

DEUTSCHE BANK AKTIENGESELLSCHAFT

Form FWP

July 22, 2014

Term Sheet

To product supplement B dated September 28, 2012,
prospectus supplement dated September 28, 2012 and
prospectus dated September 28, 2012

Deutsche Bank

Term Sheet No. 2107B

Registration Statement No. 333-184193

Dated July 22, 2014; Rule 433

Structured Deutsche Bank AG
Investments \$ Digital Return Notes Linked to the Performance of WTI Crude Oil Futures Contracts
due August 12*, 2015

General

- The notes are designed for investors who seek a return at maturity linked to the performance of the nearby month's WTI crude oil futures contract (the "Underlying"). If the Final Price is greater than or equal to the Digital Return Price (95.00% of the Initial Price), investors will be entitled to receive at maturity a return on their investment equal to the Digital Return of 10.00%. If the Final Price is less than the Digital Return Price, but greater than or equal to the Trigger Price (80.00% of the Initial Price), investors will receive at maturity the Face Amount per \$1,000 Face Amount of notes. However, if the Final Price is less than the Trigger Price, for each \$1,000 Face Amount of notes, investors will lose 1.00% of the Face Amount for every 1.00% by which the Final Price is less than the Initial Price. The notes do not pay any coupons and investors should be willing to lose a significant portion or all of their initial investment if the Final Price is less than the Trigger Price. Any payment on the notes is subject to the credit of the Issuer.
- Senior unsecured obligations of Deutsche Bank AG due August 12*, 2015††.
- Minimum purchase of \$10,000. Minimum denominations of \$1,000 (the "Face Amount") and integral multiples thereof.
- The notes are expected to price on or about July 25*, 2014 (the "Trade Date") and are expected to settle on or about July 30*, 2014 (the "Settlement Date").

Key Terms

Issuer: Deutsche Bank AG, London Branch
Issue Price: 100% of the Face Amount
Underlying: The nearby month's West Texas Intermediate ("WTI") crude oil futures contract traded on the New York Mercantile Exchange ("NYMEX") (Bloomberg Page: CL1 <Comdty>)
Digital Return: 10.00%, which reflects the maximum return on the notes. The actual Digital Return will be determined on the Trade Date and will not be less than 10.00%. Accordingly, the maximum Payment at Maturity will not be less than \$1,100.00 per \$1,000 Face Amount of notes.

Payment at Maturity: · If the Final Price is greater than or equal to the Digital Return Price, you will be entitled to receive a cash payment at maturity per \$1,000 Face Amount of notes equal to the Face Amount plus the product of the Face Amount and the Digital Return, calculated as follows:

$$\$1,000 + (\$1,000 \times \text{Digital Return})$$

· If the Final Price is less than the Digital Return Price but greater than or equal to the Trigger Price, you will be entitled to receive a cash payment at maturity of \$1,000 per \$1,000 Face Amount of notes.

· If the Final Price is less than the Trigger Price, you will be entitled to receive a cash payment at maturity per \$1,000 Face Amount of notes, calculated as follows:

$$\$1,000 + (\$1,000 \times \text{Underlying Return})$$

If the Final Price is less than the Trigger Price, for each \$1,000 Face Amount of notes, 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 investment at maturity. Any payment at maturity is subject to the credit of the Issuer.

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Digital Return Price: 95.00% of the Initial Price
 Trigger Price: 80.00% of the Initial Price
 Underlying Return: The performance of the Underlying from the Initial Price to the Final Price, calculated as follows:

$$\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$

The Underlying Return may be positive, zero or negative.

Initial Price: The Closing Price of the Underlying on the Trade Date, determined by reference to the September 2014 WTI crude oil futures contract.

Final Price: The arithmetic average of the Closing Prices of the Underlying on each of the five Averaging Dates, determined by reference to the September 2015 WTI crude oil futures contract.

Closing Price†: On any day of calculation, the official settlement price per barrel of WTI crude oil on NYMEX of the futures contract set to expire in the applicable nearby month, stated in U.S. dollars, as made public by NYMEX (Bloomberg: CL1 <Comdty>) on such day. If the price source for the Underlying identified herein as the Closing Price is modified or amended, ceases to exist or is unavailable (or is published in error), the calculation agent may determine the Closing Price in good faith and in a commercially reasonable manner and/or postpone the Averaging Dates as described under “Description of Securities – Adjustments to Valuation Dates and Payment Dates” in the accompanying product supplement.

Trade Date: July 25*, 2014

Settlement Date: July 30*, 2014

Averaging Dates: August 3*, 2015, August 4*, 2015, August 5*, 2015, August 6*, 2015 and August 7*, 2015

Maturity Date††: August 12*, 2015

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

CUSIP/ISIN: 25152RMM2 / US25152RMM24

* Expected. In the event that we make any change to the expected Trade Date or Settlement Date, the Averaging Dates and Maturity Date may be changed so that the stated term of the notes remains the same.

† Subject to adjustment as described under “Description of Securities – Adjustments to Valuation Dates and Payment Dates” in the accompanying product supplement.

†† Subject to postponement as described under “Description of Securities – Adjustments to Valuation Dates and Payment Dates” and acceleration as described under “Description of Securities – Adjustments to Valuation Dates and Payment Dates – Commodity Hedging Disruption Events for Commodity Based Underlyings or Basket Components” in the accompanying product supplement.

Investing in the notes involves a number of risks. See “Risk Factors” beginning on page 7 of the accompanying product supplement and “Selected Risk Considerations” beginning on page 5 of this term sheet.

The Issuer’s estimated value of the notes on the Trade Date is approximately \$970.00 to \$990.00 per \$1,000 Face Amount of notes, which is less than the Issue Price. Please see “Issuer’s Estimated Value of the Notes” on page 2 of this term sheet for additional information.

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

	Price to Public(1)	Fees(1)(2)	Proceeds to Issuer
Per note	\$1,000.00	\$10.00	\$990.00
Total	\$	\$	\$

(1) Certain fiduciary accounts will pay a purchase price of \$990.00 per note, and the placement agents with respect to sales made to such accounts will forgo any fees.

(2) Please see "Supplemental Plan of Distribution" in this term sheet for information about fees.

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

JPMorgan
Placement Agent

July 22, 2014

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Issuer's Estimated Value of the Notes

The Issuer's estimated value of the notes is equal to the sum of our valuations of the following two components of the notes: (i) a bond and (ii) an embedded derivative(s). The value of the bond component of the notes 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 notes, 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 notes. 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 notes, reduces the economic terms of the notes to you and is expected to adversely affect the price at which you may be able to sell the notes 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 rates and mid-market levels of price and volatility of the assets underlying the notes 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 notes on the Trade Date (as disclosed on the cover of this term sheet) is less than the Issue Price of the notes. The difference between the Issue Price and the Issuer's estimated value of the notes 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 notes 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 notes on the Trade Date does not represent the price at which we or any of our affiliates would be willing to purchase your notes 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 notes 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 notes on the Trade Date. Our purchase price, if any, in secondary market transactions will be based on the estimated value of the notes 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 notes and then-prevailing market conditions. The price we report to financial reporting services and to distributors of our notes for use on customer account statements would generally be determined on the same basis. However, during the period of approximately two 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 (a) the Issue Price minus the discounts and commissions and (b) the Issuer's estimated value of the notes 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.

Additional Terms Specific to the Notes

You should read this term sheet together with product supplement B dated September 28, 2012, the prospectus supplement dated September 28, 2012 relating to our Series A global notes of which these notes are a part and the prospectus dated September 28, 2012. 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 B dated September 28, 2012:
http://www.sec.gov/Archives/edgar/data/1159508/000095010312005077/crt_dp33020-424b2.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>

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.

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

This term sheet, together with the documents listed above, contains the terms of the notes 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 product supplement, as the notes 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 notes.

For purposes of this term sheet, each reference to “Exchange Traded Instrument” in the accompanying product supplement shall be deemed to include the Underlying, when applicable.

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. Alternatively, Deutsche Bank AG, any agent or any dealer participating in this offering will arrange to send you the prospectus, prospectus supplement, product supplement and this term sheet if you so request by calling toll-free 1-800-311-4409.

You may revoke your offer to purchase the notes 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 notes prior to their issuance. We will notify you in the event of any changes to the terms of the notes, and you will be asked to accept such changes in connection with your purchase of any notes. You may also choose to reject such changes, in which case we may reject your offer to purchase the notes.

What Are the Possible Payments on the Notes at Maturity, Assuming a Range of Hypothetical Performances for the Underlying?

The following table illustrates a range of hypothetical payments at maturity on the notes. The table and the hypothetical examples set forth below assume a Digital Return on the notes of 10.00% and reflect the Digital Return Price of 95.00% of the Initial Price and the Trigger Price of 80.00% of the Initial Price. The actual Digital Return, Initial Price, Digital Return Price and Trigger Price will be determined on the Trade Date. The results set forth below are for illustrative purposes only. The actual return applicable to a purchaser of the notes will be based on the Underlying Return. The numbers appearing in the table and examples below have been rounded for ease of analysis.

Hypothetical Underlying Return (%)	Hypothetical Return (%)	Payment at Maturity (\$)
100.00%	10.00%	\$1,100.00
90.00%	10.00%	\$1,100.00
80.00%	10.00%	\$1,100.00
70.00%	10.00%	\$1,100.00
60.00%	10.00%	\$1,100.00
50.00%	10.00%	\$1,100.00
40.00%	10.00%	\$1,100.00
30.00%	10.00%	\$1,100.00
20.00%	10.00%	\$1,100.00
10.00%	10.00%	\$1,100.00
5.00%	10.00%	\$1,100.00
0.00%	10.00%	\$1,100.00
-5.00%	10.00%	\$1,100.00
-10.00%	0.00%	\$1,000.00
-15.00%	0.00%	\$1,000.00
-20.00%	0.00%	\$1,000.00
-25.00%	-25.00%	\$750.00
-30.00%	-30.00%	\$700.00
-40.00%	-40.00%	\$600.00
-50.00%	-50.00%	\$500.00
-60.00%	-60.00%	\$400.00
-70.00%	-70.00%	\$300.00
-80.00%	-80.00%	\$200.00
-90.00%	-90.00%	\$100.00
-100.00%	-100.00%	\$0.00

Hypothetical Examples of Amounts Payable at Maturity

The following hypothetical examples illustrate how the payments on the notes at maturity set forth in the table above are calculated.

Example 1: The Final Price is greater than both the Initial Price and the Digital Return Price, resulting in an Underlying Return of 20.00%. Because the Final Price is greater than the Digital Return Price, even though the Underlying Return is 20.00%, the investor receives a return equal to the Digital Return of 10.00% and a Payment at Maturity of \$1,100.00 per \$1,000 Face Amount of notes, calculated as follows:

$$\$1,000 + (\$1,000 \times \text{Digital Return})$$

$$\$1,000 + (\$1,000 \times 10.00\%) = \$1,100.00$$

Example 2: The Final Price is less than the Initial Price but is greater than the Digital Return Price, resulting in an Underlying Return of -5.00%. Although the Final Price is less than the Initial Price, because the Final Price is greater than the Digital Return Price, the investor receives a return equal to the Digital Return of 10.00% and a Payment at Maturity of \$1,100.00 per \$1,000 Face Amount of notes, calculated as follows:

$$\begin{aligned} & \$1,000 + (\$1,000 \times \text{Digital Return}) \\ & \$1,000 + (\$1,000 \times 10.00\%) = \$1,100.00 \end{aligned}$$

Example 3: The Final Price is less than the Digital Return Price but is greater than the Trigger Price, resulting in an Underlying Return of -10.00%. Although the Final Price is less than the Digital Return Price, because the Final Price is greater than the Trigger Price, the investor receives a Payment at Maturity of \$1,000.00 per \$1,000 Face Amount of notes.

Example 4: The Final Price is less than the Trigger Price, resulting in an Underlying Return of -40.00%. Because the Final Price is less than the Trigger Price, the investor will receive a Payment at Maturity of \$600.00 per \$1,000.00 Face Amount of notes, calculated as follows:

$$\begin{aligned} & \$1,000 + (\$1,000 \times \text{Underlying Return}) \\ & \$1,000 + (\$1,000 \times -40.00\%) = \$600.00 \end{aligned}$$

Selected Purchase Considerations

- **POTENTIAL POSITIVE RETURN ON THE NOTES IS FIXED AND LIMITED** — If the Final Price is greater than or equal to the Digital Return Price, your return on the notes will be limited to the Digital Return of 10.00%, resulting in a maximum Payment at Maturity of \$1,100.00 per \$1,000 Face Amount of notes, regardless of the appreciation in the Underlying, which may be significant. Because the notes are our senior unsecured obligations, payment of any amount at maturity is subject to our ability to pay our obligations as they become due.
- **LIMITED PROTECTION AGAINST LOSS** – If the Final Price is less than the Digital Return Price, which is 95.00% of the Initial Price, but greater than or equal to the Trigger Price, you will receive \$1,000 per \$1,000 Face Amount of notes. However, if the Final Price is less than the Trigger Price, which is 80.00% of the Initial Price, for each \$1,000 Face Amount of notes, 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 investment in the notes.
- **A COMMODITY HEDGING DISRUPTION EVENT MAY RESULT IN ACCELERATION OF THE NOTES** — If a Commodity Hedging Disruption Event (as defined under “Description of Securities — Adjustments to Valuation Dates and Payment Dates – Commodity Hedging Disruption Events for Commodity Based Underlyings or Basket Components” in the accompanying product supplement) occurs, we will have the right, but not the obligation, to accelerate the payment on the notes. The amount due and payable per \$1,000 Face Amount of notes upon such early acceleration will be determined by the calculation agent in good faith and in a commercially reasonable manner on the date on which we deliver notice of such acceleration and will be payable on the fifth business day following the day on which the calculation agent delivers notice of such acceleration. Please see the risk factors entitled “A Commodity Hedging Disruption Event May Result in Acceleration of the Notes” and “Commodity Futures Contracts are Subject to Uncertain Legal and Regulatory Regimes, Which May Adversely Affect the Price of the Underlying and the Value of the Notes” in this term sheet for more information.
- **TAX CONSEQUENCES** — In the opinion of our special tax counsel, Davis Polk & Wardwell LLP, which is based on prevailing market conditions, it is more likely than not that the notes will be treated for U.S. federal income tax purposes as prepaid financial contracts that are not debt. Generally, if this treatment is respected, (i) you should not recognize taxable income or loss prior to the taxable disposition of your notes (including at maturity) and (ii) the gain or loss on your notes should be capital gain or loss and should be long-term capital gain or loss if you have held the notes for more than one year. The Internal Revenue Service (the “IRS”) or a court might not agree with this treatment, however, in which case the timing and character of income or loss on your notes could be materially and adversely affected.

In 2007, the U.S. Treasury Department and 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; the degree, if any, to which income (including any mandated accruals) realized by non-U.S.

persons should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose a notional interest charge. 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 and adversely affect the tax consequences of an investment in the notes, 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 notes.

Under current law, the United Kingdom will not impose withholding tax on payments made with respect to the notes.

For a discussion of certain German tax considerations relating to the notes, you should refer to the section in the accompanying prospectus supplement entitled “Taxation by Germany of Non-Resident Holders.”

You should consult your tax adviser regarding the U.S. federal tax consequences of an investment in the notes (including possible alternative treatments and the issues presented by the 2007 notice), as well as tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

Selected Risk Considerations

An investment in the notes involves significant risks. Investing in the notes is not equivalent to investing directly in the Underlying. In addition to these selected risk considerations, you should review the “Risk Factors” section of the accompanying product supplement.

- **YOUR INVESTMENT IN THE NOTES MAY RESULT IN A LOSS** — The notes do not pay any coupons and do not guarantee any return of your investment. The return on the notes at maturity is linked to the performance of the Underlying and will depend on whether, and the extent to which, the Underlying Return is positive or negative. If the Final Price is less than the Trigger Price, for each \$1,000 Face Amount of notes, 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 investment at maturity. Because the notes are

our senior unsecured obligations, payment of any amount at maturity is subject to our ability to pay our obligations as they become due.

- **YOUR MAXIMUM GAIN ON THE NOTES IS LIMITED TO THE DIGITAL RETURN** — If the Final Price is greater than or equal to the Digital Return Price, for each \$1,000 Face Amount of notes, you will receive at maturity \$1,000 plus the product of \$1,000 and the Digital Return of 10.00%, regardless of the appreciation in the Underlying, which may be significant. Accordingly, the maximum Payment at Maturity will be \$1,100.00 for every \$1,000 Face Amount of notes. You will receive a return reflecting the Digital Return only if the Final Price is greater than or equal to the Digital Return Price. The price of the Underlying at various times during the term of the notes could be higher than the Closing Prices of the Underlying on the Averaging Dates. Because the Digital Return is a fixed amount, you may receive a lower payment at maturity than you would if you had invested directly in the Underlying.
- **THE NOTES DO NOT PAY ANY COUPONS** — Unlike ordinary debt securities, the notes do not pay any coupons and do not guarantee any return of the initial investment at maturity.
- **THE NOTES ARE SUBJECT TO OUR CREDITWORTHINESS** — The notes are senior unsecured obligations of the Issuer, Deutsche Bank AG, and are not, either directly or indirectly, an obligation of any third party. Any payment(s) to be made on the notes depends on the ability of Deutsche Bank AG to satisfy its obligations as they come due. An actual or anticipated downgrade in Deutsche Bank AG's credit rating or increase in the credit spreads charged by the market for taking our credit risk will likely have an adverse effect on the value of the notes. As a result, the actual and perceived creditworthiness of Deutsche Bank AG will affect the value of the notes and in the event Deutsche Bank AG were to default on its obligations, you might not receive any amount(s) owed to you under the terms of the notes and you could lose your entire investment.
- **THE ISSUER'S ESTIMATED VALUE OF THE NOTES ON THE TRADE DATE WILL BE LESS THAN THE ISSUE PRICE OF THE NOTES** — The Issuer's estimated value of the notes on the Trade Date (as disclosed on the cover of this term sheet) is less than the Issue Price of the notes. The difference between the Issue Price and the Issuer's estimated value of the notes 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 notes 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 notes is determined by reference to an internal funding rate and our pricing models. 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 notes, reduces the economic terms of the notes to you and is expected to adversely affect the price at which you may be able to sell the notes in any secondary market. In addition, our internal pricing models are proprietary and rely in part on certain assumptions about future events, which may prove to be incorrect. If at any time a third party dealer were to quote a price to purchase your notes or otherwise value your notes, that price or value may differ materially from the estimated value of the notes determined by reference to our internal funding rate and pricing models. This difference is due to, among other things, any difference in funding rates, pricing models or assumptions used by any dealer who may purchase the notes in the secondary market.
- **A COMMODITY HEDGING DISRUPTION EVENT MAY RESULT IN ACCELERATION OF THE NOTES** — If a Commodity Hedging Disruption Event occurs, we will have the right to accelerate the payment on your notes prior to maturity. The amount due and payable on the notes upon such early acceleration will be determined in good faith and in a commercially reasonable manner by the calculation agent. If the payment on your notes is accelerated, your investment may result in a loss and you may not be able to reinvest the proceeds in a comparable investment.

- **COMMODITY FUTURES CONTRACTS ARE SUBJECT TO UNCERTAIN LEGAL AND REGULATORY REGIMES, WHICH MAY ADVERSELY AFFECT THE PRICE OF THE UNDERLYING AND THE VALUE OF THE NOTES** — Commodity futures contracts such as the Underlying are subject to legal and regulatory regimes in the United States and, in some cases, in other countries that may change in ways that could adversely affect our ability to hedge our obligations under the notes and affect the price of the Underlying. The effect on the value of the notes of any future regulatory change is impossible to predict, but could be substantial and adverse to your interest. For example, the Dodd-Frank Wall Street Reform and Consumer Protection Act, which was enacted on July 21, 2010, provided the Commodity Futures Trading Commission (the “CFTC”) with additional authority to establish limits on the amount of positions that may be held by any person in commodity futures contracts, options on such futures contracts and swaps that are economically equivalent to such contracts. Such rules may cause a Commodity Hedging Disruption Event to occur or may increase the likelihood that a Commodity Hedging Disruption Event will occur during the term of the notes. If a Commodity Hedging Disruption Event does occur, we may, in our sole and absolute discretion, accelerate the payment on your notes early and pay you an amount determined in good faith and in a commercially reasonable manner by the calculation agent. If the payment on your notes is accelerated, your investment may result in a loss and you may not be able to reinvest the proceeds in a comparable investment. We may also decide, or be forced, to sell a portion, possibly a substantial portion, of our hedge position in the Underlying. Additionally, other market participants are subject to the same regulatory issues and may decide, or be required, to sell their positions in the Underlying. While the effect of these or other regulatory developments are difficult to predict, if such broad market selling were to occur, it would likely lead to declines, possibly significant declines, in the price of the Underlying and therefore, the value of the notes.
- **SINGLE COMMODITY PRICES TEND TO BE MORE VOLATILE AND MAY NOT CORRELATE WITH THE PRICES OF COMMODITIES GENERALLY** — The amount owed on the notes is linked exclusively to the price of WTI crude oil futures contracts and not to a diverse basket of commodities or a broad-based commodity index. The price of WTI crude oil futures contracts may not correlate to the price of commodities generally and may diverge significantly from the prices of commodities generally. Because the notes are linked to the futures contract of a single commodity, they carry greater risk and may be more volatile than a note linked to the prices of futures contracts of multiple commodities or a broad-based commodity index.

- **THE NOTES OFFER EXPOSURE TO FUTURES CONTRACTS AND NOT DIRECT EXPOSURE TO PHYSICAL COMMODITIES** — The notes offer investors exposure to the price of NYMEX-traded WTI crude oil futures contracts and not to the spot price of WTI crude oil. The price of a commodity futures contract reflects the expected value of the commodity upon delivery in the future, whereas the spot price of a commodity reflects the immediate delivery value of the commodity. A variety of factors can lead to a disparity between the expected future price of a commodity and the spot price at a given point in time, such as the cost of storing the commodity for the term of the futures contract, interest charges incurred to finance the purchase of the commodity and expectations concerning supply and demand for the commodity. The price movement of a futures contract is typically correlated with the movements of the spot price of the reference commodity, but the correlation is generally imperfect and price moves in the spot market may not be reflected in the futures market (and vice versa). Accordingly, the notes may underperform a similar investment that reflects the return on the physical commodity.
- **INVESTING IN THE NOTES IS NOT THE SAME AS INVESTING IN THE UNDERLYING OR OTHER RELATED CONTRACTS** — The return on your notes may not reflect the return you would have realized if you had directly invested in the Underlying, or any exchange-traded or over-the-counter instruments based on the Underlying. For instance, your return on the notes is limited to the Digital Return regardless of any appreciation of the Underlying, which could be significant.
- **PRICES OF COMMODITIES AND COMMODITY FUTURES CONTRACTS ARE HIGHLY VOLATILE AND MAY CHANGE UNPREDICTABLY** — Commodity prices are highly volatile and, in many sectors, have experienced unprecedented historical volatility in the past few years. Commodity prices are affected by numerous factors including: changes in supply and demand relationships (whether actual, perceived, anticipated, unanticipated or unrealized); weather; agriculture; trade; fiscal, monetary and exchange control programs; domestic and foreign political and economic events and policies; disease; pestilence; technological developments; changes in interest rates, whether through governmental action or market movements; monetary and other governmental policies, action and inaction; macroeconomic or geopolitical and military events, including political instability in some oil-producing countries; and natural or nuclear disasters. Those events tend to affect commodities prices worldwide, regardless of the location of the event. Market expectations about these events and speculative activity also cause commodities prices to fluctuate. These factors may have a greater impact on commodities prices and commodity futures contracts than on more conventional securities and may adversely affect the performance of the Underlying and, as a result, the market value of the notes, and any payments you may receive in respect of the notes. It is possible that lower prices or increased volatility of commodities will adversely affect the performance of Underlying and, as a result, the market value of the notes.
- **CHANGES IN SUPPLY AND DEMAND IN THE MARKET FOR WTI CRUDE OIL FUTURES CONTRACTS MAY ADVERSELY AFFECT THE VALUE OF THE NOTES** — The notes are linked to the performance of futures contracts on an underlying physical commodity, WTI crude oil. Futures contracts are legally binding agreements for the buying or selling of a certain commodity at a fixed price for physical settlement on a future date. Commodity futures contract prices are subject to similar types of pricing volatility patterns as may affect the specific commodities underlying the futures contracts, as well as additional trading volatility factors that may impact futures markets generally. Moreover, changes in the supply and demand for commodities, and futures contracts for the purchase and delivery of particular commodities, may lead to differentiated pricing patterns in the market for futures contracts over time. For example, a futures contract scheduled to expire in a nearby month may experience more severe pricing pressure or greater price volatility than the corresponding futures contract scheduled to expire in a later month. Because the Initial Price and the Closing Price on each Averaging Date will be determined by reference to the applicable nearby month's futures contract specified herein, the value of the notes may be less than would otherwise be the case if the Initial Price and the Closing Price on each Averaging Date would be determined by reference to the corresponding futures contract scheduled to expire in a more favorable month for pricing purposes.

- **SUSPENSION OR DISRUPTIONS OF MARKET TRADING IN COMMODITIES AND RELATED FUTURES MAY ADVERSELY AFFECT THE VALUE OF THE NOTES** — The commodity futures markets are subject to temporary distortions or other disruptions due to various factors, including the lack of liquidity in the markets, the participation of speculators and government regulation and intervention. In addition, U.S. futures exchanges and some foreign exchanges have regulations that limit the amount of fluctuation in some futures contract prices that may occur during a single business day. These limits are generally referred to as “daily price fluctuation limits” and the maximum or minimum price of a contract on any given day as a result of these limits is referred to as a “limit price.” Once the limit price has been reached in a particular contract, no trades may be made at a price beyond the limit, or trading may be limited for a set period of time. Limit prices have the effect of precluding trading in a particular contract or for