

RITCHIE BROS AUCTIONEERS INC

Form 6-K

November 01, 2005

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

**Form 6-K
REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 UNDER
THE SECURITIES EXCHANGE ACT OF 1934
For the quarter ended September 30, 2005**

**Commission File Number: 001-13425
Ritchie Bros. Auctioneers Incorporated**

6500 River Road
Richmond, BC, Canada
V6X 4G5
(604) 273 7564

(Address of principal executive offices)

indicate by check mark whether the registrant files or will file annual reports
under cover Form 20-F or Form 40-F

Form 20-F Form 40-F

indicate by check mark if the registrant is submitting the Form 6-K in paper
as permitted by Regulation S-T Rule 101(b)(1):

indicate by check mark if the registrant is submitting the Form 6-K in paper
as permitted by Regulation S-T Rule 101(b)(7):

indicate by check mark whether by furnishing information contained in this Form,
the registrant is also thereby furnishing the information to the Commission pursuant to
Rule 12g3-2(b) under the Securities Exchange Act of 1934

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in
connection with Rule 12g3-2(b): 82- _____

PART 1. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The accompanying unaudited consolidated financial statements do not include all information and footnotes required by Canadian or United States generally accepted accounting principles for a complete set of annual financial statements. However, in the opinion of management, all adjustments (which consist only of normal recurring adjustments) necessary for a fair presentation of the results of operations for the relevant periods have been made. Results for the interim periods are not necessarily indicative of the results to be expected for the year or any other period. These financial statements should be read in conjunction with the summary of accounting policies and the notes to the consolidated financial statements included in the Company's Annual Report on Form 40-F for the fiscal year ended December 31, 2004, a copy of which has been filed with the Securities and Exchange Commission. These policies have been applied on a consistent basis.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Consolidated Statements of Operations and Retained Earnings

(Expressed in thousands of United States dollars, except per share amounts)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Auction revenues	\$ 38,430	\$ 31,449	\$ 152,700	\$ 125,115
Direct expenses	4,487	3,005	18,563	15,405
	33,943	28,444	134,137	109,710
Expenses:				
Depreciation and amortization	3,198	3,246	10,061	9,253
General and administrative	23,859	20,989	68,316	60,826
	27,057	24,235	78,377	70,079
Earnings from operations	6,886	4,209	55,760	39,631
Other income (expense):				
Interest expense	(427)	(695)	(1,768)	(2,448)
Gain (loss) on disposition of capital assets	68	(16)	6,570	88
Other	65	234	302	516
	(294)	(477)	5,104	(1,844)
Earnings before income taxes	6,592	3,732	60,864	37,787
Income tax expense (recovery):				
Current	1,779	1,693	21,695	13,463
Future	245	229	(208)	760
	2,024	1,922	21,487	14,223
Net earnings	\$ 4,568	\$ 1,810	\$ 39,377	\$ 23,564
Net earnings per share (in accordance with Canadian and United States GAAP) (note 5):				
Basic	\$ 0.13	\$ 0.05	\$ 1.15	\$ 0.69
Diluted	\$ 0.13	\$ 0.05	\$ 1.13	\$ 0.68
Retained earnings, beginning of period	\$ 210,695	\$ 177,825	\$ 183,438	\$ 161,183
Net earnings	4,568	1,810	39,377	23,564
Cash dividends paid	(6,191)	(3,763)	(13,743)	(8,875)

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Retained earnings, end of period	\$ 209,072	\$ 175,872	\$ 209,072	\$ 175,872
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See accompanying notes to consolidated financial statements.

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RITCHIE BROS. AUCTIONEERS INCORPORATED

Consolidated Balance Sheets

(Expressed in thousands of United States dollars)

	September 30, 2005	December 31, 2004
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 174,994	\$ 132,632
Accounts receivable	78,840	19,281
Inventory	8,607	13,091
Advances against auction contracts	9,706	968
Funds committed for debt repayment (note 4)	3,714	1,857
Prepaid expenses and deposits	4,484	2,323
Other assets	1,099	654
Future income tax asset	386	496
	281,830	171,302
Capital assets (note 3)	242,352	226,624
Funds committed for debt repayment (note 4)	1,393	5,108
Other assets	1,408	1,876
Goodwill	38,400	37,499
	\$ 565,383	\$ 442,409
Liabilities and Shareholders' Equity		
Current liabilities:		
Auction proceeds payable	\$ 151,293	\$ 47,581
Accounts payable and accrued liabilities	36,777	45,334
Income taxes payable	8,550	6,383
Current portion of long-term debt (note 4)	27,729	35,133
	224,349	134,431
Long-term debt (note 4)	17,400	10,792
Other liabilities	516	1,563
Future income tax liability	6,104	6,359
Shareholders' equity:		
Share capital (note 5)	79,730	76,445
Additional paid-in capital	8,722	7,859
Retained earnings	209,072	183,438

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Foreign currency translation adjustment	19,490	21,522
	317,014	289,264
Commitments and contingencies (note 6)		
Subsequent events (notes 4 and 5(b))		
	\$ 565,383	\$ 442,409

See accompanying notes to consolidated financial statements.

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RITCHIE BROS. AUCTIONEERS INCORPORATED

Consolidated Statements of Shareholders' Equity

(Expressed in thousands of United States dollars)

(Unaudited)

	Share Capital	Additional Paid-In Capital	Retained Earnings	Foreign Currency Translation Adjustment	Total Shareholders Equity
Balance, December 31, 2004	\$ 76,445	\$ 7,859	\$ 183,438	\$ 21,522	\$ 289,264
Exercise of stock options	1,502	(222)			1,280
Stock compensation tax adjustment		126			126
Stock compensation expense		418			418
Net earnings			13,675		13,675
Cash dividends paid			(3,771)		(3,771)
Foreign currency translation adjustment				(2,202)	(2,202)
Balance, March 31, 2005	77,947	8,181	193,342	19,320	298,790
Exercise of stock options	1,470	(398)			1,072
Stock compensation tax adjustment		95			95
Stock compensation expense		346			346
Net earnings			21,134		21,134
Cash dividends paid			(3,781)		(3,781)
Foreign currency translation adjustment				(4,178)	(4,178)
Balance, June 30, 2005	79,417	8,224	210,695	15,142	313,478
Exercise of stock options	313	135			448
Stock compensation tax adjustment		13			13
Stock compensation expense		350			350
Net earnings			4,568		4,568
Cash dividends paid			(6,191)		(6,191)
Foreign currency translation adjustment				4,348	4,348
Balance, September 30, 2005	\$ 79,730	\$ 8,722	\$ 209,072	\$ 19,490	\$ 317,014

See accompanying notes to consolidated financial statements.

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RITCHIE BROS. AUCTIONEERS INCORPORATED

Consolidated Statements of Cash Flows

(Expressed in thousands of United States dollars)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2005	2004	2005	2004
Cash provided by (used in):				
Operating activities:				
Net earnings	\$ 4,568	\$ 1,810	\$ 39,377	\$ 23,564
Items not involving cash:				
Depreciation and amortization	3,198	3,246	10,061	9,253
Stock compensation expense	350	357	1,114	1,106
Future income taxes	245	470	(208)	870
Net (gain) loss on disposition of capital assets	(68)	16	(6,570)	(88)
Changes in non-cash working capital:				
Accounts receivable	1,789	(8,972)	(59,559)	(52,084)
Inventory	(5,679)	(607)	4,484	(2,517)
Advances against auction contracts	(6,704)	(9)	(8,738)	(1,893)
Prepaid expenses and deposits	(293)	(881)	(2,161)	(375)
Income taxes payable	(7,507)	(4,650)	2,401	(3,121)
Auction proceeds payable	(26,597)	(7,704)	103,712	97,133
Accounts payable and accrued liabilities	(5,552)	(1,840)	(10,236)	(5,712)
Other	(538)	(1,570)	1,912	(427)
	(42,788)	(20,334)	75,589	65,709
Investing activities:				
Acquisition of business				(1,171)
Capital asset additions	(10,729)	(5,703)	(29,879)	(15,263)
Proceeds on disposition of capital assets	377	495	9,135	1,410
Decrease (increase) in other assets	124	(2,124)	448	(2,122)
	(10,228)	(7,332)	(20,296)	(17,146)
Financing activities:				
Issuance of share capital	448	161	2,800	3,030
Dividends on common shares	(6,191)	(3,763)	(13,743)	(8,875)
Issuance of long-term debt	12,266		16,016	
Repayment of long-term debt	(12,323)	(51)	(17,190)	(6,832)
Increase (decrease) in other liabilities		(1,011)	23	(983)
Increase in short-term debt		3,276		3,276
Decrease (increase) in funds committed for debt repayment			1,858	(3,715)
	(5,800)	(1,388)	(10,236)	(14,099)
Effect of foreign currency rates on cash and cash equivalents	1,589	2,182	(2,695)	451

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Increase (decrease) in cash and cash equivalents	(57,227)	(26,872)	42,362	34,915
Cash and cash equivalents, beginning of period	232,221	180,796	132,632	119,009
Cash and cash equivalents, end of period	\$ 174,994	\$ 153,924	\$ 174,994	\$ 153,924
Supplemental information:				
Interest paid	\$ 525	\$ 780	\$ 1,412	\$ 2,316
Income taxes paid	\$ 8,924	\$ 5,571	\$ 18,980	\$ 16,475

See accompanying notes to consolidated financial statements.

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RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements

Nine months ended September 30, 2005 and 2004

(Tabular dollar amounts expressed in thousands of United States dollars, except share and per share amounts)

(Information as at September 30, 2005 and for the nine-month periods ended September 30, 2005 and 2004 is unaudited)

1. Significant accounting policies:

(a) Basis of presentation:

These unaudited consolidated financial statements present the financial position, results of operations, changes in shareholders' equity and cash flows of Ritchie Bros. Auctioneers Incorporated (the Company) and its subsidiaries. All significant intercompany balances and transactions have been eliminated.

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) applicable to interim financial information and are based on accounting principles and practices consistent with those used in the preparation of the annual consolidated financial statements. These consolidated financial statements are not materially different from those that would be presented in accordance with United States GAAP. The interim consolidated financial statements should be read in conjunction with the December 31, 2004 audited consolidated financial statements.

(b) Revenue recognition:

Auction revenues are comprised mostly of auction commissions, which are earned by the Company acting as an agent for consignors of equipment, but also include net profits on the sale of inventory, incidental interest income, Internet and proxy purchase fees, and handling fees on the sale of certain lots. All revenue is recognized when the auction sale is complete and the Company has determined that the auction proceeds are collectible.

Auction commissions represent the percentage earned by the Company on the gross proceeds from equipment sold at auction. The majority of auction commissions is earned as a pre-negotiated fixed rate of the gross selling price. Other commissions are earned when the Company guarantees a certain level of proceeds to a consignor. This type of commission includes a pre-negotiated percentage of the guaranteed gross proceeds plus a percentage of proceeds in excess of the guaranteed amount. If actual auction proceeds are less than the guaranteed amount, commission is reduced; if proceeds are sufficiently lower, the Company can incur a loss on the sale. Losses, if any, resulting from guarantee contracts are recorded in the period in which the relevant auction is completed. If a loss relating to a guarantee contract to be sold after a period end is known at the financial statement reporting date, the loss is accrued in the financial statements for that period. The Company's exposure from these guarantee contracts fluctuates over time (see note 6).

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements

Nine months ended September 30, 2005 and 2004

(Tabular dollar amounts expressed in thousands of United States dollars, except share and per share amounts)
(Information as at September 30, 2005 and for the nine-month periods ended September 30, 2005 and 2004 is unaudited)

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Auction revenues also include net profit on the sale of inventory items. In some cases, incidental to its regular commission business, the Company temporarily acquires title to items for a short time prior to a particular auction sale. The auction revenue recorded is the net gain or loss on the sale of the items.

(c) Comparative figures:

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period.

2. Seasonality of operations:

The Company's operations are both seasonal and event driven. Auction revenues tend to be highest during the second and fourth calendar quarters. The Company generally conducts more auctions during these quarters than during the first and third calendar quarters. Mid-December through mid-February and July through August are traditionally less active periods.

In addition, the Company's revenue is dependent upon the timing of such events as fleet upgrades and realignments, contractor retirements, and the completion of major projects, among other things. These events are not predictable and are usually unrelated to fiscal quarters, making quarter-to-quarter comparability difficult.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements

Nine months ended September 30, 2005 and 2004

(Tabular dollar amounts expressed in thousands of United States dollars, except share and per share amounts)

(Information as at September 30, 2005 and for the nine-month periods ended September 30, 2005 and 2004 is unaudited)

3. Capital assets:

September 30, 2005	Cost	Accumulated depreciation	Net book value
Buildings	\$ 120,214	\$ 20,088	\$ 100,126
Land and improvements	113,568	4,369	109,199
Land and buildings under development	12,005		12,005
Automotive equipment	12,509	4,499	8,010
Yard equipment	10,176	5,307	4,869
Office equipment	6,512	4,092	2,420
Computer equipment	5,748	3,401	2,347
Computer software	11,859	10,706	1,153
Leasehold improvements	3,506	1,283	2,223
	\$ 296,097	\$ 53,745	\$ 242,352
December 31, 2004	Cost	Accumulated depreciation	Net book value
Buildings	\$ 113,742	\$ 18,588	\$ 95,154
Land and improvements	100,154	4,125	96,029
Land and buildings under development	13,538		13,538
Automotive equipment	11,389	4,272	7,117
Yard equipment	9,540	4,685	4,855
Office equipment	6,169	3,799	2,370
Computer equipment	5,784	2,940	2,844
Computer software	11,114	8,766	2,348
Leasehold improvements	3,321	952	2,369
	\$ 274,751	\$ 48,127	\$ 226,624

During the nine months ended September 30, 2005, the Company capitalized interest of \$299,000 (nine months ended September 30, 2004 \$184,000) to the cost of land and buildings under development.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements

Nine months ended September 30, 2005 and 2004

(Tabular dollar amounts expressed in thousands of United States dollars, except share and per share amounts)

(Information as at September 30, 2005 and for the nine-month periods ended September 30, 2005 and 2004 is unaudited)

4. Long-term debt:

	September 30, 2005	December 31, 2004
Term loans, unsecured, bearing interest between 5.95% and 7.15%, due in minimum annual installments of \$2.9 million (\$0.75 million towards principal, \$1.4 million towards a sinking fund), with final payments occurring in 2005 and 2006.	\$ 12,250	\$ 17,000
Term loan, denominated in Canadian dollars, secured by a general security agreement, bearing interest at 4.429%, due in monthly installments of interest only, with the full amount of the principal due in 2010.	12,904	
Revolving loans, unsecured, bearing interest at 4.465% (2004 between 3.165% and 3.175%), due in monthly installments of interest only, with the full amount of the principal due in 2005.	19,250	15,500
Term loan, denominated in Australian dollars, secured by deeds of trust on specific property, bearing interest between the Australian prime rate and 6.5%, due in quarterly installments of AUD75,000, plus interest, with final payment occurring in 2008.	725	920
Revolving loans, denominated in Canadian dollars, unsecured, bearing interest at the Canadian Prime Rate plus 0.25%, due in monthly installments of interest only. The loans were repaid in full in 2005.		12,505
	45,129	45,925
Current portion	(27,729)	(35,133)
Non-current portion	\$ 17,400	\$ 10,792

Subsequent to the quarter end, the Company signed a commitment letter to replace certain of the term loans and revolving loans outstanding at September 30, 2005 with a new five-year term loan. This loan will be unsecured and will be due in quarterly installments of interest only, with the full amount of the principal due in 2010. If this arrangement is completed as contemplated, all of the funds committed for debt repayment in the balance sheet at September 30, 2005 will become cash and cash equivalents and available for general purposes in the fourth quarter of 2005.

RITCHIE BROS. AUCTIONEERS INCORPORATED

Notes to Consolidated Financial Statements

Nine months ended September 30, 2005 and 2004

(Tabular dollar amounts expressed in thousands of United States dollars, except share and per share amounts)

(Information as at September 30, 2005 and for the nine-month periods ended September 30, 2005 and 2004 is unaudited)

5. Share capital:

(a) Shares issued:

Common shares issued and outstanding are as follows:

Issued and outstanding, December 31, 2004	34,262,300
Issued for cash, pursuant to stock options exercised	152,600
Issued and outstanding, September 30, 2005	34,414,900

The Company's common shares were split on a two-for-one basis on May 4, 2004. All share, per share and stock option information in the consolidated financial statements gives effect to the stock split on a retroactive basis.

(b) Stock option plan:

Stock option activity for the nine months ended September 30, 2005 is as follows:

	Common Shares Under Option		Weighted Average Exercise Price
Outstanding, December 31, 2004	808,998	\$	18.38
Granted	201,800		32.41
Exercised	(152,600)		18.35
Expired	(13,600)		32.41
Outstanding, September 30, 2005	844,598	\$	21.51
Exercisable, September 30, 2005	648,398	\$	18.46

The options outstanding at September 30, 2005 expire on dates ranging to February 23, 2015.

The following is a summary of stock options outstanding and exercisable at September 30, 2005:

Weighted Average	Options Outstanding Weighted	Options Exercisable Weighted
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*We cannot predict the
actual Final Basket
Level or what the*

market value of the notes will be on any particular Trading Day, nor can we predict the relationship between the level of each Basket Underlier and the market value of your notes at any time prior to the Stated Maturity Date. The actual amount that you will receive, if any, at maturity and the rate of return on the notes will depend on the actual Initial Underlier Level of each Basket Underlier, Cap Level and Maximum Settlement Amount we will set on the Trade Date and the actual Final Basket Level determined by the Calculation Agent as described above. Moreover, the assumptions on which the hypothetical returns are based may turn out to be inaccurate. Consequently, the amount of cash to be paid in respect of your notes, if any, on the Stated Maturity Date may be very different from the information reflected in the table, examples and chart above.

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SELECTED RISK CONSIDERATIONS

An investment in the notes involves significant risks. Investing in the notes is not equivalent to investing directly in the Basket Underliers or any of the stocks composing the Basket Underliers. In addition to these selected risk considerations, you should review the “Risk Factors” sections of the accompanying product supplement, prospectus supplement and prospectus.

You May Lose Some or All of Your Investment in the Notes

The notes do not pay interest or dividends and do not guarantee any return of your investment. The return on the notes at maturity is linked to the performance of the Basket and will depend on whether, and the extent to which, the Basket Return is positive, zero or negative. Your investment will be exposed on a leveraged basis of 1.00% times

the Buffer Rate for every 1.00% by which the Final Basket Level is less than the Initial Basket Level by an amount greater than the Buffer Amount. If the Final Basket Level is less than the Initial Basket Level by an amount greater than the Buffer Amount, you will lose some or all of your investment in the notes.

Your Maximum Payment on the Notes Is Limited to the Maximum Settlement Amount

As a holder of the notes, you will not benefit from any increase in the level of the Basket beyond the Cap Level. Consequently, your Cash Settlement Amount will be limited to the Maximum Settlement Amount for each \$1,000 Face Amount of notes you hold, regardless of any further increase in the level of the Basket, which may be significant. Accordingly, the amount payable on your notes may be significantly less than it would have been had you invested directly in the stocks composing

the Basket Underliers.

The Stated Maturity Date of the Notes Is a Pricing Term and Will Be Determined by the Issuer on the Trade Date

We will not determine the Stated Maturity Date until the Trade Date, so you will not know the exact term of, or the Determination Date for, the notes at the time that you make your investment decision. The term of the notes could be as short as the shorter end of the Stated Maturity Date range described on PS-6, and as long as the longer end of the Stated Maturity Date range. You should be willing to hold your notes until the latest possible Stated Maturity Date contemplated by the range. The Stated Maturity Date selected by us could have an impact on the value of the notes. Assuming no changes in other economic terms of the notes, the value of the notes would likely be lower if the term of the notes is at the longer end of the Stated Maturity Date range, rather than the shorter

end of the Stated
Maturity Date range.

**No Interest or
Dividend Payments
or Voting Rights**

As a holder of the notes, you will not receive interest payments. As a result, even if the Cash Settlement Amount for your notes exceeds the Face Amount, the overall return you earn on your notes may be less than you would have earned by investing in a non-index-linked debt security of comparable maturity that bears interest at a prevailing market rate. In addition, as a holder of the notes, you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of stocks composing the Basket Underliers would have.

**The Basket
Underliers Are
Unequally Weighted**

The Basket Underliers are unequally weighted. Accordingly,

the performance of the Basket Underliers with the higher weighting (in this case, the EURO STOXX 50 Index[®], the FTSE[®] 100 Index and the Tokyo Stock Price Index) will influence the Cash Settlement Amount to a greater degree than the performance of the Basket Underliers with the lower weighting (in this case, the Swiss Market Index and S&P/ASX 200 Index). If the Basket Underliers with the higher weighting perform poorly, their poor performances could negate or diminish the effect on the Basket Return of any positive performances by the lower-weighted Basket Underliers.

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**The Notes Are
Subject to the Credit
of Deutsche Bank AG**

The notes are senior unsecured obligations of 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 Deutsche Bank AG's 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 payment obligations or become subject to a Resolution Measure, you might not receive any amount(s) owed to you under the terms of the notes and you could lose your entire investment.

**The Notes May
Become Subordinated
to the Claims of
Other Creditors, Be
Written Down, Be
Converted or Become
Subject to Other
Resolution Measures.
You May Lose Some
or All of Your
Investment If Any
Such Measure
Becomes Applicable
to Us**

On May 15, 2014, the European Parliament and the Council of the European Union published the Bank Recovery and Resolution Directive for establishing a framework for the recovery and resolution of credit institutions and investment firms. The Bank Recovery and Resolution Directive required 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. To implement the Bank Recovery and Resolution Directive, Germany has adopted the Resolution Act, which became effective on January 1, 2015. The Resolution Act may result in the

notes being subject to the powers exercised by our competent resolution authority to impose a Resolution Measure on us, which may include: writing down, including to zero, any payment on the notes; converting the notes into ordinary shares or other instruments qualifying as core equity tier 1 capital; or applying any other resolution measure, including (but not limited to) transferring the notes to another entity, amending the terms and conditions of the notes or cancelling of the notes. We expect additional Resolution Measures to become applicable to us when the European regulation of July 15, 2014 relating to the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (commonly referred to as the “SRM Regulation”) becomes effective on January 1, 2016. On May 26, 2015, the German Federal Government published a draft bill of a Resolution Mechanism Act. One of this law’s primary purposes would be to conform German law to the SRM

Regulation. In addition, the draft bill proposes that in the event of an insolvency proceeding, senior unsecured debt instruments would by operation of law rank junior to all other outstanding unsecured unsubordinated obligations, but in priority to all contractually subordinated instruments. The proposed subordination would not apply if the terms of the senior unsecured debt instruments provide that (i) the repayment amount depends on the occurrence or non-occurrence of a future event, or will be settled in kind, or (ii) the interest amount depends on the occurrence or non-occurrence of a future event, unless it depends solely on a fixed or variable reference interest rate and will be settled in cash. Instruments that are typically traded on money markets would not be subject to the proposed subordination. The proposed order of priorities would apply to insolvency proceedings commenced on or after January 1, 2016. If enacted, the proposed subordination of senior unsecured debt

instruments could apply to the notes, which would most likely result in a larger share of loss being allocated to the notes in the event of an insolvency proceeding or the imposition of any Resolution Measures by the competent resolution authority. The final version of the Resolution Mechanism Act may provide for additional Resolution Measures that may become applicable to us. Imposition of a Resolution Measure would likely occur 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. **You may lose some or all of your investment in the notes if a Resolution Measure becomes applicable to us.**

By acquiring the notes, you would have no claim or other right against us arising out of any subordination or Resolution Measure, and we would have no obligation to make

payments under the notes following the imposition of a Resolution Measure. In particular, the imposition of any Resolution Measure will not constitute a default or an event of default under the notes, under the Indenture or for the purpose of the Trust Indenture Act. Furthermore, because the notes are subject to any Resolution Measure, secondary market trading in the notes may not follow the trading behavior associated with similar types of securities issued by other financial institutions which may be or have been subject to a Resolution Measure.

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In addition, by your acquisition of the notes, you 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 notes. **Accordingly, you may have limited or circumscribed rights to challenge any decision of our competent resolution authority to impose any Resolution Measure.**

**The Issuer's
Estimated Value of
the Notes on the
Trade Date Is Less
Than the Original
Issue Price of the
Notes**

The Issuer's estimated value of the notes on the Trade Date (as disclosed on the cover of this pricing supplement) is less than the Original Issue Price of the notes. The difference between the Original Issue Price and the Issuer's estimated value of the notes on the Trade Date is due to the inclusion in the Original 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.

**The Correlation
Among the Basket
Underliers Could
Change
Unpredictably**

Correlation is the extent to which the levels of the Basket Underliers increase or decrease to the same degree at the same time. The value of the notes may be adversely affected by increased positive correlation among the Basket Underliers, in particular when the levels of the Basket Underliers decrease. The value of the notes may also be adversely affected by increased negative correlation among the Basket Underliers, meaning the positive performance of one Basket Underlier could be entirely offset by the negative performance of the other Basket Underlier(s).

Changes in the Levels of the Basket Underliers May Offset Each Other

The notes are linked to an unequally weighted Basket consisting of five Basket Underliers. Movements in the levels of the Basket Underliers may not correlate with each other. At a time when the level of one Basket Underlier increases, the levels of the other

Basket Underliers may not increase as much or may decrease.

Therefore, in calculating the Final Basket Level, increases in the level of one of the Basket Underliers may be moderated, offset or more than offset by lesser increases or decreases in the levels of the other Basket Underliers.

The Basket Underliers Reflect the Price Return of the Stocks Composing Each Basket Underlier, Not Their Total Return Including All Dividends and Other Distributions

The Basket Underliers reflect the changes in the market prices of the stocks composing each Basket Underlier. The Basket Underliers are not, however, “total return” indices, which, in addition to reflecting the price returns of their respective component stocks, would also reflect the reinvestment of all dividends and other distributions paid on such component stocks.

**The Sponsor of a
Basket Underlier
May Adjust the
Relevant Basket
Underlier in Ways
that Affect the Level
of Such Basket
Underlier, and Has
No Obligation to
Consider Your
Interests**

The sponsor of a Basket Underlier (the “**Index Sponsor**”) is responsible for calculating and maintaining the relevant Basket Underlier. The Index Sponsor can add, delete or substitute the stocks composing the relevant Basket Underlier or make other methodological changes that could change the level of such Basket Underlier. You should realize that the changing of the stocks composing such Basket Underlier may affect such Basket Underlier, as a newly added stock may perform significantly better or worse than the stock it replaces. Additionally, the Index Sponsor may alter, discontinue or suspend calculation or dissemination of the relevant Basket Underlier. Any of these actions could adversely affect the value of, and

your return on, the notes. The Index Sponsor has no obligation to consider your interests in calculating or revising the relevant Basket Underlier.

The Basket Return Will Not Be Adjusted for Changes in the Non-U.S. Currencies Relative to the U.S. Dollar

The Basket Underliers are composed of stocks denominated in non-U.S. currencies. Because the levels of the Basket Underliers are also calculated in the same respective non-U.S. currencies (and not in U.S. dollars), the performance of the Basket Underliers and the Basket Return will not be adjusted for exchange rate fluctuations between the U.S. dollar and the relevant non-U.S. currencies. Therefore, if a non-U.S. currency strengthens or weakens relative to the U.S. dollar over the term of the notes, you will not receive any additional payment or incur any reduction in your return, if any, at maturity.

**There Are Risks
Associated with
Investments in Notes
Linked to the Values
of Equity Securities
Issued by Non-U.S.
Companies**

The Basket Underliers each include component stocks that are issued by companies incorporated outside of the U.S. Because the component stocks also trade outside the U.S., the notes are subject to the risks associated with non-U.S. securities markets. Generally, non-U.S. securities markets may be less liquid and more volatile than U.S. securities markets, and market developments may affect non-U.S. securities markets differently than U.S. securities markets, which may adversely affect the levels of the Basket Underliers and the value of your notes. Furthermore, there are risks associated with investments in securities linked to the values of equity securities issued by non-U.S. companies. There is generally less publicly available information about non-U.S. companies than about those U.S.

companies that are subject to the reporting requirements of the SEC, and non-U.S. companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies. In addition, the prices of equity securities issued by non-U.S. companies may be adversely affected by political, economic, financial and social factors that may be unique to the particular countries in which the non-U.S. companies are incorporated. These factors include the possibility of recent or future changes in a non-U.S. government's economic and fiscal policies (including any direct or indirect intervention to stabilize the economy and/or securities market of the country of such non-U.S. government), the presence, and extent, of cross shareholdings in non-U.S. companies, the possible imposition of, or changes in, currency exchange laws or other non-U.S. laws or restrictions applicable to non-U.S. companies or investments in non-U.S. securities and the possibility of fluctuations in the rate

of exchange between currencies. Moreover, certain aspects of a particular non-U.S. economy may differ favorably or unfavorably from the U.S. economy in important respects, such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency. Specifically, the stocks included in the EURO STOXX 50[®] Index, FTSE[®] 100 Index and Swiss Market Index are issued by companies located in countries within the Eurozone, some of which are and have been experiencing economic stress.

**We Are One of the
Companies that Make
Up the EURO
STOXX 50[®] Index**

We are one of the companies that make up the EURO STOXX 50[®] Index. To our knowledge, we are not currently affiliated with any of the other companies the equity securities of which are represented in the EURO STOXX 50[®] Index. As a result, we will have no ability to control the actions of such other companies,

including actions that could affect the value of the equity securities composing the EURO STOXX 50[®] Index, or your notes. None of the other companies represented in the EURO STOXX 50[®] Index will be involved in the offering of the notes in any way. Neither they nor we will have any obligation to consider your interests as a holder of the notes in taking any corporate actions that might affect the value of your notes.

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**Past Performance of
the Basket Underliers
Is No Guide to Future
Performance**

The actual performance of the Basket Underliers over the term of the notes may bear little relation to the historical closing levels of the Basket Underliers and/or the hypothetical return examples set forth elsewhere in this pricing supplement. We cannot predict the future performance of the Basket Underliers or whether the performance of the Basket Underliers will result in the return of any of your investment.

**Assuming No
Changes in Market
Conditions and Other
Relevant Factors, the
Price You May
Receive for Your
Notes in Secondary
Market Transactions
Would Generally Be
Lower Than Both the
Original Issue Price
and the Issuer's
Estimated Value of
the Securities on the
Trade Date**

While the payment(s) on the notes described in this pricing supplement is based on the full Face Amount of notes, the Issuer's estimated value of the notes on the Trade Date (as disclosed on the cover of this pricing supplement) is less than the Original Issue Price of the notes. 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 Original Issue Price and the Issuer's estimated value of the notes on the Trade Date. Our purchase price, if any, in secondary market transactions would 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 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 Original Issue Price and 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.

In addition to the factors discussed above, the value of the

notes and our purchase price in secondary market transactions after the Trade Date, if any, will vary based on many economic and market factors, including our creditworthiness, and cannot be predicted with accuracy. These changes may adversely affect the value of your notes, including the price you may receive in any secondary market transactions. Any sale prior to the Stated Maturity Date could result in a substantial loss to you. The notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your notes to maturity.

The Notes Will Not Be Listed and There Will Likely Be Limited Liquidity

The notes will not be listed on any securities exchange. There may be little or no secondary market for the notes. We or our affiliates intend to act as market makers for the notes but are not required to do so and may cease such market making activities at

any time. Even if there is a secondary market, it may not provide enough liquidity to allow you to sell the notes when you wish to do so or at a price advantageous to you. Furthermore, if you acquire notes in the secondary market at a premium (or discount) to the Face Amount and hold them to the Stated Maturity Date, the amount we will pay you on the Stated Maturity Date for your notes will not be adjusted based on the issue price you paid for your notes, and your return on the notes will therefore be affected by, among other factors, the issue price you paid for your notes. Because we do not expect other dealers to make a secondary market for the notes, the price at which you may be able to sell your notes is likely to depend on the price, if any, at which we or our affiliates are willing to buy the notes. If, at any time, we or our affiliates do not act as market makers, it is likely that there would be little or no secondary market in the notes. If you have to sell your notes prior to maturity, you may not be able to do so or you may have to sell them at a substantial loss, even in cases

where the levels of the
Basket Underliers have
increased since the
Trade Date.

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Many Economic and Market Factors Will Impact the Value of the Notes

While we expect that, generally, the levels of the Basket Underliers on any day will affect the value of the notes more than any other single factor, the value of the notes prior to maturity will also be affected by a number of other factors that may either offset or magnify each other, including:

the expected volatility of the Basket Underliers;

the time remaining to the maturity of the notes;

the market prices and dividend rates of the stocks composing the Basket Underliers;

the composition of the Basket Underliers;

interest rates and yields in the market generally;

geopolitical conditions and economic, financial, political, regulatory or judicial events that affect the Basket

Underliers or the
market generally;

supply and demand
for the notes; and

our creditworthiness,
including actual or
anticipated
downgrades in our
credit ratings.

**The Basket Return
May Be Less Than
the Return of the
Basket on the Stated
Maturity Date or at
Other Times During
the Term of the Notes**

Because the Basket
Return is calculated
based on the Closing
Levels of the Basket
Underliers on the
Determination Date,
the return of the
Basket, measured on
the Stated Maturity
Date or at certain times
during the term of the
notes, could be greater
than the Basket Return.
This difference could
be particularly large if
there is a significant
increase in the Closing
Level of any Basket
Underlier after the
Determination Date, if
there is a significant
decrease in the Closing
Level of any Basket
Underlier before the
Determination Date or
if there is significant
volatility in the
Closing Level of any

Basket Underlier during the term of the notes (especially on dates near the Determination Date). For example, if the Closing Levels of the Basket Underliers increase or remain relatively constant during the initial term of the notes and then decrease below their respective Initial Underlier Levels prior to the Determination Date, the Basket Return may be significantly less than if it were calculated on a date earlier than the Determination Date. In this circumstance, you may receive a lower Cash Settlement Amount than you would have received if you had invested directly in the components of the Basket Underliers.

Trading and Other Transactions by Us, the Placement Agent or Our or Its Affiliates in the Equity and Equity Derivative Markets May Impair the Value of the Notes

We, the placement agent or our or its affiliates expect to hedge our exposure from the notes by

entering into equity and equity derivative transactions, such as over-the-counter options, futures or exchange-traded instruments. We, the placement agent or our or its affiliates may also engage in trading in instruments linked or related to the Basket Underliers on a regular basis as part of our or its general broker-dealer and other businesses, for proprietary accounts, for other accounts under management or to facilitate transactions for customers, including block transactions. Such trading and hedging activities may adversely affect the levels of the Basket Underliers and, therefore, make it less likely that you will receive a positive return on your investment in the notes. It is possible that we, the placement agent or our or its affiliates could receive substantial returns from these hedging and trading activities while the value of the notes declines. We, the placement agent or our or its affiliates may also issue or underwrite other securities or financial or derivative instruments with returns linked or

related to the Basket Underliers. If we, the placement agent or our or its affiliates serve as issuer, agent or underwriter for such securities or financial or derivative instruments, our, the placement agent's or our or its affiliates' interests with respect to such products may be adverse to those of the holders of the notes. Introducing competing products into the marketplace in this manner could adversely affect the levels of the Basket Underliers and the value of the notes. Any of the foregoing activities described in this paragraph may reflect trading strategies that differ from, or are in direct opposition to, investors' trading and investment strategies related to the notes. Furthermore, if the placement agent from which you purchase notes is to conduct trading and hedging activities for us in connection with the notes, that placement agent may profit in connection with such trading and hedging activities and such profit, if any, will be in addition to any compensation that the placement agent receives for the sale of the notes to you. You should be aware that

the potential to earn a
profit in

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connection with hedging activities may create a further incentive for the placement agent to sell the notes to you in addition to any compensation they would receive for the sale of the notes.

We May Sell an Additional Aggregate Face Amount of Notes at a Different Issue Price

At our sole option, we may decide to sell an additional aggregate Face Amount of notes subsequent to the date of this pricing supplement. The issue price of the notes in the subsequent sale may differ substantially (higher or lower) from the Original Issue Price you paid as provided on the cover of this pricing supplement.

If You Purchase Your Notes at a Premium to the Face Amount, the Return on Your Investment Will Be Lower Than the Return on Notes Purchased at the Face Amount and the Impact of Certain Key Terms of the

**Notes Will Be
Negatively Affected**

The Cash Settlement Amount will not be adjusted based on the issue price you pay for the notes. If you purchase notes at a price that differs from the Face Amount of notes, then the return on your investment in such notes held to the Stated Maturity Date will differ from, and may be substantially less than, the return on notes purchased at the Face Amount. If you purchase your notes at a premium to the Face Amount and hold them to the Stated Maturity Date, the return on your investment in the notes will be lower than it would have been had you purchased the notes at the Face Amount or at a discount to the Face Amount. In addition, the impact of the Buffer Level and the Cap Level on the return on your investment will depend upon the price you pay for your notes relative to the Face Amount. For example, if you purchase your notes at a premium to the Face Amount, the Cap Level will reduce your potential return in the notes than would have been the case for notes

purchased at the Face Amount or at a discount to the Face Amount. Similarly, if you purchase your notes at a premium to the Face Amount, the Buffer Level will not offer the same measure of protection to your investment as would have been the case for notes purchased at the Face Amount or at a discount to the Face Amount.

We, the Placement Agent or Our or Its Affiliates May Publish Research, Express Opinions or Provide Recommendations That Are Inconsistent with Investing in or Holding the Notes. Any Such Research, Opinions or Recommendations Could Adversely Affect the Level of the Basket and the Value of the Notes

We, the placement agent or our or its affiliates may publish research from time to time on financial markets and other matters that could adversely affect the level of the Basket and the value of the notes, or express opinions or provide

recommendations that are inconsistent with purchasing or holding the notes. Any research, opinions or recommendations expressed by us, the placement agent or our or its affiliates may not be consistent with each other and may be modified from time to time without notice. You should make your own independent investigation of the merits of investing in the notes and the Basket.

Our Actions as Calculation Agent and Our Hedging Activity and Those of the Placement Agent May Adversely Affect the Value of the Notes

We and our affiliates, and/or the placement agent and its affiliates, play a variety of roles in connection with the issuance of the notes, including hedging our obligations under the notes and determining the Issuer's estimated value of the notes on the Trade Date and the price, if any, at which we or our affiliates would be willing to purchase the notes from you in secondary market transactions. We are also the

Calculation Agent for the notes. In performing these roles, our economic interests and those of our affiliates as well as the economic interests of the placement agent and its affiliates are potentially adverse to your interests as an investor in the notes. The Calculation Agent will determine, among other things, all values, prices and levels required to be determined for the purposes of the notes on any relevant date or time. The Calculation Agent will also be responsible for determining whether a market disruption event has occurred. Any determination by the Calculation Agent could adversely affect the return on the notes.

**The U.S. Federal
Income Tax
Consequences of an
Investment in the
Notes Are Uncertain**

There is no direct legal authority regarding the proper U.S. federal income tax treatment of the notes, and we do not plan to request a ruling from the IRS. Consequently, significant aspects of the tax treatment of the

notes are uncertain,
and the IRS or a court
might not agree with
the treatment of the
notes as prepaid
financial contracts that
are not debt. If the IRS
were successful in
asserting an alternative
treatment for the

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notes, the tax consequences of ownership and disposition of the notes could be materially and adversely affected. In addition, as described above under “Tax Consequences,” 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. 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,” and 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.

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**THE BASKET AND
THE BASKET
UNDERLIERS**

The Basket

The Basket consists of five Basket Underliers with the following Initial Weights within the Basket: the EURO STOXX 50[®] Index (37.00%), the FTSE[®] 100 Index (23.00%), the Tokyo Stock Price Index (23.00%), the Swiss Market Index (9.00%) and the S&P/ASX 200 Index (8.00%).

**Historical
Information**

The following graph sets forth the historical performance of the Basket from September 28, 2010 through September 28, 2015, assuming the Final Basket Level on September 28, 2015 was 100.00 and the Initial Weighted Values were as specified in the Key Terms. The closing level of the Basket on any day during this period is calculated as if such day were the

Determination Date
(except that the Initial
Basket Level would be
79.98 on September
28, 2010 if we assume
the Final Basket Level
on September 28, 2015
was 100.00).

**EURO STOXX 50®
Index**

The EURO STOXX
50® Index is composed
of the stocks of 50
major companies in the
Eurozone. These
companies include
market sector leaders
from within the 19
EURO STOXX®
Supersector indices,
which represent the
Eurozone portion of
the STOXX Europe
600® Supersector
indices. The STOXX
Europe 600®
Supersector indices
contain the 600 largest
stocks traded on the
major exchanges of 18
European countries.

**This is just a
summary of the
EURO STOXX 50®
Index. For more
information on the
EURO STOXX 50®
Index, including
information**

**concerning its
composition,
calculation
methodology and
adjustment policy,
please see the section
entitled “The EURO
STOXX 50® Index” in
the accompanying
underlying
supplement No. 1
dated August 17,
2015.**

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Historical Information

The following graph and table set forth the historical performance of the EURO STOXX 50[®] Index based on the daily closing levels from September 28, 2010 through September 28, 2015. The closing level of the EURO STOXX 50[®] Index on September 28, 2015 was 3,039.44. We obtained the historical closing levels below from Bloomberg L.P. and we have not participated in the preparation of, or verified, such information.

The historical closing levels of the EURO STOXX 50[®] Index should not be taken as an indication of future performance and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the EURO STOXX 50[®] Index will result in the return of any of your initial investment.

Quarterly High, Low and Closing Levels of the EURO STOXX 50[®] Index

	High	Low	Close
2010			
Quarter ended March 31	3,017.85	2,631.64	2,931.16
Quarter ended June 30	3,012.65	2,488.50	2,573.32
Quarter ended September 30	2,827.27	2,507.83	2,747.90
Quarter ended December 31	2,890.64	2,650.99	2,792.82
2011			
Quarter ended March 31	3,068.00	2,721.24	2,910.91
Quarter ended June 30	3,011.25	2,715.88	2,848.53
Quarter ended September 30	2,875.67	1,995.01	2,179.66
Quarter ended December 31	2,476.92	2,090.25	2,316.55
2012			
Quarter ended March 31	2,608.42	2,286.45	2,477.28
Quarter ended June 30	2,501.18	2,068.66	2,264.72
Quarter ended September 30	2,594.56	2,151.54	2,454.26
Quarter ended December 31	2,659.95	2,427.32	2,635.93

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2013

Quarter ended March 31	2,749.27	2,570.52	2,624.02
Quarter ended June 30	2,835.87	2,511.83	2,602.59
Quarter ended September 30	2,936.20	2,570.76	2,893.15
Quarter ended December 31	3,111.37	2,902.12	3,109.00

2014

Quarter ended March 31	3,172.43	2,962.49	3,161.60
Quarter ended June 30	3,314.80	3,091.52	3,228.24
Quarter ended September 30	3,289.75	3,006.83	3,225.93
Quarter ended December 31	3,277.38	2,874.65	3,146.43

2015

Quarter ended March 31	3,731.35	3,007.91	3,697.38
Quarter ended June 30	3,828.78	3,424.30	3,424.30
Quarter ending September 30 (through September 28, 2015)	3,686.58	3,019.34	3,039.44

The FTSE® 100 Index

The FTSE® 100 Index a free float adjusted index which measures the composite price performance of stocks of the largest 100 companies (determined on the basis of market capitalization) traded on the London Stock Exchange. The 100 companies included in the FTSE® 100 Index (the “**FTSE Underlying Stocks**”) are selected from premium listed equity shares which have been admitted for trading on the London Stock Exchange that have been assigned UK nationality by FTSE International Limited and meet a liquidity threshold based on public float, accuracy and reliability of prices, size and number of trading days. The FTSE Underlying Stocks are selected from this group by selecting the 100 companies with the largest market value.

This is just a summary of the FTSE® 100 Index. For more information on the FTSE® 100 Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section entitled “The FTSE® 100 Index” in the accompanying underlying supplement No. 1 dated August 17, 2015.

Historical Information

The following graph and table set forth the historical performance of the FTSE® 100 Index based on the daily closing levels from September 28, 2010 through September 28, 2015. The closing level of the FTSE® 100 Index on September 28, 2015 was 5,958.86. We obtained the historical closing levels below from Bloomberg L.P. and we have not participated in the preparation of, or verified, such information.

The historical closing levels of the FTSE® 100 Index should not be taken as an indication of future performance and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the FTSE® 100 Index will result in the return of any of your initial

investment.

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Quarterly High, Low and Closing Levels of the FTSE® 100 Index

	High	Low	Close
2010			
Quarter ended March 31	5,727.65	5,060.92	5,679.64
Quarter ended June 30	5,825.01	4,914.22	4,916.87
Quarter ended September 30	5,602.54	4,805.75	5,548.62
Quarter ended December 31	6,008.92	5,528.27	5,899.94
2011			
Quarter ended March 31	6,091.33	5,598.23	5,908.76
Quarter ended June 30	6,082.88	5,674.38	5,945.71
Quarter ended September 30	6,054.55	5,007.16	5,128.48
Quarter ended December 31	5,713.82	4,944.44	5,572.28
2012			
Quarter ended March 31	5,965.58	5,612.26	5,768.45
Quarter ended June 30	5,874.89	5,260.19	5,571.15
Quarter ended September 30	5,915.55	5,498.32	5,742.07
Quarter ended December 31	5,961.59	5,605.59	5,897.81
2013			
Quarter ended March 31	6,529.41	6,027.37	6,411.74
Quarter ended June 30	6,840.27	6,029.10	6,215.47
Quarter ended September 30	6,681.98	6,229.87	6,462.22
Quarter ended December 31	6,777.70	6,337.91	6,749.09
2014			
Quarter ended March 31	6,865.86	6,449.27	6,598.37
Quarter ended June 30	6,878.49	6,541.61	6,743.94
Quarter ended September 30	6,877.97	6,567.36	6,622.72
Quarter ended December 31	6,750.76	6,182.72	6,566.09

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2015

Quarter ended March 31	7,037.676,366.516,773.04
Quarter ended June 30	7,103.986,520.986,520.98
Quarter ending September 30 (through September 28, 2015)	6,796.455,898.875,958.86

The Tokyo Stock Price Index

The Tokyo Stock Price Index consists of all domestic common stocks listed on the First Section of the Tokyo Stock Exchange and measures changes in the aggregate market value of those stocks. Listings of stock on the First Section of the Tokyo Stock Exchange are typically limited to larger, longer established and more actively traded issues. The component stocks of the Tokyo Stock Exchange are determined based on market capitalization and liquidity. Review and selection of the component stocks is conducted semiannually, based on market data as of the base date for selection.

This is just a summary of the Tokyo Stock Price Index. For more information on the Tokyo Stock Price Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section entitled “The Tokyo Stock Price Index” in the accompanying underlying supplement No. 1 dated August 17, 2015.

Historical Information

The following graph and table set forth the historical performance of the Tokyo Stock Price Index based on the daily closing levels from September 28, 2010 through September 28, 2015. The closing level of the Tokyo Stock Price Index on September 28, 2015 was 1,438.67. We obtained the historical closing levels below from Bloomberg L.P. and we have not participated in the preparation of, or verified, such information.

The historical closing levels of the Tokyo Stock Price Index should not be taken as an indication of future performance and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the Tokyo Stock Price Index will result in the return of any of your initial investment.

Quarterly High, Low and Closing Levels of the Tokyo Stock Price Index

	High	Low	Close
2010			
Quarter ended March 31	979.58	881.57	978.81
Quarter ended June 30	998.90	841.42	841.42
Quarter ended September 30	870.73	804.67	829.51
Quarter ended December 31	908.01	803.12	898.80
2011			
Quarter ended March 31	974.63	766.73	869.38
Quarter ended June 30	865.55	805.34	849.22
Quarter ended September 30	874.34	728.85	761.17
Quarter ended December 31	771.43	706.08	728.61
2012			
Quarter ended March 31	872.42	725.24	854.35
Quarter ended June 30	856.05	695.51	770.08
Quarter ended September 30	778.70	706.46	737.42
Quarter ended December 31	859.80	713.95	859.80
2013			
Quarter ended March 31	1,058.10	859.80	1,034.71
Quarter ended June 30	1,276.03	991.34	1,133.84
Quarter ended September 30	1,222.72	1,106.05	1,194.10
Quarter ended December 31	1,302.29	1,147.58	1,302.29
2014			
Quarter ended March 31	1,306.23	1,139.27	1,202.89
Quarter ended June 30	1,269.04	1,132.76	1,262.56
Quarter ended September 30	1,346.43	1,228.26	1,326.29
Quarter ended December 31	1,447.58	1,177.22	1,407.51
2015			
Quarter ended March 31	1,592.25	1,357.98	1,543.11
Quarter ended June 30	1,679.89	1,528.99	1,630.40
Quarter ending September 30 (through September 28, 2015)	1,691.29	1,416.71	1,438.67

The Swiss Market Index

The Swiss Market Index represents approximately 85% of the free-float capitalization of the Swiss equity market. The Swiss Market Index consists of the 20 largest and most liquid equities of the Swiss Performance Index®. The composition of the Swiss Market Index is reviewed annually, and in order to ensure a high degree of continuity in the composition of the Swiss Market Index, the component stocks are subject to a special procedure for adding them to the Swiss Market Index or removing them based on free float market capitalization and liquidity.

This is just a summary of the Swiss Market Index. For more information on the Swiss Market Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section

entitled “The Swiss Market Index” in the accompanying underlying supplement No. 1 dated August 17, 2015.

Historical Information

The following graph and table set forth the historical performance of the Swiss Market Index based on the daily closing levels from September 28, 2010 through September 28, 2015. The closing level of the Swiss Market Index on September 28, 2015 was 8,381.22. We obtained the historical closing levels below from Bloomberg L.P. and we have not participated in the preparation of, or verified, such information.

The historical closing levels of the Swiss Market Index should not be taken as an indication of future performance and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the Swiss Market Index will result in the return of any of your initial investment.

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Quarterly High, Low and Closing Levels of the Swiss Market Index

	High	Low	Close
2010			
Quarter ended March 31	6,897.74	6,264.33	6,873.37
Quarter ended June 30	6,967.56	6,091.55	6,128.06
Quarter ended September 30	6,471.77	5,942.25	6,296.33
Quarter ended December 31	6,613.37	6,248.80	6,436.04
2011			
Quarter ended March 31	6,717.25	6,021.55	6,357.55
Quarter ended June 30	6,564.15	5,990.82	6,187.07
Quarter ended September 30	6,245.78	4,791.96	5,531.74
Quarter ended December 31	5,936.23	5,356.96	5,936.23
2012			
Quarter ended March 31	6,341.33	5,970.49	6,235.51
Quarter ended June 30	6,299.38	5,713.34	6,066.86
Quarter ended September 30	6,613.45	6,109.41	6,495.88
Quarter ended December 31	6,973.69	6,508.66	6,822.44
2013			
Quarter ended March 31	7,864.39	6,822.44	7,813.67
Quarter ended June 30	8,407.61	7,249.47	7,683.04
Quarter ended September 30	8,105.39	7,675.29	8,022.60
Quarter ended December 31	8,351.38	7,755.26	8,202.98
2014			
Quarter ended March 31	8,532.99	8,092.53	8,453.82
Quarter ended June 30	8,752.86	8,280.53	8,554.52
Quarter ended September 30	8,840.17	8,274.65	8,835.14
Quarter ended December 31	9,212.85	8,057.54	8,983.37
2015			
Quarter ended March 31	9,396.29	7,899.59	9,128.98
Quarter ended June 30	9,471.46	8,780.91	8,780.91
Quarter ending September 30 (through September 28, 2015)	9,526.79	8,278.07	8,381.22

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The S&P/ASX 200 Index

The S&P/ASX 200 Index is designed to be the primary gauge for the Australian equity market. It is recognized as an investable benchmark in Australia. The S&P/ASX 200 Index measures the performance of the 200 largest index-eligible stocks listed on the Australian Securities Exchange by float-adjusted market capitalization, and is widely considered Australia's benchmark index. The index is float-adjusted, covering approximately 80% of Australian equity market capitalization.

This is just a summary of the S&P/ASX 200 Index. For more information on the S&P/ASX 200 Index, including information concerning its composition, calculation methodology and adjustment policy, please see the section entitled "The S&P/ASX 200 Index" in the accompanying underlying supplement No. 1 dated August 17, 2015.

Historical Information

The following graph and table set forth the historical performance of the S&P/ASX 200 Index based on the daily closing levels from September 28, 2010 through September 28, 2015. The closing level of the S&P/ASX 200 Index on September 28, 2015 was 5,113.494. We obtained the historical closing levels below from Bloomberg L.P. and we have not participated in the preparation of, or verified, such information.

The historical closing levels of the S&P/ASX 200 Index should not be taken as an indication of future performance and no assurance can be given as to the Closing Level on the Determination Date. We cannot give you assurance that the performance of the S&P/ASX 200 Index will result in the return of any of your initial investment.

Quarterly High, Low and Closing Levels of the S&P/ASX 200 Index

	High	Low	Close
2010			
Quarter ended March 31	4,950.700	4,505.100	4,875.500
Quarter ended June 30	5,001.900	4,265.300	4,301.500
Quarter ended September 30	4,675.400	4,222.100	4,582.900
Quarter ended December 31	4,800.600	4,579.200	4,745.200

2011

Quarter ended March 31 4,938.4004,528.7004,837.900
Quarter ended June 30 4,971.2004,451.7004,608.000

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Quarter ended September 30	4,654.7003,863.9004,008.600
Quarter ended December 31	4,353.3003,872.1004,056.561
2012	
Quarter ended March 31	4,343.5144,101.1574,335.242
Quarter ended June 30	4,435.9073,985.0254,094.633
Quarter ended September 30	4,418.3604,067.9714,387.018
Quarter ended December 31	4,671.2994,336.8484,648.950
2013	
Quarter ended March 31	5,146.9054,690.2504,966.499
Quarter ended June 30	5,220.9874,655.9604,802.591
Quarter ended September 30	5,307.0614,710.2895,218.877
Quarter ended December 31	5,441.4115,062.5165,352.210
2014	
Quarter ended March 31	5,462.3095,070.3115,394.831
Quarter ended June 30	5,536.0735,358.9485,395.747
Quarter ended September 30	5,658.5115,264.2175,292.812
Quarter ended December 31	5,549.1305,152.3435,411.018
2015	
Quarter ended March 31	5,975.4915,299.2375,891.505
Quarter ended June 30	5,982.6945,422.4875,459.010
Quarter ending September 30 (through September 28, 2015)	5,706.7154,998.1325,113.494

Supplemental Plan of Distribution (Conflicts of Interest)

DBSI, acting as agent for Deutsche Bank AG, will receive or allow as a concession or reallowance to other dealers discounts and commissions of 0.00% or \$0.00 per Face Amount of notes. DBSI will sell all of the notes that it purchases from us to an unaffiliated dealer at the original issue price indicated on the cover of this pricing supplement. DBSI, the agent for this offering, is our affiliate. Because DBSI is both our affiliate and a member of the Financial Industry Regulatory Authority, Inc. (“**FINRA**”), the underwriting arrangements for this offering must comply with the requirements of FINRA Rule 5121 regarding a FINRA member firm’s distribution of the securities of an affiliate and related conflicts of interest. In accordance with FINRA Rule 5121, DBSI may not make sales in offerings of the notes to any of its discretionary accounts without the prior written approval of the customer.

Settlement

We expect to deliver the notes against payment for the notes on the Original Issue Date indicated above, which may be a date that is greater than three business days following the Trade Date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days, unless the parties to a trade expressly agree otherwise. Accordingly, if the Original Issue Date is more than three business days after the Trade Date, purchasers who wish to transact in the notes more than three business days prior to the Original Issue Date will be required to specify alternative settlement arrangements to prevent a failed settlement.

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