30, 2015; Rule 433

prospectus supplement dated July 31, 2015 and

prospectus dated July 31, 2015

## Deutsche Bank AG

### \$ Tracker Notes Linked to a Basket of Two Indices due February 23, 2018

#### General

The Tracker Notes (the “**securities**”) are linked to a basket of two indices and are designed for investors who seek a return at maturity that offers exposure to *one times* any increase or decrease in the level of the S&P 500<sup>®</sup> Total Return Index (the “**S&P Index**”) and *two times* any increase or decrease in the level of the Deutsche Bank ProVol Balanced Index (the “**ProVol Balanced Index**”). We refer to each of the S&P Index and the ProVol Balanced Index as a “**Basket Component**” and together the “**Basket Components.**” The return of each Basket Component is reduced by its respective Adjustment Factor.

The securities will be redeemed early upon the occurrence of a Redemption Trigger Event, in which case investors will lose a significant portion, and may lose all, of their investment.

The securities do not pay any coupons and investors should be willing to lose some or all of their initial investment if the levels of the Basket Components as a whole decrease or fail to increase sufficiently to offset the effect of the applicable Adjustment Factors.

- Any payment on the securities is subject to the credit of the Issuer.
- Senior unsecured obligations of Deutsche Bank AG due February 23, 2018

Minimum purchase of \$1,000. Minimum denominations of \$1,000 (the “**Face Amount**”) and integral multiples thereof.

The securities are expected to price on or about February 18, 2016 (the “**Trade Date**”) and are expected to settle on or about February 23, 2016 (the “**Settlement Date**”).

#### Key Terms

Issuer: Deutsche Bank AG, London Branch  
Issue Price: 100% of the Face Amount

Edgar Filing: DEUTSCHE BANK AKTIENGESELLSCHAFT - Form FWP

Basket: The securities are linked to the performance of a basket consisting of two Basket Components as set forth below.

Basket Component	Ticker Symbol	Basket Component Weighting	Initial Level†
S&P 500® Total Return Index (the “S&P Index”)	SPTR	100.00%	
Deutsche Bank ProVol Balanced Index (the “ProVol Balanced Index”)	DBVEPVB	200.00%	

†The Initial Level for each Basket Component will be set on the Trade Date.

Redemption Amount: At maturity or upon the occurrence of a Redemption Trigger Event, you will receive a cash payment per \$1,000 Face Amount of securities on the Maturity Date or the Redemption Trigger Payment Date, as applicable, calculated as follows:

$$\$1,000 \times \left( \frac{\text{Final Basket Level}}{\text{Initial Basket Level}} \right)$$

*Your investment will be fully exposed to one times any increase or decrease in the level of the S&P Index and two times any increase or decrease in the level of the ProVol Balanced Index. Due to the leverage feature of the securities, any negative returns of the Basket Components will be combined, resulting in a leveraged loss on your investment. The return of each Basket Component is reduced by its applicable Adjustment Factor regardless of whether the level of such Basket Component increases or decreases. You will lose some or all of your initial investment if the levels of the Basket Components as a whole decrease or fail to increase sufficiently to offset the effect of the applicable Adjustment Factors. Furthermore, the ProVol Balanced Index includes embedded fees that will reduce its Closing Level. Any payment at maturity or upon a Redemption Trigger Event is subject to the credit of the Issuer. In no event will the Redemption Amount be less than zero.*

*For more information on the embedded fees for the ProVol Balanced Index, please see the “Selected Purchase Considerations” below.*

*(Key Terms continued on next page)*

**Investing in the securities involves a number of risks. See “Risk Factors” beginning on page TS-12 of this term sheet, page PS-5 of the accompanying prospectus supplement and page 12 of the accompanying prospectus.**

**The Issuer’s estimated value of the securities on the Trade Date is approximately \$990.00 to \$997.50 per \$1,000 Face Amount of securities, which is less than the Issue Price. Please see “Issuer’s Estimated Value of the Securities” on page TS-3 of this term sheet for additional information.**

**By acquiring the securities, you will be bound by, and deemed to consent to, the imposition of any Resolution Measure (as defined below) by our competent resolution authority, which may include the write down of all, or a portion, of any payment on the securities. If any Resolution Measure becomes applicable to us, you may lose some or all of your investment in the securities. Please see “Resolution Measures” on page TS-4 of this term sheet for more information.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities or passed upon the accuracy or the adequacy of this term sheet or the accompanying underlying supplements, prospectus supplement or prospectus. Any representation to the contrary is a criminal offense.

	Price to Public	Maximum Discounts and Commissions <sup>(1)</sup>	Minimum Proceeds to Us
Per Security	\$1,000.00	\$2.50	\$997.50
Total	\$	\$	\$

(1)

Edgar Filing: DEUTSCHE BANK AKTIENGESELLSCHAFT - Form FWP

For more detailed information about discounts and commissions, please see “Plan of Distribution (Conflicts of Interest)” in this term sheet. The securities will be sold with varying underwriting discounts and commissions in an amount not to exceed \$2.50 per \$1,000 Face Amount of securities.

The agent for this offering is our affiliate. For more information, see “Plan of Distribution (Conflicts of Interest)” in this term sheet.

*The securities are not bank deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other U.S. or foreign governmental agency or instrumentality.*

**Deutsche Bank Securities**

December 23, 2015

(Key Terms continued from previous page)

Initial Basket Level: 100  
 Final Basket Level: The Basket Level on the Final Valuation Date or the Redemption Trigger Valuation Date, as applicable.  
 The Basket Level on any trading day will be calculated as follows:

Basket Level:  $100 \times [1 + \text{S\&P Index Performance} + (2 \times \text{ProVol Balanced Index Performance})]$

*The S&P Index Performance and ProVol Balanced Index Performance refer to the Performance of the S&P Index and ProVol Balanced Index, respectively.*

Performance: The Performance of each Basket Component from its Initial Level to its Final Level will be calculated as follows:

$$\left( \frac{\text{Final Level}}{\text{Initial Level}} \right) \times \text{Adjustment Factor} - 1$$

Initial Level: For each Basket Component, the Closing Level of such Basket Component on the Trade Date, as set forth in the table above

Final Level: For each Basket Component, the Closing Level of such Basket Component on the Final Valuation Date or the Redemption Trigger Valuation Date, as applicable

Closing Level: For each Basket Component, the closing level of such Basket Component on the applicable trading day

Adjustment Factors:	Basket Component	Adjustment Factor
	S&P Index	$0.9975 - (0.0040 \times (\text{Days} / 365))$
	ProVol Balanced Index	$1 - (0.01 \times (\text{Days} / 365))$

where “Days” equals the number of calendar days from, and including, the Trade Date to, but excluding, the relevant date of calculation. Because of the two times exposure to the ProVol Balanced Index, the effect of the Adjustment Factor for the ProVol Balanced Index is magnified accordingly.

Redemption Trigger Event: A Redemption Trigger Event occurs if the Basket Level on any trading day during the period from but excluding the Trade Date to but excluding the Final Valuation Date is less than the Redemption Trigger Level. If a Redemption Trigger Event occurs, the securities will be redeemed by the Issuer in whole, but not in part, on the Redemption Trigger Payment Date for the Redemption Amount calculated as of the Redemption Trigger Valuation Date.

Redemption Trigger Level: 40

Trade Date<sup>2</sup>: February 18, 2016

Settlement Date<sup>2</sup>: February 23, 2016

Final Valuation Date<sup>1, 2</sup>: February 20, 2018

Redemption

Trigger Valuation Date<sup>1</sup> The trading day on which a Redemption Trigger Event first occurs

Date<sup>1</sup>:

Redemption

Trigger Payment Date<sup>1</sup> The third business day following the relevant Redemption Trigger Valuation Date

Date<sup>1</sup>:

Maturity Date<sup>1, 2</sup>: February 23, 2018

Listing: The securities will not be listed on any securities exchange.

CUSIP/ISIN: 25152RV75 / US25152RV752

<sup>1</sup> Subject to adjustment as described under “General Terms of the Securities – Adjustments to Valuation Dates and Payment Dates” in this term sheet.

<sup>2</sup> In the event that we make any change to the expected Trade Date or Settlement Date, the Final Valuation Date and Maturity Date may be changed so that the stated term of the securities remains the same.

### **Issuer's Estimated Value of the Securities**

The Issuer's estimated value of the securities is equal to the sum of our valuations of the following two components of the securities: (i) a bond and (ii) an embedded derivative(s). The value of the bond component of the securities is calculated based on the present value of the stream of cash payments associated with a conventional bond with a principal amount equal to the Face Amount of securities, discounted at an internal funding rate, which is determined primarily based on our market-based yield curve, adjusted to account for our funding needs and objectives for the period matching the term of the securities. The internal funding rate is typically lower than the rate we would pay when we issue conventional debt securities on equivalent terms. This difference in funding rate, as well as the agent's commissions, if any, and the estimated cost of hedging our obligations under the securities, reduces the economic terms of the securities to you and is expected to adversely affect the price at which you may be able to sell the securities in any secondary market. The value of the embedded derivative(s) is calculated based on our internal pricing models using relevant parameter inputs such as expected interest and dividend rates and mid-market levels of price and volatility of the assets underlying the securities or any futures, options or swaps related to such underlying assets. Our internal pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect.

The Issuer's estimated value of the securities on the Trade Date (as disclosed on the cover of this term sheet) is less than the Issue Price of the securities. The difference between the Issue Price and the Issuer's estimated value of the securities on the Trade Date is due to the inclusion in the Issue Price of the agent's commissions, if any, and the cost of hedging our obligations under the securities through one or more of our affiliates. Such hedging cost includes our or our affiliates' expected cost of providing such hedge, as well as the profit we or our affiliates expect to realize in consideration for assuming the risks inherent in providing such hedge.

The Issuer's estimated value of the securities on the Trade Date does not represent the price at which we or any of our affiliates would be willing to purchase your securities in the secondary market at any time. Assuming no changes in market conditions or our creditworthiness and other relevant factors, the price, if any, at which we or our affiliates would be willing to purchase the securities from you in secondary market transactions, if at all, would generally be lower than both the Issue Price and the Issuer's estimated value of the securities on the Trade Date. Our purchase price, if any, in secondary market transactions will be based on the estimated value of the securities determined by reference to (i) the then-prevailing internal funding rate (adjusted by a spread) or another appropriate measure of our cost of funds and (ii) our pricing models at that time, less a bid spread determined after taking into account the size of the repurchase, the nature of the assets underlying the securities and then-prevailing market conditions. The price we report to financial reporting services and to distributors of our securities for use on customer account statements would generally be determined on the same basis. However, during the period of approximately four months beginning from the Trade Date, we or our affiliates may, in our sole discretion, increase the purchase price determined as described above by an amount equal to the declining differential between the Issue Price and the Issuer's estimated value of the securities on the Trade Date, prorated over such period on a straight-line basis, for transactions that are individually and in the aggregate of the expected size for ordinary secondary market repurchases.

TS-3

## RESOLUTION MEASURES

On May 15, 2014, the European Parliament and the Council of the European Union published a directive for establishing a framework for the recovery and resolution of credit institutions and investment firms (commonly referred to as the “**Bank Recovery and Resolution Directive**”). The Bank Recovery and Resolution Directive requires each member state of the European Union to adopt and publish by December 31, 2014 the laws, regulations and administrative provisions necessary to comply with the Bank Recovery and Resolution Directive. Germany has adopted the Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*, or “**Resolution Act**”), which became effective on January 1, 2015. The Resolution Act may result in the securities being subject to any Resolution Measure by our competent resolution authority if we become, or are deemed by our competent supervisory authority to have become, “non-viable” (as defined under the then applicable law) and are unable to continue our regulated banking activities without a Resolution Measure becoming applicable to us. By acquiring the securities, you will be bound by and deemed to consent to the provisions set forth in the accompanying prospectus, which we have summarized below.

By acquiring the securities, you will be bound by and will be deemed to consent to the imposition of any Resolution Measure by our competent resolution authority. Under the relevant resolution laws and regulations as applicable to us from time to time, the securities may be subject to the powers exercised by our competent resolution authority to: (i) write down, including to zero, any payment (or delivery obligations) on the securities; (ii) convert the securities into ordinary shares or other instruments qualifying as core equity tier 1 capital; and/or (iii) apply any other resolution measure, including (but not limited to) a transfer of the securities to another entity, an amendment of the terms and conditions of the securities or the cancellation of the securities. We refer to each of these measures as a “**Resolution Measure**.”

Furthermore, by acquiring the securities, you:

are deemed irrevocably to have agreed, and you will agree: (i) to be bound by any Resolution Measure; (ii) that you will have no claim or other right against us arising out of any Resolution Measure; and (iii) that the imposition of any Resolution Measure will not constitute a default or an event of default under the securities, under the senior indenture dated November 22, 2006 among us, Law Debenture Trust Company of New York, as trustee, and Deutsche Bank Trust Company Americas, as issuing agent, paying agent, authenticating agent and registrar, as amended and supplemented from time to time (the “**Indenture**”), or for the purpose of the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”);

waive, to the fullest extent permitted by the Trust Indenture Act and applicable law, any and all claims against the trustee and the paying agent for, agree not to initiate a suit against the trustee and the paying agent in respect of, and agree that neither the trustee nor the paying agent will be liable for, any action that the trustee or the paying agent takes, or abstains from taking, in either case in accordance with the imposition of a Resolution Measure by our competent resolution authority with respect to the securities; and



will be deemed irrevocably to have (i) consented to the imposition of any Resolution Measure as it may be imposed without any prior notice by the competent resolution authority of its decision to exercise such power with respect to the securities and (ii) authorized, directed and requested The Depository Trust Company (“**DTC**”) and any participant in **DTC** or other intermediary through which you hold such securities to take any and all necessary action, if required, to implement the imposition of any Resolution Measure with respect to the securities as it may be imposed, without any further action or direction on your part or on the part of the trustee, paying agent, issuing agent, authenticating agent, registrar or Calculation Agent.

*This is only a summary, for more information please see the accompanying prospectus dated July 31, 2015, including the risk factor “The securities may become subordinated to the claims of other creditors, be written down, be converted or become subject to other resolution measures. You may lose part or all of your investment if any such measure becomes applicable to us.”*

TS-4

## ADDITIONAL TERMS SPECIFIC TO THE SECURITIES

You should read this term sheet together with underlying supplement No. 1 dated August 17, 2015, underlying supplement No. 3 dated July 31, 2015, the prospectus supplement dated July 31, 2015 relating to our Series A global notes of which these securities are a part and the prospectus dated July 31, 2015. You may access these documents on the website of the Securities and Exchange Commission (the “SEC”) at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

- Underlying supplement No. 1 dated August 17, 2015:

[http://www.sec.gov/Archives/edgar/data/1159508/000095010315006546/crt\\_dp58829-424b2.pdf](http://www.sec.gov/Archives/edgar/data/1159508/000095010315006546/crt_dp58829-424b2.pdf)

- Underlying supplement No. 3 dated July 31, 2015:

[http://www.sec.gov/Archives/edgar/data/1159508/000095010315006054/crt\\_dp58193-424b2.pdf](http://www.sec.gov/Archives/edgar/data/1159508/000095010315006054/crt_dp58193-424b2.pdf)

- Prospectus supplement dated July 31, 2015:

[http://www.sec.gov/Archives/edgar/data/1159508/000095010315006048/crt-dp58161\\_424b2.pdf](http://www.sec.gov/Archives/edgar/data/1159508/000095010315006048/crt-dp58161_424b2.pdf)

- Prospectus dated July 31, 2015:

<http://www.sec.gov/Archives/edgar/data/1159508/000119312515273165/d40464d424b2.htm>

Our Central Index Key, or CIK, on the SEC website is 0001159508. As used in this term sheet, “we,” “us” or “our” refers to Deutsche Bank AG, including, as the context requires, acting through one of its branches.

This term sheet, together with the documents listed above, contains the terms of the securities and supersedes all other prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in this term sheet and in “Risk Factors” in the accompanying prospectus supplement and prospectus, as the securities involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisers before deciding to invest in the securities.

**Deutsche Bank AG has filed a registration statement (including a prospectus) with the Securities and Exchange Commission for the offering to which this term sheet relates. Before you invest, you should read the prospectus in that registration statement and the other documents relating to this offering that Deutsche Bank AG has filed with the SEC for more complete information about Deutsche Bank AG and this offering. You may obtain these documents without cost by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, Deutsche Bank AG, any agent or any dealer participating in this offering will arrange to send you the prospectus, prospectus supplement, underlying supplements and this term sheet if you so request by calling toll-free 1-800-311-4409.**

**You may revoke your offer to purchase the securities at any time prior to the time at which we accept such offer by notifying the applicable agent. We reserve the right to change the terms of, or reject any offer to purchase, the securities prior to their issuance. We will notify you in the event of any changes to the terms of the securities and you will be asked to accept such changes in connection with your purchase of any securities. You may also choose to reject such changes, in which case we may reject your offer to purchase the securities.**

TS-5

## HYPOTHETICAL EXAMPLES

The following examples illustrate the hypothetical Redemption Amounts per \$1,000 Face Amount of securities, for hypothetical performances of the Basket Components, payable at maturity or upon a Redemption Trigger Event. These examples illustrate that you will lose some or all of your initial investment if the levels of the Basket Components as a whole decrease or fail to increase sufficiently to offset the effect of the applicable Adjustment Factors. Your investment will be fully exposed to *one times* any increase or decrease in the level of the S&P Index and *two times* any increase or decrease in the level of the ProVol Balanced Index. Due to the leverage feature of the securities, any negative returns of the Basket Components will be combined, resulting in a leveraged loss on your investment.

The hypothetical Redemption Amounts set forth below are for illustrative purposes only. The actual Initial Levels for each Basket Component will be determined on the Trade Date. The actual amount payable at maturity or upon a Redemption Trigger Event will be the Redemption Amount, determined based on the performances of the Basket Components on the Final Valuation Date or the Redemption Trigger Valuation Date, as the case may be. The numbers appearing in the following examples may have been rounded for ease of analysis.

### Redemption Amount at Maturity

The following first five examples illustrate the hypothetical Redemption Amount per \$1,000 Face Amount of securities payable at maturity. For purposes of these examples, it is assumed that a Redemption Trigger Event does not occur and there is a period of 700 calendar days from the Trade Date to the Final Valuation Date.

**Example 1: The S&P Index and the ProVol Balanced Index both increase 20.00% from their respective Initial Levels to their respective Final Levels on the Final Valuation Date.**

	<b>Basket Component Performance Excluding Adjustment Factors</b>	<b>Basket Component Performance Including Adjustment Factors</b>
S&P Index	20.00%	18.78%
ProVol Balanced Index	20.00%	17.70%
Final Basket Level		154.177
<b>Redemption Amount</b>		<b>\$1,541.77</b>
		54.18%

Return on the  
Securities

Because the Final Level of each Basket Component is greater than its Initial Level by 20.00%, you would receive a Redemption Amount at maturity that is *greater than* \$1,000 per \$1,000 Face Amount of securities. In this example, the Final Basket Level would be 154.177, calculated as follows:

$$\begin{aligned}
 \text{Final Basket Level} &= 100 \times [1 + \text{S\&P Index Performance} + (2 \times \text{ProVol Balanced Index Performance})] \\
 &= 100 \times [1 + (120.00\% \times (0.9975 - 0.0040 \times 700/365) - 1) + (2 \times (120.00\% \times (1 - 0.01 \times 700/365)) - 1)] \\
 &= 154.177
 \end{aligned}$$

Accordingly, you would receive a Redemption Amount at maturity of \$1,541.77 per \$1,000 Face Amount of securities, calculated as follows:

$$\begin{aligned}
 \text{Redemption Amount} &= \$1,000 \times \frac{\text{Final Basket Level}}{\text{Initial Basket Level}} \\
 &= \$1,000 \times \frac{154.177}{100} \\
 &= \$1,541.77
 \end{aligned}$$

**Example 2: The S&P Index and the ProVol Balanced Index both increase 1.00% from their respective Initial Levels to their respective Final Levels on the Final Valuation Date.**

	<b>Basket Component Performance Excluding Adjustment Factors</b>	<b>Basket Component Performance Including Adjustment Factors</b>
S&P Index	1.00%	-0.03%
ProVol Balanced Index	1.00%	-0.94%
Final Basket Level		98.099
<b>Redemption Amount</b>		<b>\$980.99</b>
Return on the Securities		-1.90%

Even though the Final Level of each Basket Component is *greater than* its respective Initial Level, you would receive a Redemption Amount at maturity that is *less than* \$1,000 per \$1,000 Face Amount of securities because the increases in the Final Levels are not sufficient to offset the effect of the respective Adjustment Factors. Assuming a period of 700 calendar days from the Trade Date to the Final Valuation Date, the Final Basket Level would be 98.099, calculated as follows:

$$\begin{aligned}
 \text{Final Basket Level} &= 100 \times [1 + \text{S\&P Index Performance} + (2 \times \text{ProVol Balanced Index Performance})] \\
 &= 100 \times [1 + (101.00\% \times (0.9975 - 0.0040 \times 700/365) - 1) + (2 \times (101.00\% \times (1 - 0.01 \times 700/365)) - 1)] \\
 &= 98.099
 \end{aligned}$$

Accordingly, you would receive a Redemption Amount at maturity of \$980.99 per \$1,000 Face Amount of securities, calculated as follows:

$$\begin{aligned}
 \text{Redemption Amount} &= \$1,000 \times \frac{\text{Final Basket Level}}{\text{Initial Basket Level}} \\
 &= \$1,000 \times \frac{98.099}{100} \\
 &= \$980.99
 \end{aligned}$$

**Example 3: The S&P Index increases 20.00% and the ProVol Balanced Index decreases 15.00% from their respective Initial Levels to their respective Final Levels on the Final Valuation Date.**

	Basket Component Performance Excluding Adjustment Factors	Basket Component Performance Including Adjustment Factors
S&P Index	20.00%	18.78%
ProVol Balanced Index	-15.00%	-16.63%
Final Basket Level		85.519
Redemption Amount		\$855.19
Return on the Securities		-14.48%

Even though the Final Level of the S&P Index is *greater than* its Initial Level, you would receive a Redemption Amount at maturity that is *less than* \$1,000 per \$1,000 Face Amount of securities because the increase in the level of the S&P Index is offset by two times the decrease in the level of the ProVol Balanced Index as well as by the effect of the respective Adjustment Factors. Assuming a period of 700 calendar days from the Trade Date to the Final Valuation Date, the Final Basket Level would be 85.519, calculated as follows:

$$\begin{aligned}
 &= 100 \times [1 + \text{S\&P Index Performance} + (2 \times \text{ProVol Balanced Index Performance})] \\
 \text{Final Basket Level} &= 100 \times [1 + (120.00\% \times (0.9975 - 0.0040 \times 700/365) - 1) + (2 \times (85.00\% \times (1 - 0.01 \times 700/365)) - 1)] \\
 &= 85.519
 \end{aligned}$$

TS-7

Accordingly, you would receive a Redemption Amount at maturity of \$855.19 per \$1,000 Face Amount of securities, calculated as follows:

$$\begin{aligned} \text{Redemption Amount} &= \$1,000 \times \frac{\text{Final Basket Level}}{\text{Initial Basket Level}} \\ &= \$1,000 \times \frac{85.519}{100} \\ &= \$855.19 \end{aligned}$$

**Example 4: The S&P Index decreases by 10.00% and the ProVol Balanced Index increases 5.00% from their respective Initial Levels to their respective Final Levels on the Final Valuation Date.**

	Basket Component Performance Excluding Adjustment Factors	Basket Component Performance Including Adjustment Factors
S&P Index	-10.00%	-10.92%
ProVol Balanced Index	5.00%	2.99%
Final Basket Level		95.057
Redemption Amount		\$950.57
Return on the Securities		-4.94%

Even though the Final Level of the ProVol Balanced Index is *greater than* its Initial Level by 5.00%, you would receive a Redemption Amount at maturity that is *less than* \$1,000 per \$1,000 Face Amount of securities because two times the increase in the level of the ProVol Balanced Index is not sufficient to offset the decrease in the level of the S&P Index as well as the effect of the respective Adjustment Factors. In this example, the Final Basket Level would be 95.057, calculated as follows:

$$\begin{aligned} &= 100 \times [1 + \text{S\&P Index Performance} + (2 \times \text{ProVol Balanced Index Performance})] \\ \text{Final Basket Level} &= 100 \times [1 + (90.00\% \times (0.9975 - 0.0040 \times 700/365) - 1) + (2 \times (105.00\% \times (1 - 0.01 \times 700/365)) - 1)] \\ &= 95.057 \end{aligned}$$

Accordingly, you would receive a Redemption Amount at maturity of \$950.57 per \$1,000 Face Amount of securities, calculated as follows:



$$\text{Redemption Amount} = \$1,000 \times \frac{\text{Final Basket Level}}{\text{Initial Basket Level}}$$

$$= \$1,000 \times \frac{95.057}{100}$$

$$= \$950.57$$

TS-8

**Example 5: The S&P Index decreases 20.00% and the ProVol Balanced Index decreases 15.00% from their respective Initial Levels to their respective Final Levels on the Final Valuation Date.**

	Basket Component Performance Excluding Adjustment Factors	Basket Component Performance Including Adjustment Factors
S&P Index	-20.00%	-20.81%
ProVol Balanced Index	-15.00%	-16.63%
Final Basket Level		45.926
Redemption Amount		\$459.26
Return on the Securities		-54.07%

Since the Final Levels of the S&P Index and the ProVol Balanced Index are *less than* their respective Initial Levels, you would receive a Redemption Amount at maturity that is significantly *less than* \$1,000.00 per \$1,000.00 Face Amount of securities. Assuming a period of 700 calendar days from the Trade Date to the Final Valuation Date, the Final Basket Level would be 45.926, calculated as follows:

$$\begin{aligned}
 &= 100 \times [1 + \text{S\&P Index Performance} + (2 \times \text{ProVol Balanced Index Performance})] \\
 \text{Final Basket Level} &= 100 \times [1 + (80.00\% \times (0.9975 - 0.0040 \times 700/365) - 1) + (2 \times (85.00\% \times (1 - 0.01 \times 700/365)) - 1)] \\
 &= 45.926
 \end{aligned}$$

Accordingly, you would receive a Redemption Amount at maturity of \$625.56 per \$1,000 Face Amount of securities, calculated as follows:

$$\begin{aligned}
 \text{Redemption Amount} &= \$1,000 \times \frac{\text{Final Basket Level}}{\text{Initial Basket Level}} \\
 &= \$1,000 \times \frac{45.926}{100} \\
 &= \$459.26
 \end{aligned}$$

#### **Redemption Amount upon a Redemption Trigger Event**

The following example illustrates the hypothetical Redemption Amount per \$1,000 Face Amount of securities payable upon the occurrence of a Redemption Trigger Event. A Redemption Trigger Event occurs if the Basket Level on any trading day during the period from but excluding the Trade Date to but excluding the Final Valuation Date is less than the Redemption Trigger Level of 40. **If a Redemption Trigger Event occurs, you will lose a significant portion, and may lose all, of your investment in the securities.**

The hypothetical Redemption Amount set forth below assumes (i) the Basket Level is *greater than* or equal to 40 on each trading day prior to the day on which the Redemption Trigger Event occurs and (ii) a Redemption Trigger Event occurs on a trading day that is 60 calendar days after the Trade Date.

**Example 6: The S&P Index decreases by 25.00% and the ProVol Balanced Index decreases by 20.00% from their respective Initial Levels to their respective Final Levels on the Redemption Trigger Valuation Date, which is 60 calendar days after the Trade Date.**

	Basket Component Performance Excluding Adjustment Factors	Basket Component Performance Including Adjustment Factors
S&P Index	-25.00%	-25.24%
ProVol Balanced Index	-20.00%	-20.13%
Final Basket Level		34.500
Redemption Amount		\$345.00
Return on the Securities		-65.50%

TS-9

In this example, the Final Basket Level would be 34.500, calculated as follows:

$$\begin{aligned} &= 100 \times [1 + \text{S\&P Index Performance} + (2 \times \text{ProVol Balanced Index Performance})] \\ \text{Final Basket Level} &= 100 \times [1 + (75.00\% \times (0.9975 - 0.0040 \times 60/365) - 1) + (2 \times (80.00\% \times (1 - 0.01 \times 60/365)) - 1)] \\ &= 34.500 \end{aligned}$$

In this case, your securities will be redeemed early because the Basket Level is less than the Redemption Trigger Level of 40, causing a Redemption Trigger Event to occur. Accordingly, you would receive a Redemption Amount of \$345.00 per \$1,000 Face Amount of securities on the Redemption Trigger Payment Date, calculated as follows. Although the Redemption Trigger Level is 40, the Basket Level decreased below 40 when the Redemption Trigger Event occurs. As a result, you would lose more than 60% of your initial investment.

$$\begin{aligned} \text{Redemption Amount} &= \$1,000 \times \frac{\text{Final Basket Level}}{\text{Initial Basket Level}} \\ &= \$1,000 \times \frac{34.500}{100} \\ &= \$345.00 \end{aligned}$$

TS-10

## Selected Purchase Considerations

**APPRECIATION POTENTIAL** — The securities provide the opportunity for enhanced returns by offering exposure to *one times* any increase or decrease in the level of the S&P Index and *two times* any increase or decrease in the level of the ProVol Balanced Index. The return of each Basket Component is reduced by its applicable Adjustment Factor. Any payment on the securities is subject to our ability to satisfy our obligations as they become due.

**ACCELERATED LOSS AND NO PROTECTION AGAINST LOSS** — Due to the leverage feature of the securities, any negative returns of the Basket Components will be combined, resulting in a leveraged loss on your investment. Any negative performance of the S&P Index, when combined with two times any negative performance of the ProVol Balanced Index in calculating the Redemption Amount, will result in an accelerated loss on your investment. Your payment at maturity or upon a Redemption Trigger Event will be further reduced by the applicable Adjustment Factor of each Basket Component. You may lose some or all of your investment in the securities if the levels of the Basket Components as a whole decrease or fail to increase sufficiently to offset the effect of the applicable Adjustment Factors.

**THE ADJUSTMENT FACTORS REDUCE THE REDEMPTION AMOUNT AT MATURITY OR UPON A REDEMPTION TRIGGER EVENT** — The payment at maturity or upon a Redemption Trigger Event will be reduced by the applicable Adjustment Factors. Each Adjustment Factor is applied to its respective Basket Component on the Final Valuation Date or the Redemption Trigger Valuation Date, as applicable, and will reduce the return on the securities regardless of whether the Final Level of such Basket Component on the Final Valuation Date or the Redemption Trigger Valuation Date, as applicable, is greater than, equal to or less than its Initial Level.

**POTENTIAL EARLY EXIT WITH SIGNIFICANT LOSSES DUE TO THE REDEMPTION TRIGGER FEATURE** — The securities will be redeemed early by us if a Redemption Trigger Event occurs, in which case you will lose a significant portion, and may lose all, of your investment in the securities. Early redemption upon such a Redemption Trigger Event will be automatic, and you will receive the Redemption Amount payable on the Redemption Trigger Payment Date based on the Final Basket Level on the Redemption Trigger Valuation Date, even if the levels of the Basket Components subsequently increase. If a Redemption Trigger Event occurs, you will not be able to hold your securities to maturity or benefit from any subsequent increase in the levels of the Basket Components that may occur after the Redemption Trigger Valuation Date, and you will lose a significant portion, and may lose all, of your investment in the securities.