

DEUTSCHE BANK AKTIENGESELLSCHAFT
Form 424B2
January 21, 2015

Pricing Supplement No. 2326BK
Registration Statement No. 333-184193
Dated January 16, 2015; Rule 424(b)(2)

Pricing Supplement
To product supplement BK dated October 5, 2012,
prospectus supplement dated September 28, 2012,
prospectus dated September 28, 2012 and
prospectus addendum dated December 24, 2014
Deutsche Bank

Structured
Investments

Deutsche Bank AG
\$2,490,000 Phoenix Autocallable Securities Linked to the Common Shares of Valeant
Pharmaceuticals International, Inc. due February 3, 2016

General

- The Phoenix Autocallable Securities (the “securities”) are linked to the performance of the common shares of Valeant Pharmaceuticals International, Inc. (the “Underlying”) and may pay a Contingent Coupon on a quarterly basis at a rate of 14.05% per annum. The Contingent Coupon will be payable on a Coupon Payment Date only if the Stock Price of the Underlying on the applicable Observation Date is greater than or equal to the Coupon Barrier, which is equal to 65.00% of the Initial Price. The Stock Price refers to (i) the Closing Price of the Underlying in the case of any Observation Date other than the final Observation Date and (ii) the Final Price (calculated in reference to the Averaging Dates as set forth below) in the case of the final Observation Date.
- The securities will be automatically called if the Stock Price of the Underlying on any Observation Date is greater than or equal to the Initial Price. The securities will cease to be outstanding following an Automatic Call and no Contingent Coupon will accrue or be payable following the Call Settlement Date. If the securities are automatically called, investors will receive a cash payment per \$1,000 Face Amount of securities on the applicable Call Settlement Date equal to the Face Amount plus the Contingent Coupon otherwise due on such date. However, investors should be willing to lose a significant portion or all of their initial investment if the securities are not automatically called and the Final Price is less than the Trigger Price, which is equal to 65.00% of the Initial Price. Any payment on the securities is subject to the credit of the Issuer.
 - Senior unsecured obligations of Deutsche Bank AG due February 3, 2016
- Minimum purchase of \$10,000. Minimum denominations of \$1,000 (the “Face Amount”) and integral multiples thereof.
- The securities priced on January 16, 2015 (the “Trade Date”) and are expected to settle on January 22, 2015 (the “Settlement Date”).

Key Terms

Issuer: Deutsche Bank AG, London Branch

Issue Price: 100% of the Face Amount

Underlying: Common shares of Valeant Pharmaceuticals International, Inc. (Ticker: VRX)

Contingent Coupon Feature:

- If the Stock Price of the Underlying on any Observation Date is greater than or equal to the Coupon Barrier, Deutsche Bank AG will pay you the Contingent Coupon per \$1,000 Face Amount of securities applicable to such Observation Date on the related Coupon Payment Date.
- If the Stock Price of the Underlying on any Observation Date is less than the Coupon Barrier, the Contingent Coupon per \$1,000 Face Amount of securities applicable to such Observation Date will not be payable and Deutsche Bank AG will not make any payment to you on the related Coupon Payment Date.

The Contingent Coupon will be a fixed amount based upon equal quarterly installments accrued at the Coupon Rate of 14.05% per annum. If the securities are automatically called prior to the last Averaging Date, the Contingent Coupon will be paid on the corresponding Call Settlement Date and no further

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amounts will be owed to you under the securities.

Coupon Barrier: \$102.00, equal to 65.00% of the Initial Price

Coupon Payment Dates²: The third business day following the applicable Observation Date. For the final Observation Date, the Coupon Payment Date will be the Maturity Date.

Coupon Rate: The Coupon Rate is 14.05% per annum. The table below sets forth each Observation Date, expected Coupon Payment Date and Contingent Coupon applicable to such Observation Date.

Observation Date ¹	Expected Coupon Payment Date	Contingent Coupon (per \$1,000 Face Amount of Securities)
April 30, 2015	May 6, 2015	\$35.125
July 30, 2015	August 4, 2015	\$35.125
October 29, 2015	November 3, 2015	\$35.125
January 29, 2016 (last Averaging Date)	February 3, 2016 (Maturity Date)	\$35.125

Automatic Call: The securities will be automatically called if the Stock Price of the Underlying on any Observation Date is greater than or equal to the Initial Price. If the securities are automatically called, you will receive a cash payment per \$1,000 Face Amount of securities on the related Call Settlement Date equal to the Face Amount plus the Contingent Coupon otherwise due on such date. No Contingent Coupon will accrue or be payable following the Call Settlement Date.

(Key Terms continued on next page)

Investing in the securities involves a number of risks. See “Risk Factors” beginning on page 9 of the accompanying product supplement and “Selected Risk Considerations” beginning on page 8 of this pricing supplement.

The Issuer’s estimated value of the securities on the Trade Date is \$977.00 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 3 of this pricing supplement 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 4 of this pricing supplement 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 pricing supplement or the accompanying product supplement, prospectus supplement, prospectus or prospectus addendum. Any representation to the contrary is a criminal offense.

	Price to Public	Fees ⁽¹⁾	Proceeds to Issuer
Per Security	\$1,000.00	\$10.00	\$990.00
Total	\$2,490,000.00	\$24,900.00	\$2,465,100.00

(1) JPMorgan Chase Bank, N.A. and J.P. Morgan Securities LLC, which we refer to as JPMS LLC, or one of its affiliates will act as placement agents for the securities. Please see “Supplemental Plan of Distribution” in this pricing supplement for more information about fees.

The securities are not bank deposits and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	Amount of Registration Fee
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	Maximum Aggregate Offering Price	
Notes	\$2,490,000.00	\$289.34
JPMorgan		
	Placement Agent	

January 16, 2015

(Key Terms continued from previous page)

Call Settlement Date:	The third business day following the applicable Observation Date. For the final Observation Date, the Call Settlement Date will be the Maturity Date.
Payment at Maturity:	<p>If the securities are not automatically called, the payment you will receive at maturity will depend on the performance of the Underlying on the Averaging Dates.</p> <ul style="list-style-type: none"> If the Final Price is greater than or equal to the Trigger Price, you will receive a cash payment per \$1,000 Face Amount of securities on the Maturity Date equal to the Face Amount plus the Contingent Coupon otherwise due on such date. If the Final Price is less than the Trigger Price, you will receive a cash payment per \$1,000 Face Amount of securities calculated as follows: $\\$1,000 + (\\$1,000 \times \text{Underlying Return})$ <p>If the Final Price is less than the Trigger Price, the Underlying Return will be negative and, for each \$1,000 Face Amount of securities, you will lose 1.00% of the Face Amount for every 1.00% by which the Final Price is less than the Initial Price. In this circumstance, you will lose a significant portion or all of your initial investment.</p> <p>Any payment at maturity is subject to the credit of the Issuer.</p>
Underlying Return:	<p>The Underlying Return will be calculated as follows:</p> $\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$ <p>The Underlying Return may be positive, zero or negative.</p>
Trigger Price:	\$102.00, equal to 65.00% of the Initial Price
Initial Price:	\$156.93, equal to the Closing Price of the Underlying on the Trade Date
Final Price:	The arithmetic average of the Closing Prices of the Underlying on each of the five Averaging Dates
Stock Price:	For any Observation Date other than the final Observation Date, the Closing Price of the Underlying. For the final Observation Date, the Final Price.
Closing Price:	On any trading day, the last reported sale price of one share of the Underlying on the relevant exchange multiplied by the then-current Stock Adjustment Factor, as determined by the calculation agent.
Stock Adjustment Factor:	Initially 1.0, subject to adjustment upon the occurrence of certain corporate events affecting the Underlying. See "Description of Securities — Anti-Dilution Adjustments for Reference Stock" in the accompanying product supplement.
Trade Date:	January 16, 2015
Settlement Date:	January 22, 2015
Averaging Dates1:	January 25, 2016, January 26, 2016, January 27, 2016, January 28, 2016 and January 29, 2016
Maturity Date1:	February 3, 2016

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

CUSIP/ISIN: 25152RUC5/ US25152RUC59

1 Subject to postponement as described under “Description of Securities — Adjustments to Valuation Dates and Payment Dates” in the accompanying product supplement.

2 If the Maturity Date is postponed, the Contingent Coupon due on the Maturity Date will be paid on the Maturity Date as postponed, with the same force and effect as if the Maturity Date had not been postponed, but no additional Contingent Coupon will accrue or be payable as a result of the delayed payment.

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 pricing supplement) 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 three 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.

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 “SAG”), which went into effect on January 1, 2015. SAG 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 addendum, 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) any transfer of the securities to another entity, the 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; (iii) and 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 (the “Depository”) and any participant in the Depository 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 addendum dated December 24, 2014, including the risk factor “The securities may 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” on page 2 of the prospectus addendum.

Additional Terms Specific to the Securities

You should read this pricing supplement together with product supplement BK dated October 5, 2012, the prospectus supplement dated September 28, 2012 relating to our Series A global notes of which these securities are a part, the prospectus dated September 28, 2012 and the prospectus addendum dated December 24, 2014. You may access these documents on the website of the Securities and Exchange Commission (the “SEC”) at www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

Product supplement BK dated October 5, 2012:

http://www.sec.gov/Archives/edgar/data/1159508/000095010312005314/crt_dp33259-424b2.pdf

Prospectus supplement dated September 28, 2012:

<http://www.sec.gov/Archives/edgar/data/1159508/000119312512409437/d414995d424b21.pdf>

Prospectus dated September 28, 2012:

<http://www.sec.gov/Archives/edgar/data/1159508/000119312512409372/d413728d424b21.pdf>

Prospectus addendum dated December 24, 2014:

http://www.sec.gov/Archives/edgar/data/1159508/000095010314009034/crt_52088.pdf

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

The trustee has appointed Deutsche Bank Trust Company Americas as its authenticating agent with respect to our Series A global notes.

This pricing supplement, 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 pricing supplement and in “Risk Factors” in the accompanying product supplement and prospectus addendum, 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 pricing supplement 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. Alternatively, Deutsche Bank AG, any agent or any dealer participating in this offering will arrange to send you the prospectus, prospectus addendum, prospectus supplement, product supplement and this pricing supplement 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.

Hypothetical Examples of Amounts Payable on the Securities

The tables and hypothetical examples set forth below are for illustrative purposes only. The actual returns applicable to a purchaser of the securities will be determined on the Observation Dates or on the Averaging Dates, as applicable. The following results are based solely on the hypothetical examples cited below. You should consider carefully whether the securities are suitable to your investment goals.

If the securities are called:

The following table illustrates the hypothetical payments on the securities (excluding any Contingent Coupon payment) upon an Automatic Call on each Observation Date.

Observation Date	Expected Call Settlement Date	Payment upon an Automatic Call (per \$1,000 Face Amount of Securities)
April 30, 2015	May 6, 2015	\$1,000.00
July 30, 2015	August 4, 2015	\$1,000.00
October 29, 2015	November 3, 2015	\$1,000.00
January 29, 2016 (last Averaging Date)	February 3, 2016 (Maturity Date)	\$1,000.00

If the securities are called on an Observation Date, the investor will receive a cash payment per \$1,000 Face Amount of securities on the related Call Settlement Date equal to the Face Amount plus the Contingent Coupon otherwise due on such date. No Contingent Coupon will accrue or be payable following the Call Settlement Date.

If the securities are not called:

The table below illustrates the hypothetical Payments at Maturity per \$1,000 Face Amount of securities for a hypothetical range of performances if the securities are not automatically called. The hypothetical Payments at Maturity set forth below reflect the Coupon Barrier of 65.00% of the Initial Price and the Trigger Price of 65.00% of the Initial Price for the Underlying. The actual Initial Price, Coupon Barrier and Trigger Price for the Underlying are set forth on the cover of this pricing supplement. The following results are based solely on the hypothetical examples cited. You should consider carefully whether the securities are suitable to your investment goals. The numbers appearing in the table and examples below may have been rounded for ease of analysis and it has been assumed that no event affecting the Underlying has occurred during the term of the securities that would cause the calculation agent to adjust the Stock Adjustment Factor.

Return of the Underlying (%)	Payment at Maturity (excluding Contingent Coupon payments) (\$)	Return on the Securities at Maturity (excluding Contingent Coupon payments) (%)
100.00%	N/A	N/A
90.00%	N/A	N/A
80.00%	N/A	N/A
70.00%	N/A	N/A

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60.00%	N/A	N/A
50.00%	N/A	N/A
40.00%	N/A	N/A
30.00%	N/A	N/A
20.00%	N/A	N/A
10.00%	N/A	N/A
0.00%	N/A	N/A
-10.00%	\$1,000.00	0.00%
-20.00%	\$1,000.00	0.00%
-30.00%	\$1,000.00	0.00%
-35.00%	\$1,000.00	0.00%
-40.00%	\$600.00	-40.00%
-50.00%	\$500.00	-50.00%
-60.00%	\$400.00	-60.00%
-70.00%	\$300.00	-70.00%
-80.00%	\$200.00	-80.00%
-90.00%	\$100.00	-90.00%
-100.00%	\$0.00	-100.00%

N/A: Not applicable because the securities will be automatically called if the Final Price is greater than or equal to the Initial Price.

Hypothetical Examples of Amounts Payable on the Securities

The following hypothetical examples illustrate how the payments on the securities set forth in the table above are calculated as well as how the payment of any Contingent Coupons will be determined. The examples below reflect the Coupon Rate of 14.05% per annum.

Example 1: The Closing Price of the Underlying is 110.00% of the Initial Price on the first Observation Date. Because the Closing Price of the Underlying on the first Observation Date is greater than the Initial Price, the securities are automatically called on the first Observation Date, and the investor will receive on the related Call Settlement Date a cash payment of \$1,000.00 per \$1,000 Face Amount of securities (excluding any Contingent Coupon).

Because the Closing Price of the Underlying on the first Observation Date is greater than the Coupon Barrier (65.00% of the Initial Price), the investor will receive the Contingent Coupon on the Call Settlement Date. As a result, the investor will receive a total of \$1,035.125 per \$1,000 Face Amount of securities.

Example 2: The Closing Prices of the Underlying are 90.00%, 60.00% and 140.00% of the Initial Price on the first, second and third Observation Dates. Because the Closing Price of the Underlying on the third Observation Date is greater than the Initial Price, the securities are automatically called on the third Observation Date, and the investor will receive on the related Call Settlement Date a cash payment of \$1,000.00 per \$1,000 Face Amount of securities (excluding any Contingent Coupon).

Because the Closing Prices of the Underlying on the first and third Observation Dates are greater than the Coupon Barrier and the Closing Price of the Underlying on the second Observation Date is less than the Coupon Barrier, the investor will receive the Contingent Coupon on the first Coupon Payment Date and the Call Settlement Date, but not on the second Coupon Payment Date. As a result, the investor will receive a total of \$1,070.25 per \$1,000 Face Amount of securities.

Example 3: The Closing Prices of the Underlying are 90.00%, 40.00% and 90.00% of the Initial Price on the first, second and third Observation Dates and the Final Price is 110.00% of the Initial Price on the final Observation Date. Because the Final Price on the final Observation Date is greater than the Initial Price, the securities are automatically called on the final Observation Date, and the investor will receive on the Maturity Date a cash payment of \$1,000.00 per \$1,000 Face Amount of securities (excluding any Contingent Coupon).

Because the Closing Prices of the Underlying on the first and third Observation Dates and the Final Price on the final Observation Date are greater than the Coupon Barrier and the Closing Price of the Underlying on the second Observation Date is less than the Coupon Barrier, the investor will receive the Contingent Coupon on the first and third Coupon Payment Dates and the Maturity Date, but not on the second Coupon Payment Date. As a result, the investor will receive a total of \$1,105.375 per \$1,000 Face Amount of securities.

Example 4: The Closing Prices of the Underlying are 55.00%, 60.00% and 90.00% of the Initial Price on the first, second, and third Observation Dates and the Final Price is 90.00% of the Initial Price on the final Observation Date. Because the Closing Prices of the Underlying on the first, second and third Observation Dates and the Final Price on the final Observation Date are less than the Initial Price, the securities are not automatically called. Because the Final Price is greater than the Trigger Price (65.00% of the Initial Price), the investor will receive on the Maturity Date a cash payment of \$1,000.00 per \$1,000 Face Amount of securities (excluding any Contingent Coupon).

Because the Closing Price of the Underlying on the third Observation Date and the Final Price on the final Observation Date are greater than the Coupon Barrier and the Closing Prices of the Underlying on the first and second Observation Dates are less than the Coupon Barrier, the investor will receive the Contingent Coupon on the third

Coupon Payment Date and the Maturity Date, but not on the first and second Coupon Payment Dates. As a result, the investor will receive a total of \$1,070.25 per \$1,000 Face Amount of securities.

Example 5: The Closing Prices of the Underlying are 60.00%, 55.00% and 50.00% of the Initial Price on the first, second and third Observation Dates and the Final Price is 40.00% of the Initial Price on the final Observation Date, resulting in an Underlying Return of -60.00%. Because the Closing Prices of the Underlying on the first, second and third Observation Dates and the Final Price on the final Observation Date are less than the Initial Price, the securities are not automatically called. Because the Final Price is less than the Trigger Price, the investor will receive on the Maturity Date a cash payment of \$400.00 per \$1,000 Face Amount of securities (excluding any Contingent Coupon), calculated as follows:

$$\begin{aligned} & \$1,000 + (\$1,000 \times \text{Underlying Return}) \\ & \$1,000 + (\$1,000 \times -60.00\%) = \$400.00 \end{aligned}$$

Because the Closing Prices of the Underlying on the first, second and third Observation Dates and the Final Price on the final Observation Date are less than the Coupon Barrier, the investor will not receive any Contingent Coupon over the entire term of the securities. As a result, the investor will receive only \$400.00 per \$1,000 Face Amount of securities.

Selected Purchase Considerations

- **THE SECURITIES MAY OFFER A HIGHER, THOUGH CONTINGENT, COUPON THAN THE YIELD ON DEBT SECURITIES OF COMPARABLE MATURITY ISSUED BY US OR AN ISSUER WITH A COMPARABLE CREDIT RATING** — The securities will pay Contingent Coupons that accrue at a rate of 14.05% per annum only if the Stock Price of the Underlying is greater than or equal to the Coupon Barrier on the relevant Observation Date. This rate may be higher than the yield received on debt securities of comparable maturity issued by us or an issuer with a comparable credit rating, but is subject to the risk that the Stock Price of the Underlying will be less than the Coupon Barrier on an Observation Date and the resulting forfeiture of the Contingent Coupon for the entire period, as well as the risk of losing a significant portion or all of your investment if the securities are not automatically called and the Final Price is less than the Trigger Price. Any payment on the securities is subject to our ability to satisfy our obligations as they become due.

- **POTENTIAL EARLY EXIT AS A RESULT OF AUTOMATIC CALL FEATURE** — While the original term of the securities is approximately 12 months and two weeks, the securities will be automatically called before maturity if the Stock Price of the Underlying on any Observation Date is greater than or equal to the Initial Price, and you will receive a cash payment per \$1,000 Face Amount of securities on the related Call Settlement Date equal to the Face Amount plus the Contingent Coupon otherwise due on such date. No Contingent Coupon will accrue or be payable following the Call Settlement Date.
 - **CONTINGENT COUPON PAYMENTS** — Unless the securities are previously automatically called, Contingent Coupon payments, if any, will be paid in arrears on the relevant quarterly Coupon Payment Dates, only if the Stock Price of the Underlying on the relevant Observation Date is greater than or equal to the Coupon Barrier.
- **RETURN LINKED TO THE PERFORMANCE OF THE UNDERLYING** — The securities are linked to the performance of the common shares of Valeant Pharmaceuticals International, Inc. (the “Underlying”) as described herein. For more information on the Underlying, please see “The Underlying” in this pricing supplement.
- **TAX CONSEQUENCES**— Due to the lack of direct legal authority, there is substantial uncertainty regarding the U.S. federal income tax consequences of an investment in the securities. In determining our responsibilities for information reporting and withholding, if any, we intend to treat the securities as prepaid financial contracts that are not debt, with associated contingent coupons that constitute ordinary income and that, when paid to a non-U.S. holder, are generally subject to 30% (or lower treaty rate) withholding. Our special tax counsel, Davis Polk & Wardwell LLP, has advised that while it believes this treatment to be reasonable, it is unable to conclude that it is more likely than not that this treatment will be upheld, and that other reasonable treatments are possible that could materially affect the timing and character of income or loss on your securities. If this treatment is respected, you generally should recognize short-term capital gain or loss on the taxable disposition of your securities (including retirement), unless you have held the securities for more than one year, in which case your gain or loss should be long-term capital gain or loss. However, it is likely that any sales proceeds that are attributable to the next succeeding contingent coupon after it has been fixed will be treated as ordinary income and also possible that any sales proceeds attributable to the next succeeding contingent coupon prior to the time it has been fixed will be treated as ordinary income.

In 2007, the U.S. Treasury Department and the Internal Revenue Service (the “IRS”) released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether beneficial owners of these instruments should be required to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; and the degree, if any, to which income (including any mandated accruals) realized by non-U.S. persons should be subject to withholding tax. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially affect the tax consequences of an investment in the securities, possibly with retroactive effect.

You should review carefully the section of the accompanying product supplement entitled “U.S. Federal Income Tax Consequences.” The preceding discussion, when read in combination with that section, constitutes the full opinion of our special tax counsel regarding the material U.S. federal income tax consequences of owning and disposing of the securities.

Under current law, the United Kingdom will not impose withholdin