



Deutsche Finance (Netherlands) B.V.

Amsterdam, The Netherlands

ZAR 4,000,000,000 Zero Coupon South African Rand Bonds of 1997/2027

(the "Securities")

(First Tranche: ZAR 3,000,000,000; Second Tranche: ZAR 500,000,000; Third Tranche: ZAR 500,000,000)

Settlement Date: May 27, 1997

Issue Price: First Tranche: 2.95 %; Second and Third Tranche: 3 %

Deutsche Morgan Grenfell

ICCREA S.p.A.

Credit Suisse First Boston

Credito Italiano

IMI Bank (Lux) S.A.

ING Barings

J. P. Morgan Securities Ltd.

Kredietbank International Group

Merrill Lynch International

Norddeutsche Landesbank
Girozentrale

SBC Warburg
A Division of Swiss Bank Corporation

Société Générale S.T.

Toronto Dominion Bank

UBS Limited

VEREINS- UND WESTBANK
Aktiengesellschaft

WestMerchant

Unconditionally and irrevocably guaranteed by

Deutsche Bank

Aktiengesellschaft

Frankfurt am Main

Application has been made to list the Securities on the Luxembourg Stock Exchange.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and include Securities in bearer form that are subject to U.S. tax law requirements. The Securities may not be offered, sold or delivered within the United States or to U.S. persons, except to the extent permitted in the Bond Purchase Agreement. Sales of Bonds under Rule 144 A under the Securities Act are not permitted except that Deutsche Bank AG London through its affiliated selling agent may make sales pursuant to Rule 144 A.

This document may not be publicly distributed in Germany.

This document may not be passed on to any person in the United Kingdom unless that person is of a kind described in Article 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom this document may otherwise lawfully be issued or passed on.

The purpose of this Offering Circular is to give information with regard to Deutsche Finance (Netherlands) B.V. (the "Company" or the "Issuer"), Deutsche Bank Aktiengesellschaft (the "Bank" or the "Guarantor"), and the ZAR 4,000,000,000 Zero Coupon South African Rand Bonds of 1997/2027 (the "Securities"). The Company and the Bank have taken all reasonable care to ensure that the facts stated in this Offering Circular are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statements herein, whether of fact or opinion. The Company and the Bank accept responsibility accordingly.

No person has been authorised to give any information or to make any representations, other than those contained in this Offering Circular, in connection with the issue and sale of the Securities, and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Bank or by any of the following financial institutions: Deutsche Bank AG London, ICCREA S.p.A., Credit Suisse First Boston (Europe) Limited, Credito Italiano S.p.A., IMI Bank (Lux) S.A., ING Bank N.V., J.P. Morgan Securities Ltd., Kredietbank N.V., Merrill Lynch International, Norddeutsche Landesbank Girozentrale, Société Générale Strauss Turnbull Securities Limited, Swiss Bank Corporation, The Toronto-Dominion Bank, UBS Limited, VEREINS- UND WESTBANK Aktiengesellschaft, WestMerchant Bank Limited (the "Managers"). Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof.

This document does not constitute an offer or an invitation by or on behalf of the Company, the Bank or by or on behalf of any Manager to subscribe for or purchase any of the Securities.

Each of the Managers has acknowledged that the Securities are subject to the restrictions provided in the German Securities Prospectus Act (Wertpapier-Verkaufsprospektgesetz) with respect to Euro-Securities (Euro-Wertpapiere); in particular, they may not be offered in Germany by way of public promotion.

The Securities may not be offered or sold, directly or indirectly, and neither this document nor any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

All references herein to ZAR are to the currency of the Republic of South Africa, references to DM or Deutsche Mark to the currency of the Federal Republic of Germany and references to \$, U.S.\$ or United States dollars are to the currency of the United States of America.

The dual exchange rate system operated by South Africa from 1985 until March 1995, came to an end on March 10, 1995 when the Financial Rand was abolished leaving as the sole South African currency the Commercial Rand. While it now appears to be the general policy of the Exchange Control Department of the South African Reserve Bank not to apply any direct exchange controls to non-residents, the Reserve Bank does, in practice, require that prior approval be obtained in certain circumstances, for instance, before loans can be made by or repaid to non-residents and before certain payments can

be made to non-residents. This notwithstanding, the issue of eurobonds denominated in South African Rands outside South Africa by a non-resident and the payment of interest on such eurobonds do not require exchange control approval provided that the eurobonds are not sold or the interest paid to South African residents. The other exchange control restrictions on transactions by residents have remained in place, although the Government has indicated that it is its long term intention to phase these out and has to date taken various steps to reduce the limitations. No time frame has, however, been given. The Government has in addition indicated that it will gradually relax the restrictions on foreign portfolio investments by South African institutional investors and this relaxation has already commenced.

In connection with the Securities Deutsche Bank AG London may over-allot or effect transactions which stabilise or maintain the market prices of the Securities at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

The audited Financial Statements of Deutsche Finance (Netherlands) B.V. for the year ended December 31, 1996 are incorporated by reference into this Offering Circular. Copies thereof may be obtained without charges at the offices of the paying agent in the City of Luxembourg.

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General Information

The ZAR 4,000,000,000 Zero Coupon South African Rand Bonds of 1997/2027 described in this Offering Circular were authorised by a resolution of the Board of Management, with the approval of the Supervisory Board, of the Company on April 24, 1997 (First Tranche), April 29, 1997 (Second Tranche) and April 30, 1997 (Third Tranche).

Subscription and Sale

The Managers have, under a bond purchase agreement dated May 23, 1997 (the "Subscription Agreement"), jointly and severally agreed with the Company and the Bank to subscribe for the Securities, the issue price of which is 2.95% for the first tranche of ZAR 3 billion, and 3% for the second and third tranches of ZAR 500 million each.

Sales Restrictions

Each Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Securities in the Republic of South Africa or to persons resident in the Republic of South Africa except in accordance with South African Exchange Control Regulations and in circumstances which would not constitute an offer to the public within the meaning of the South African Companies Act, 1973, as amended.

The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") and may not be offered or sold within the United States of America (the "United States") or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Each Manager has represented and agreed that it has offered or sold, and will offer or sell, the Securities (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date, only in accordance with Rule 903 of Regulation S under the Securities Act, except that Deutsche Bank AG London, through its affiliated selling agent, may make sales pursuant to Rule 144A under the Securities Act. Accordingly, each Manager has represented and agreed that neither it, nor its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. In addition, each Manager has confirmed that neither it, its affiliates nor any persons acting on its or their behalf has solicited offers for, offered or sold the Securities, and will not solicit offers for, offer or sell the Securities, by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) in the United States and Deutsche Bank AG London agrees that it, its affiliates and any persons acting on its or their behalf will sell the Securities in the United States only to persons that it reasonably believes are qualified institutional buyers (as defined in Rule 144A under the Securities Act) in transactions meeting the requirements of Rule 144A under the Securities Act.

Terms used in this paragraph have the meanings given to them by Regulation S.

Each Manager has represented and agreed that it has not entered and will not enter into any contractual arrangement with respect to the distribution or delivery of the Securities except with its affiliates or with the prior written consent of the Issuer.

In addition:

- (a) except to the extent permitted under U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (the "D Rules"), each Manager has represented and agreed that (i) it has not offered or sold, and during the restricted period will not offer or sell, Securities in bearer form to a person who is within the United States or its possessions or to a United State person, and (ii) it has not delivered and will not deliver within the United States or its possessions definitive Securities in bearer form that are sold during the restricted period;

- (b) each Manager has represented and agreed that it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities are aware that such Securities in bearer form may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, each Manager has represented that it is acquiring Securities in bearer form for the purpose of resale in connection with their original issuance and if it retains Securities in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(6);
- (d) with respect to each affiliate of a Manager that acquires Securities in bearer form from such Manager for the purpose of offering or selling such Securities during the restricted period, such Manager has repeated and confirmed the representations and agreements contained in clauses (a), (b) and (c) of this subparagraph on behalf of that affiliate; and
- (e) each Manager has represented and agreed that it will use reasonable efforts to procure the exchange of the Global Security in accordance with its terms as soon as practicable after the 40th day following the issuance of the Global Security.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

The Issuer and its affiliates (as defined in Rule 405 under the Securities Act) have represented and warranted that:

- (a) they have not engaged and will not engage in any directed selling efforts (as defined in Regulation S under the Securities Act) in respect of the Securities;
- (b) they have complied with and will comply with the offering restrictions requirement of Regulation S under the Securities Act; and
- (c) they have not solicited offers for, offered or sold the Securities, and will not solicit offers for, offer or sell the Securities, by any form of general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) in the United States.

Each Manager has acknowledged that the Securities are offered pursuant to the Euro-Securities Exemption set out in Article 6 of the Netherlands' Exemption Regulation of the Securities Markets Supervision Act of 1995 ("Vrijstellingsregeling Wet toezicht effectenverkeer 1995"). Each Manager has represented and agreed that it has not conducted and will not conduct any general advertising or soliciting campaign with respect to the Securities.

Each of the Managers has acknowledged that offers and sales of the Securities are subject to the restrictions provided in the German Securities Prospectus Act (Wertpapier-Verkaufsprospektgesetz) with respect to Euro-securities (Euro-Wertpapiere); in particular, they may not be offered by way of public promotion.

Each of the Managers has represented and agreed that:

- (a) it has not offered or sold and, prior to the expiry of the period of six months from the Settlement Date, will not offer or sell any Securities to persons in the United Kingdom except to persons whose ordinary activities involve them in the acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;
- (b) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom; and
- (c) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Securities to a person who is of a kind

described in Article 11 (3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 or is a person to whom such document may otherwise lawfully be issued or passed on.

In addition to the specific restrictions set out above, each Manager has agreed that it will comply with all applicable provisions of law in each jurisdiction in or from which it may offer or sell Securities or distribute any offering material.

Taxation in the Federal Republic of Germany

In the Federal Republic of Germany, interest payments in respect of Securities held in custody by a bank in Germany to persons who are tax residents of Germany (or non-residents provided that the interest income falls in a category of income from German sources, such as income effectively connected with a German trade or business; income from the letting and leasing of German property, etc.) are subject to an advanced interest income tax (Zinsabschlagsteuer), at present 30% and an additional solidarity-surcharge tax (Solidarit t zuschlag), at present 7.5%, on the income tax, so that the total rate is 32.25%. The tax withheld may later be credited as a prepayment for purposes of the income tax assessment.

Accrued interest for the time of ownership is also subject to this advanced interest income tax and solidarity-surcharge tax.

The above summary describes the principal applications of German advanced interest income tax and solidarity-surcharge tax. For their particular case investors should obtain individual tax advice.

Listing Information

Application has been made to list the Securities on the Luxembourg Stock Exchange.

Prior to the listing, a legal notice containing information regarding the issue of the Securities, the Articles of Association and other facts regarding the Company will be registered and deposited with the Greffe du Tribunal d'Arrondissement de et   Luxembourg, where copies thereof may be inspected and obtained.

The most recent Financial Statements of the Company, the most recent Annual Reports of Deutsche Bank Aktiengesellschaft and its most recent Interim Reports, which are issued as of June 30 and September 30 each year, may be inspected and obtained without charge at Deutsche Bank Aktiengesellschaft, Taunusanlage 12, D-60262 Frankfurt am Main, and at the head office of the paying agent in the City of Luxembourg, Banque de Luxembourg S.A., 14, Boulevard Royal, L-2449 Luxembourg, as long as any Securities are listed on the Luxembourg Stock Exchange. The Company publishes no Interim Report. The Articles of Association of the Bank as well as copies of the Issuing and Principal Paying Agency Agreement dated May 23, 1997, may also be inspected at the aforementioned addresses.

Paying Agents

The Paying Agents for the Securities are Deutsche Bank Aktiengesellschaft, Taunusanlage 12, D-60262 Frankfurt am Main, (Principal Paying Agent) and Banque de Luxembourg S.A., 14, Boulevard Royal, L-2449 Luxembourg.

The Company has undertaken to ensure service of the Securities through a credit institution located in Luxembourg as long as any Securities remain outstanding and are listed on the Luxembourg Stock Exchange.

Delivery of the Securities

Initial delivery of the Securities will be made on or about May 27, 1997, the Settlement Date, in the form of a temporary global bearer bond (the "Global Bond") which will be deposited with a common

depository for Euroclear and Cedel Bank, société anonyme. Purchasers will share in the Global Bond through credits to securities accounts. Interests in the Global Bond will be exchanged (free of charge to the holders of interests therein) for definitive Securities on or after a date (the "Exchange Date") not earlier than 40 days and not later than 180 days after the date of issue of the Global Bond upon certification as to non-U.S. beneficial ownership of the Securities in the form available from the Principal Paying Agent. Definitive Securities delivered in exchange for interests in the Global Bond will be delivered only outside of the United States of America and its possessions. Any portion of the Global Bond that is not exchanged for definitive Securities shall become represented by Securities in registered form for United States federal income tax purposes.

Delivery of any Securities sold to U.S. persons pursuant to Rule 144A under the Securities Act shall be made in registered form for United States federal income tax purposes.

Use of Proceeds

The net proceeds of the Issue, approximately RND 108.5 million, will be used in accordance with the purposes stipulated in the Company's Articles of Association.

Ratings

Outstanding long-term bond indebtedness of or guaranteed by the Bank is rated Aa1⁽¹⁾ by Moody's Investors Service, Inc. ("Moody's") and AAA⁽²⁾ by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("S & P").

Material Change

Save as disclosed herein, there has been no material adverse change to the financial condition, or to earnings, business or operations of the Issuer since December 31, 1996, which would adversely affect the ability of the Issuer to perform its obligation with respect to the Securities.

Litigation

Neither the Company nor the Bank is involved in any litigation which would adversely affect the ability of the Company or the Bank to perform its obligations with respect to the Securities.

Common Code No.	760 8560
ISIN Code No.	XS 007 608 560 3
German Security Index No.	191 486

⁽¹⁾ Definition by Moody's:

"**Aa**: Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risk appear somewhat larger than the Aaa securities."

Note: Moody's applies numerical modifiers 1, 2 and 3 in each rating classification: the modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

⁽²⁾ Definition by S & P:

"**AAA**: An obligation rated AAA has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong."

The German wording of the Conditions of Issue is legally binding; the English text is a non-binding translation.

ANLEIHEBEDINGUNGEN

§ 1 (Form und Nennbetrag)

(1) Die von der Deutsche Finance (Netherlands) B.V., Amsterdam, Niederlande, (die „Emittentin“) begebene Anleihe im Gesamtnennbetrag von

Südafrikanische Rand 4.000.000.000,-

ist verbrieft in unter sich gleichberechtigten, auf den Inhaber lautenden

40.000 Schuldverschreibungen zu je ZAR	5.000,-
Nr. 00 001 – 40 000,	
16.000 Schuldverschreibungen zu je ZAR	50.000,-
Nr. 40 001 – 56 000,	
3.000 Schuldverschreibungen zu je ZAR	1.000.000,-
Nr. 56 001 – 59 000	

(die „Schuldverschreibungen“).

(2) Die Schuldverschreibungen tragen die vervielfältigte Unterschrift eines Mitglieds des Vorstands (directie) der Emittentin, einen Prägestempel der Emittentin sowie die eigenhändige Unterschrift eines Kontrolleurs.

(3) Unbeschadet von Absatz (1) kann ein Teil der Schuldverschreibungen, mit Rücksicht auf Erfordernisse der Bundes-Einkommenssteuergesetze der Vereinigten Staaten von Amerika als Namenspapiere begeben werden, welche im wesentlichen identisch mit den auf den Inhaber lautenden Schuldverschreibungen sein sollen, abgesehen von solchen Änderungen, die durch die Begebung als Namenspapiere bedingt werden.

§ 2 (Fälligkeit)

Die Schuldverschreibungen werden am 27. Mai 2027 (das „Fälligkeitsdatum“) zum Nennbetrag zurückgezahlt. Periodische Zinszahlungen werden auf die Schuldverschreibungen nicht geleistet.

§ 3 (Verzugszinsen)

Sofern die Emittentin die Tilgung der Schuldverschreibungen unter Berücksichtigung der Bestimmungen in § 4 (2) bei Fälligkeit unterläßt, fallen nach dem Fälligkeitstag Zinsen in Höhe von 12,462 % p.a. (die „Emissionsrendite“) bis zu der Einlösung der Schuldverschreibungen an, jedoch nicht über den Ablauf des vierzehnten Tages nach einer Bekanntmachung der Hauptzahlstelle hinaus, daß dieser die zur Tilgung erforderlichen Mittel zur Verfügung stehen.

§ 4 (Zahlungen)

(1) Die Emittentin verpflichtet sich, alle Beträge bei Fälligkeit in gesetzlicher Währung der Republik Südafrika zu zahlen. Die Schuldverschreibungen werden dem Inhaber eingelöst, ohne daß, abgesehen von der Beachtung etwaiger Steuer-, Devisen- und sonstiger Vorschriften des Lan-

CONDITIONS OF ISSUE

§ 1 (Form and Denomination)

(1) The Issue floated by Deutsche Finance (Netherlands) B.V., Amsterdam, The Netherlands, (the “Issuer”) in the aggregate principal amount of

South African Rand 4,000,000,000.-

is represented by

40,000 Bonds of ZAR	5,000.-
each Nos. 00 001 – 40 000,	
16,000 Bonds of ZAR	50,000.-
each Nos. 40 001 – 56 000,	
3,000 Bonds of ZAR	1,000,000.-
each Nos. 56 001 – 59 000,	

payable to bearer and ranking pari passu with each other (the “Securities”).

(2) The Securities bear the facsimile signature of a member of the Board of Management (directie) of the Issuer, an embossed stamp of the Issuer and the handwritten signature of a control officer.

(3) Notwithstanding subparagraph (1) a portion of the Securities may be issued in registered form for United States of America federal income tax purposes, such portion shall be substantially identical to the securities in bearer form except for such changes as may be required for issue in such registered form.

§ 2 (Maturity)

The Securities will be redeemed at par on May 27, 2027 (the “Maturity Date”). There will be no periodic payments of interest on the Securities.

§ 3 (Overdue Interest)

Should the Issuer fail to redeem the Securities when due in accordance with the provisions of § 4 (2), interest at the rate of 12.462 % p.a. (the “Initial Rate of Return”) shall accrue beyond the due date until the actual redemption of the Securities, but not beyond the fourteenth day after a notice has been published by the Principal Paying Agent to the effect that the necessary funds for redemption are available at the offices of the Principal Paying Agent.

§ 4 (Payments)

(1) The Issuer undertakes to pay all amounts when due in legal tender of the Republic of South Africa. The Securities shall be paid to the bearer without it being permissible, except for compliance with applicable tax, foreign exchange or other laws and regulations of the country

des der betreffenden Zahlstelle, die Ausfertigung eines Affidavits oder die Erfüllung irgendeiner sonstigen Förmlichkeit verlangt werden darf. Die Zahlungen erfolgen bei den Hauptniederlassungen folgender Banken (die „Zahlstellen“)

Deutsche Bank Aktiengesellschaft, Frankfurt am Main,
(„Hauptzahlstelle“)
Banque de Luxembourg S.A., Luxemburg,

durch Ziehung eines Südafrikanische Rand-Schecks auf eine Bank oder Überweisung auf ein Südafrikanische Rand-Konto des Zahlungsempfängers bei einer Bank in der Republik Südafrika. In keinem Fall erfolgt eine Zahlung auf eine auf den Inhaber lautende Schuldverschreibung, die in den Vereinigten Staaten von Amerika oder ihren Besitzungen zur Zahlung vorgelegt wird.

(2) Falls ein Fälligkeitstag für die Zahlung fälliger Beträge ein Tag ist, an dem Banken in Johannesburg oder am Ort einer Zahlstelle, bei der Schuldverschreibungen zur Zahlung eingereicht werden, entweder für Bankgeschäfte generell oder für Geschäfte in Südafrikanische Rand geschlossen sind, hat der Inhaber von Schuldverschreibungen (der „Anleihegläubiger“) Anspruch auf Zahlung bei dieser Zahlstelle erst am nächstfolgenden Tag, an dem die Banken in Johannesburg und am Ort dieser Zahlstelle für Bankgeschäfte allgemein geöffnet sind; er ist nicht berechtigt, Zinsen oder eine andere Entschädigung wegen eines solchen Zahlungsaufschubs zu verlangen.

(3) Die Zahlstellen in ihrer Eigenschaft als solche handeln ausschließlich als Beauftragte der Emittentin und stehen nicht in einem Auftrags- oder Treuhandverhältnis zu den Anleihegläubigern. Die Emittentin kann zusätzliche Zahlstellen ernennen und die Ernennung von Zahlstellen widerrufen. Ernennung und Widerruf sind gemäß § 10 bekanntzumachen.

(4) Die zur Tilgung fälligen Schuldverschreibungen sind am Tag der Fälligkeit einzureichen.

(5) Weder die Emittentin noch die Zahlstellen sind verpflichtet, die Berechtigung des Einreichers von Schuldverschreibungen zu prüfen.

(6) Die Emittentin kann die von den Anleihegläubigern innerhalb von zwölf Monaten nach Fälligkeit nicht erhobenen Beträge bei dem Amtsgericht Frankfurt am Main hinterlegen. Soweit auf das Recht zur Rücknahme der hinterlegten Beträge verzichtet wird, erlöschen die betreffenden Ansprüche der Anleihegläubiger gegen die Emittentin.

§ 5 (Steuern)

(1) Die Tilgung der Schuldverschreibungen erfolgt ohne Abzug oder Einbehalt gegenwärtiger oder zukünftiger Steuern, Abgaben oder amtlicher Gebühren gleich welcher Art, die von oder in den Niederlanden oder der Bundesrepublik Deutschland oder für deren Rechnung oder von oder für Rechnung einer dort zur Steuererhebung ermächtigten Gebietskörperschaft oder Behörde auferlegt, erhoben oder eingezogen werden (nachstehend zusammen „Quellensteuern“ genannt), es sei denn, ein solcher Abzug oder Einbehalt ist gesetzlich vorgeschrieben. In diesem letzteren Fall wird die Emittentin die zusätzlichen Beträge zahlen, die erforderlich sind, damit der den Anleihegläubigern nach diesem Abzug oder Einbehalt zufließende Nettobetrag jeweils dem Betrag entspricht, der den Anleihegläubigern zustehen würde, wenn der Abzug oder Einbehalt nicht erforderlich wäre. Solche zusätzlichen Beträge sind jedoch nicht zahlbar wegen Steuern, Abgaben oder amtlicher Gebühren, die

where the relevant paying agent is located, to require the execution of an affidavit or compliance with any other formality whatsoever. Payments shall be made at the head offices of the following banks (the „Paying Agents“)

Deutsche Bank Aktiengesellschaft, Frankfurt am Main,
(“Principal Paying Agent“)
Banque de Luxembourg S.A., Luxemburg,

by an South African Rand cheque drawn on, or, by transfer to an South African Rand account maintained by the payee with, a bank in the Republic of South Africa. In no event will any payment on a Security in bearer form be made upon presentation of the Security for payment within the United States of America or its possessions.

(2) If the due date for payment of any amount due is a day on which banks in Johannesburg or in the place where a Paying Agent is located and where Securities are presented for payment are closed for business, either generally or in respect of dealings in South African Rand, the holder of Securities (the “Security-holder”) shall be entitled to payment through that Paying Agent only on the next day on which banks are generally open for business in Johannesburg and in the place where that Paying Agent is located, and the Securityholder shall have no right to claim payment of any interest or other indemnity in respect of such delay in payment.

(3) The Paying Agents, in their capacity as such, are acting exclusively as agents of the Issuer and do not have any relationship of agency or trust with the Securityholders. The Issuer may appoint additional Paying Agents and revoke the appointment of Paying Agents. Such appointment or revocation shall be published in accordance with § 10.

(4) Securities due for redemption should be presented on the due date of such Securities.

(5) Neither the Issuer nor the Paying Agents are obliged to inquire as to the entitlement of any holder of Securities.

(6) The Issuer may deposit with the Amtsgericht (local court) in Frankfurt am Main any amounts not claimed by Securityholders within twelve months after maturity. To the extent the right to withdraw such deposit is waived, the relevant claims of the Securityholders against the Issuer shall cease.

§ 5 (Taxes)

(1) The redemption of the Securities shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever imposed, levied or collected by or in or on behalf of The Netherlands or the Federal Republic of Germany or by or on behalf of any political subdivision or authority therein having power to tax (hereinafter together called “Withholding Taxes”), unless such deduction or withholding is required by law. In such event, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts received by the Securityholders after such deduction or withholding shall equal the respective amounts which would have been receivable had no such deduction or withholding been required. No such additional amounts shall, however, be payable on account of any taxes, duties or governmental charges which

a) auf andere Weise als durch Abzug oder Einbehalt aus Zahlungen auf die Schuldverschreibungen zu entrichten sind, oder

b) wegen gegenwärtiger oder früherer persönlicher oder geschäftlicher Beziehungen des Anleihegläubigers zu den Niederlanden oder der Bundesrepublik Deutschland zu zahlen sind und nicht allein aufgrund der Tatsache, daß Zahlungen in bezug auf die Schuldverschreibungen oder aus der Garantie aus den Niederlanden oder der Bundesrepublik Deutschland stammen oder dort besichert sind oder steuerlich so behandelt werden, oder

c) aufgrund einer Rechtsänderung zahlbar sind, die später als 30 Tage nach Fälligkeit der betreffenden Zahlung oder, wenn dies später erfolgt, ordnungsgemäßer Bereitstellung aller fälligen Beträge und einer diesbezüglichen Bekanntmachung gemäß § 10 wirksam wird, oder

d) von einer Zahlstelle abgezogen oder einbehalten werden, wenn eine andere Zahlstelle die Zahlung ohne einen solchen Abzug oder Einbehalt hätte leisten können, oder

e) nicht zu entrichten wären, wenn die Schuldverschreibungen bei einem Kreditinstitut verwahrt und die Zahlungen von diesem eingezogen worden wären.

(2) Falls infolge einer am oder nach dem 23. Mai 1997 wirksam werdenden Änderung oder Ergänzung der in den Niederlanden oder in der Bundesrepublik Deutschland geltenden Rechtsvorschriften oder einer vor diesem Zeitpunkt nicht allgemein bekannten Anwendung oder amtlichen Auslegung solcher Rechtsvorschriften Quellensteuern auf Zahlungen auf die Schuldverschreibungen oder auf nicht vermeidbare Zahlungen aufgrund der Garantie anfallen oder anfallen werden und die Quellensteuern, sei es wegen der Verpflichtung zur Zahlung zusätzlicher Beträge gemäß Absatz (1) oder gemäß Satz 5, der Emittentin oder der Garantin zur Last fallen, ist die Emittentin berechtigt, alle ausstehenden Schuldverschreibungen, jedoch nicht nur einen Teil von ihnen, unter Einhaltung einer Kündigungsfrist von mindestens 30 Tagen jederzeit zu einem Betrag, der dem Nennbetrag der Schuldverschreibungen abgezinst mit der Emissionsrendite ab dem Fälligkeitsdatum (einschließlich) bis zu dem Tilgungstermin (ausschließlich) entspricht, zu tilgen. Die Berechnung dieses Betrages erfolgt auf der Basis einer jährlichen Kapitalisierung der aufgelaufenen Zinsen. Der Rückzahlungsbetrag wird durch die Hauptzahlstelle berechnet und ist (sofern nicht ein offensichtlicher Fehler vorliegt) für alle Beteiligten bindend. Eine solche Kündigung darf jedoch nicht früher als 90 Tage vor dem Zeitpunkt erfolgen, an dem die Emittentin oder die Garantin erstmals Quellensteuern einbehalten oder zahlen müßte, falls eine Zahlung in bezug auf die Schuldverschreibungen dann geleistet würde. Als Verpflichtung zur Zahlung zusätzlicher Beträge gilt auch der Fall, daß im Wege einer Änderung der Besteuerung Verpflichtungen aus der Anleihe der Garantin zugerechnet werden und diese zur Zahlung von Quellensteuern für Rechnung der Anleihegläubiger verpflichtet wird.

(3) Die Kündigung erfolgt durch Bekanntmachung gemäß § 10. Sie ist unwiderruflich und muß den Tilgungstermin sowie in zusammenfassender Form die Tatsachen angeben, die das Kündigungsrecht begründen.

(4) Für den Fall einer Sitzverlegung der Emittentin in ein anderes Land, Territorium oder Hoheitsgebiet gelten die vorstehenden Bestimmungen mit der Maßgabe, daß sich jede Nennung der Niederlande als auf dieses andere Land, Territorium oder Hoheitsgebiet bezogen versteht.

a) are payable otherwise than by deduction or withholding from payments of principal hereunder, or

b) are payable by reason of the Securityholder having, or having had, some personal or business connection with The Netherlands or the Federal Republic of Germany and not merely by reason of the fact that payments in respect of the Securities or the Guarantee are, or for purposes of taxation are deemed to be, derived from sources in, or are secured in, The Netherlands or in the Federal Republic of Germany, or

c) are payable by reason of a change in law that becomes effective more than 30 days after the relevant payment becomes due, or is duly provided for and notice thereof is published in accordance with § 10, whichever occurs later, or

d) are deducted or withheld by a Paying Agent from a payment if the payment could have been made by another Paying Agent without such deduction or withholding, or

e) would not be payable if the Securities had been kept in safe custody with, and the payments had been collected by, a banking institution.

(2) If, as a result of any change in, or amendment to, the laws or regulations prevailing in The Netherlands or in the Federal Republic of Germany, which change or amendment becomes effective on or after May 23, 1997, or as a result of any application or official interpretation of such laws or regulations not generally known before that date, Withholding Taxes are or will be leviable on payments in respect of the Securities or on payments under the Guarantee which cannot be avoided and, by reason of the obligation to pay additional amounts as provided in subparagraph (1) or in sentence 5, such Withholding Taxes are to be borne by the Issuer or the Guarantor, the Issuer may redeem the Securities in whole, but not in part, at any time, on giving not less than 30 days' notice, at a redemption price equal to the principal amount thereof adjusted from (and including) the Maturity Date to (but excluding) the date of final repayment by the Initial Rate of Return. Such calculation shall be made on the assumption of an annual capitalisation of accrued interest. The redemption amount shall be calculated by the Principal Paying Agent and (in the absence of manifest error) shall be binding for all parties. Such notice of redemption shall not be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor would be obliged to withhold or pay Withholding Taxes were a payment in respect of the Securities then made. An obligation to pay additional amounts shall be deemed also to have arisen if, by virtue of a change in the taxation, obligations arising from this Issue are attributed to the Guarantor and the Guarantor becomes obligated to pay Withholding Taxes for account of the Securityholders.

(3) Any such notice shall be given by publication in accordance with § 10. It shall be irrevocable, must specify the date fixed for redemption and must set forth a statement in summary form of the facts constituting the basis for the right of the Issuer so to redeem.

(4) In the case of a transfer of the Issuer's domicile to another country, territory or jurisdiction, the preceding provisions shall apply with the understanding that any reference to The Netherlands shall from then on be deemed to refer to such other country, territory or jurisdiction.

§ 6
(Vorlegungsfrist)

Die in § 801 Absatz 1 Satz 1 BGB bestimmte Vorlegungsfrist wird für die Schuldverschreibungen auf zehn Jahre abgekürzt.

§ 7
(Garantie)

Die Deutsche Bank Aktiengesellschaft, Frankfurt am Main, (die „Garantin“), hat die unbedingte und unwiderrufliche Garantie (die „Garantie“) für die ordnungsgemäße Zahlung der auf die Schuldverschreibungen zu zahlenden Beträge übernommen.

§ 8
(Kündigungsrecht der Anleihegläubiger)

(1) Jeder Anleihegläubiger ist berechtigt, seine Schuldverschreibungen zu kündigen und deren sofortige Tilgung zu dem gemäß § 5 (2) errechneten Rückzahlungsbetrag zu verlangen, falls

a) die Emittentin die Erfüllung irgendeiner Verpflichtung aus den Schuldverschreibungen unterläßt und die Unterlassung länger als 60 Tage fort dauert, nachdem die Hauptzahlstelle hierüber eine Benachrichtigung von dem kündigenden Anleihegläubiger erhalten hat, oder

b) die Emittentin oder die Garantin allgemein ihre Zahlungen einstellt, oder

c) ein Gericht im Staat des Sitzes der Emittentin bzw. der Bundesrepublik Deutschland das Konkursverfahren oder das Vergleichsverfahren zur Abwendung des Konkurses über das Vermögen der Emittentin oder der Garantin oder ein vergleichbares Verfahren eröffnet oder die Emittentin oder die Garantin die Eröffnung eines dieser Verfahren über ihr Vermögen beantragt.

Das Kündigungsrecht erlischt, falls der Kündigungsgrund vor Ausübung des Rechts geheilt wurde.

(2) Eine Benachrichtigung oder Kündigung gemäß Absatz (1) hat in der Weise zu erfolgen, daß der Hauptniederlassung der Hauptzahlstelle eine entsprechende schriftliche Erklärung übergeben oder durch eingeschriebenen Brief übermittelt wird.

(3) In dem Fall gemäß Absatz (1) a) wird eine Kündigung, sofern nicht bei deren Eingang zugleich einer der in Absatz (1) b) oder c) bezeichneten Kündigungsgründe vorliegt, erst wirksam, wenn bei der Hauptzahlstelle Kündigungserklärungen von Inhabern von Schuldverschreibungen im Nennbetrag von mindestens ZAR 400.000.000,- oder von mindestens einem Zehntel des Gesamtnennbetrages der dann ausstehenden Schuldverschreibungen (falls dies weniger ist als ZAR 400.000.000,-) eingegangen sind.

§ 9
(Ersetzung der Emittentin)

(1) Die Garantin ist jederzeit berechtigt, ohne Zustimmung der Anleihegläubiger sich selbst oder eine andere Gesellschaft als Hauptschuldnerin für alle Verpflichtungen aus und im Zusammenhang mit dieser Anleihe zu setzen, sofern die neue Emittentin alle sich aus oder im Zusammenhang mit dieser Anleihe ergebenden Zahlungsverpflichtungen in frei konvertierbarer und verfügbarer gesetzlicher Währung der Republik Südafrika ohne die Notwendigkeit einer Einbehaltung von irgendwelchen Steuern oder Abgaben an der Quelle erfüllen sowie die

§ 6
(Presentation Period)

The presentation period provided in § 801 subparagraph 1 sentence 1 German Civil Code is reduced to ten years for the Securities.

§ 7
(Guarantee)

Deutsche Bank Aktiengesellschaft, Frankfurt am Main, (the “Guarantor”) has given its unconditional and irrevocable guarantee (the “Guarantee”) for the due payment of the amounts payable in respect of the Securities.

§ 8
(Right of Acceleration by Securityholders)

(1) Each Securityholder shall be entitled to declare his Securities due and demand immediate redemption thereof at the amount calculated according to § 5 (2) in the event that

a) the Issuer fails to perform any obligation arising from the Securities and such failure continues for more than 60 days after the Principal Paying Agent has received notice thereof from the Securityholder demanding redemption, or

b) the Issuer or the Guarantor suspends its payments generally, or

c) a court in the country of domicile of the Issuer or in the Federal Republic of Germany institutes bankruptcy proceedings or composition proceedings to avert bankruptcy or similar proceedings against the assets of the Issuer or the Guarantor, respectively, or the Issuer or the Guarantor applies for institution of such proceedings concerning its assets.

The right to declare Securities due shall terminate if the situation giving rise to it has been cured before the right is exercised.

(2) Any notice, including any notice declaring Securities due, in accordance with subparagraph (1) shall be made by means of a written declaration delivered by hand or registered mail to the head office of the Principal Paying Agent.

(3) In the event specified in subparagraph (1) a), any notice declaring Securities due shall, unless at the time such notice is received, any of the events specified in subparagraph (1) b) or c) entitling Securityholders to declare their Securities due has occurred, become effective only when the Principal Paying Agent has received such notices from holders of Securities of at least ZAR 400,000,000.- in aggregate principal amount or (if this is less than ZAR 400,000,000.-) of at least one-tenth in principal amount of the Securities then outstanding.

§ 9
(Substitution of the Issuer)

(1) The Guarantor shall without the consent of the Securityholders be entitled at any time to substitute for the Issuer either itself or any other company as principal debtor in respect of all obligations arising from or in connection with this Issue, provided that the substitute issuer is in a position to fulfill all payment obligations arising from or in connection with this Issue in freely convertible and transferable legal tender of the Republic of South Africa without the necessity of any taxes or duties to be withheld at source, and to transfer all amounts which are

hierzu erforderlichen Beträge ohne Beschränkungen an die Hauptzahlstelle transferieren kann.

(2) Eine solche Schuldübernahme ist gemäß § 10 zu veröffentlichen.

(3) Im Falle einer solchen Schuldübernahme gilt jede Nennung der Emittentin in diesen Anleihebedingungen als auf die neue Emittentin bezogen und jede Nennung der Niederlande als auf das Land bezogen, in dem die neue Emittentin ihren Sitz hat.

§ 10
(Bekanntmachungen)

Alle die Schuldverschreibungen betreffenden Bekanntmachungen sind im Luxemburger Wort in Luxemburg und im deutschen Bundesanzeiger zu veröffentlichen. Zur Rechtswirksamkeit genügt die Veröffentlichung im Luxemburger Wort.

§ 11
(Begebung weiterer Schuldverschreibungen)

Die Emittentin behält sich vor, von Zeit zu Zeit ohne Zustimmung der Anleihegläubiger weitere Schuldverschreibungen mit gleicher Ausstattung zu begeben in der Weise, daß sie mit diesen Schuldverschreibungen zusammengefaßt werden, eine einheitliche Anleihe mit ihnen bilden und ihren Gesamtnennbetrag erhöhen. Der Begriff „Schuldverschreibungen“ umfaßt im Falle einer solchen Erhöhung auch solche zusätzlich begebenen Schuldverschreibungen.

§ 12
(Anwendbares Recht, Erfüllungsort und Gerichtsstand)

(1) Form und Inhalt der Schuldverschreibungen sowie die Rechte und Pflichten der Anleihegläubiger, der Emittentin und der Zahlstellen bestimmen sich in jeder Hinsicht nach deutschem Recht.

(2) Erfüllungsort ist Frankfurt am Main.

(3) Gerichtsstand für alle Rechtsstreitigkeiten aus den in diesen Anleihebedingungen geregelten Angelegenheiten ist Frankfurt am Main. Die Gerichte in Frankfurt am Main sind zuständig für die Kraftloserklärung abhandener oder vernichteter Schuldverschreibungen.

(4) Für etwaige Rechtsstreitigkeiten oder sonstige Verfahren vor deutschen Gerichten bestellt die Emittentin die Deutsche Bank Aktiengesellschaft, Taunusanlage 12, D-60262 Frankfurt am Main, zum Zustellungsbevollmächtigten.

§ 13
(Sprache)

Der deutsche Wortlaut der Anleihebedingungen ist allein rechtsverbindlich. Die englische Übersetzung ist unverbindlich.

required therefor to the Principal Paying Agent without any restrictions.

(2) Any such substitution shall be published in accordance with § 10.

(3) In the event of such substitution any reference in these Conditions of Issue to the Issuer shall from then on be deemed to refer to the substitute Issuer, and any reference to The Netherlands shall from then on be deemed to refer to the country of domicile of the substitute Issuer.

§ 10
(Notices)

All notices concerning the Securities shall be published in the "Luxemburger Wort" in Luxembourg and the German Federal Gazette. For the validity of such notice, the publication in the "Luxemburger Wort" shall suffice.

§ 11
(Issue of Additional Securities)

The Issuer reserves the right from time to time without the consent of the Securityholders to issue additional securities with identical terms, so that the same shall be consolidated, form a single Issue with and increase the aggregate principal amount of these Securities. The term „Securities“ shall, in the event of such increase, also comprise such additionally issued securities.

§ 12
(Applicable Law, Place of Performance and Place of Jurisdiction)

(1) The Securities as to form and content, and all rights and duties of the Securityholders, the Issuer and the Paying Agents shall in all respects be determined in accordance with German law.

(2) Place of performance shall be Frankfurt am Main.

(3) The place of jurisdiction for all proceedings arising from matters provided for in these Conditions of Issue shall be Frankfurt am Main. The courts in Frankfurt am Main shall have jurisdiction over the annulment of lost or destroyed Securities.

(4) For any legal disputes or other proceedings before German courts, the Issuer appoints Deutsche Bank Aktiengesellschaft, Taunusanlage 12, D-60262 Frankfurt am Main, as authorized agent for accepting service of process.

§ 13
(Language)

The German text of the Conditions of Issue is the legally binding one. The English translation is for convenience only.

The German wording of the Guarantee is legally binding; the English text is a non-binding translation.

Garantie

der Deutsche Bank Aktiengesellschaft,
Frankfurt am Main, Bundesrepublik Deutschland,
zugunsten der Anleihegläubiger
der Südafrikanische Rand Null-Kupon-Anleihe
von 1997/2027
im Gesamtnennbetrag von ZAR 4.000.000.000,-
(die „Anleihe“) der
Deutsche Finance (Netherlands) B.V.,
Amsterdam, Niederlande.

Die Deutsche Bank Aktiengesellschaft (die „Garantin“) gewährleistet aufgrund dieser zwischen ihr und KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, abgeschlossenen Garantievereinbarung (die „Garantie“) hiermit unbedingt und unwiderruflich die ordnungsgemäße Zahlung in Südafrikanischen Rand der auf die Schuldverschreibungen zahlbaren Beträge, nach Maßgabe der Anleihebedingungen. Die Gewährleistung erfolgt dergestalt, daß die Anleihegläubiger durch diese Garantie unmittelbar das Recht erwerben, von der Garantin die Erfüllung der in dieser Garantie übernommenen Verpflichtungen zu verlangen (Vertrag zugunsten Dritter gemäß § 328 BGB).

Sinn und Zweck dieser Garantie ist es sicherzustellen, daß die Anleihegläubiger unter allen tatsächlichen oder rechtlichen Umständen und ungeachtet der Wirksamkeit und Durchsetzbarkeit der Verpflichtungen der Deutsche Finance (Netherlands) B.V. sowie aller sonstigen Gründe, aus denen die Zahlung durch die Deutsche Finance (Netherlands) B.V. oder die gemäß § 9 der Anleihebedingungen an ihre Stelle getretene Gesellschaft unterbleiben mag, die auf die Schuldverschreibungen zahlbaren Beträge nach Maßgabe der Anleihebedingungen erhalten.

Die Rechte und Pflichten aus dieser Garantie bestimmen sich in jeder Hinsicht nach deutschem Recht. Erfüllungsort und Gerichtsstand ist Frankfurt am Main.

Frankfurt am Main, im Mai 1997

Deutsche Bank
Aktiengesellschaft

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Guarantee

by Deutsche Bank Aktiengesellschaft,
Frankfurt am Main, Federal Republic of Germany,
in favour of the holders
of the South African Rand Zero Coupon Bonds
of 1997/2027
in the aggregate principal amount of
ZAR 4,000,000,000.- (the “Securities“)
of Deutsche Finance (Netherlands) B.V.,
Amsterdam, The Netherlands.

Deutsche Bank Aktiengesellschaft (the “Guarantor“) hereby unconditionally and irrevocably guarantees pursuant to this guarantee agreement (the “Guarantee“) made between it and KPMG Deutsche Treuhand-Gesellschaft Aktiengesellschaft Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, the due payment in South African Rand of the amounts payable in respect of the Securities in accordance with the terms of the Conditions of Issue. The Guarantee is given in such manner that the Securityholders will have a direct right, by virtue of this Guarantee, to demand from the Guarantor the performance of the obligations incurred in this Guarantee (contract for the benefit of a third party pursuant to § 328 BGB (German Civil Code)).

The intent and purpose of this Guarantee is to ensure that the Securityholders under all circumstances, whether factual or legal, and regardless of the validity and enforceability of the obligations of Deutsche Finance (Netherlands) B.V. and of any other grounds on the basis of which Deutsche Finance (Netherlands) B.V. or the company which may have been substituted for the same pursuant to § 9 of the Conditions of Issue may fail to effect payment, shall receive the amounts payable in respect of the Securities in accordance with the terms of the Conditions of Issue.

The rights and obligations arising from this Guarantee shall in all respects be determined in accordance with German law. Place of performance and place of jurisdiction shall be Frankfurt am Main.

Frankfurt am Main, in May 1997

Deutsche Bank
Aktiengesellschaft

KPMG Deutsche Treuhand-Gesellschaft
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Deutsche Finance (Netherlands) B.V.

– Issuer –

Incorporation, Corporate Seat, Duration and Objects

Deutsche Finance (Netherlands) B.V. was incorporated on November 9, 1976 under the law of the Netherlands under the name B.V. Optor Onroerend Goed Exploitatie Maatschappij III with corporate seat in Amsterdam. On July 6, 1978 the name was changed to Central Frankfurt Properties B.V., and on January 22, 1985 to Deutsche Financieringsmaatschappij Nederland B.V. The Company has been operating under its present name since November 17, 1988. The Articles of Association were last amended before D.E.M. Aleman, Notary, on November 17, 1988 by a notarial deed.

The Company is a wholly-owned subsidiary of Deutsche Bank Aktiengesellschaft, Frankfurt am Main.

The Company is registered in the Trade Register of the Chamber of Commerce in Amsterdam under the number 147 015.

The Company has its **corporate seat** in Amsterdam. The main office of the Company is located at Herengracht 450, 1017 CA Amsterdam.

The **duration** of the Company is unlimited.

The **objects** of the Company as set forth in Article 2 of its Articles of Association are to finance either directly or indirectly companies belonging to the Deutsche Bank Group, to obtain the necessary funds thereto through public or private borrowings as well as to invest its own monies and monies received from others in bonds and in interest-bearing claims of one or more companies belonging to the group, as well as in connection therewith and in general to invest its monies in securities, like shares and other participation rights and bonds, and also in any other interest-bearing claims of whatever nature, as well as to borrow and lend monies.

The Company is entitled to do all that is conducive to the foregoing or connected therewith in the widest sense including to participate in any other enterprise or company.

Share Capital

The authorised share capital of the Company amounts to NLG 10,000,000. It consists of 10,000 shares of NLG 1,000 each. The issued share capital amounts to NLG 5,001,000 consisting of 5,001 shares of NLG 1,000 each.

The shares are registered shares. The transfer of shares requires the approval of the General Meeting of Shareholders of the Company.

Capitalisation

		– in NLG –
Long term debenture loans as of December 31, 1996		19,999,874,019 ⁽¹⁾
Note and Bond borrowings (from January 1, 1997 – April 30, 1997 adjusted for the Notes to which this Offering Circular pertains:		
4.875 % DM Bonds due January 21, 2002		562,499,500 ⁽²⁾
Zero Coupon LIT Bonds due January 20, 2032		271,781,247 ⁽³⁾ ⁽⁴⁾
Zero Coupon USD Bonds due February 12, 2017		1,295,951,582 ⁽³⁾ ⁽⁵⁾
Zero Coupon LIT Bonds due January 20, 2032 (increase)		69,335,425 ⁽³⁾ ⁽⁴⁾
10.5 % CZK Notes due April 18, 2001		47,123,250 ⁽⁶⁾
Zero Coupon ZAR Bonds due May 27, 2027		1,748,248,000 ⁽⁷⁾
		<u>23,994,813,023</u>
Shareholder's equity (as of December 31, 1996)		
Share capital paid up and called	5,001,000	
Share premium reserve	25,000	
Other reserves	358,462	
Unallocated results	4,053,651 ⁽⁸⁾	9,438,113
		<u>24,004,251,136</u>
Less Redemptions from December 31, 1996 – April 30, 1997		
6.25 % DM Bonds due April 8, 1997		1,124,999,000 ⁽²⁾
		<u>22,879,252,136</u>

⁽¹⁾ Converted at the exchange rates of December 31, 1996; not yet audited.

⁽²⁾ Converted at the exchange rate of April 30, 1997: DM 1 = NLG 1.124999.

⁽³⁾ Start value.

⁽⁴⁾ Converted at the exchange rate of April 30, 1997: LIT 1,000 = NLG 1.134786.

⁽⁵⁾ Converted at the exchange rate of April 30, 1997: USD 1 = NLG 1.943323.

⁽⁶⁾ Converted at the exchange rate of April 30, 1997: CZK 1 = NLG 0.062831.

⁽⁷⁾ Converted at the exchange rate of April 30, 1997: ZAR 1 = NLG 0.437062.

⁽⁸⁾ On April 30, 1996 the Company paid a dividend at an amount of NLG 3,600,000.

Save as disclosed herein, there has been no material change in the capitalisation of the Company since December 31, 1996.

Bonds and Notes Outstanding as of April 30, 1997

4.25 % CHF Bonds due September 9, 1997
8 % DM Bonds due February 6, 2002
8.125 % DM Bonds due May 6, 2002
8.5 % DM Bonds due August 27, 1997
8.5 % DM Bonds due March 18, 2003 (Reverse floater)
7.5 % DM Bonds due April 15, 2003 (Reverse floater)
6.5 % DM Bonds due June 30, 1998
6 % DM Bonds due September 15, 1997
6 % DM Bonds due November 11, 2003
7.5 % DM Bonds due February 10, 2003
7.75 % CAD Bonds due January 28, 1998
2.5 % CHF Bonds due September 10, 2001
6.0 % NLG Bonds due January 12, 2004
5.75 % DM Bonds due February 9, 2004
5.75 % DM Bonds due May 4, 1999
5.5 % CHF Bonds due July 26, 1997
6.875 % DM Bonds due April 18, 2000
7.0 % DM Bonds due May 15, 2002
4.0 % CHF Bonds due November 28, 2000
5.5 % DM Bonds due November 28, 2000
5.875 % LUF Bonds due December 22, 1999
3.625 % CHF Bonds due January 23, 2002
5.75 % NLG Bonds due February 14, 2003
13.0 % ZAR Bonds due February 28, 2001

Step-up LUF Bonds due March 29, 2006
6.0% LUF Bonds due December 30, 2002
Step-up DKK Notes due May 7, 2003
1% DM Bonds due May 2, 2001
Zero Coupon LIT Bonds due May 23, 2001
Step-up NLG Bonds due June 11, 2003
1% CHF Bonds due July 26, 2001
6.5% LUF Bonds due August 30, 2006
Zero Coupon LIT Bonds due October 15, 2021
Zero Coupon LIT Bonds due October 15, 2026
10.75% RND Notes due November 11, 1998
Zero Coupon DKK Bonds due November 18, 2026
Zero Coupon DM Bonds due October 28, 2026
Zero Coupon LIT Bonds due January 20, 2032
4.875% DM Bonds due January 21, 2002
Zero Coupon USD Bonds due February 12, 2017
10.5% CZK Notes due April 18, 2001

Management

The Company shall be managed by a **Board of Management** consisting of one or more Members whose number shall be decided upon by the General Meeting of Shareholders of the Company. A corporate body can also be a Member of the Board of Management.

The Members of the Board of Management shall be appointed by the General Meeting of Shareholders of the Company, which can dismiss them at any time.

Members of the Board of Management are presently:

Herman Hein Scholten, Amsterdam

Deutsche de Bary Trust N.V., Amsterdam

Supervision of the management by the Board of Management and of the general course of business in the Company and the operations related to it, shall be exercised by the **Supervisory Board**, consisting of one or more Members. The number of members is to be determined by the General Meeting of Shareholders of the Company.

The Members of the Supervisory Board shall be appointed by the General Meeting of Shareholders, which can dismiss them at any time.

Presently, the Supervisory Board consists of the following members:

John A. Ross, Frankfurt am Main, Chairman
Deutsche Bank AG

Rolf Helling, Frankfurt am Main
Deutsche Bank AG

Ronald A. H. Lemke, Amsterdam
Deutsche Bank de Bary N.V.

Dr. Ekkehard Storck, Luxembourg
Deutsche Bank Luxembourg S.A.

Financial Year

The **financial year** is the calendar year.

Auditors

Auditor of the Company is KPMG Accountants N.V., Brg. Rijnderslaan 10, 1185 MC Amstelveen, The Netherlands. KPMG Accountants N.V. have audited the financial statements of the Company of the financial years 1994, 1995 and 1996 and have issued unqualified opinions on these statements.

Balance Sheet
as at December 31, 1996
 (Before appropriation of result)
 (Expressed in Dutch guilders)

	December 31,	
	1996	1995
Assets		
Fixed assets		
Financial fixed assets		
Loans to group companies	16,520,089,920	15,615,203,940
Deferred premium/discount	228,674,086	97,455,701
	16,748,764,006	15,712,659,641
Current assets		
Receivables		
Loans to group companies	3,479,784,100	3,873,061,720
Interest on loans to group companies	674,604,079	775,277,726
Sundry debtors and transitory items	–	1,492,316
Cash at banks	34,603,061	20,830,686
	4,188,991,240	4,670,662,448
	20,937,755,246	20,383,322,089
Liabilities		
Shareholder's equity		
Share capital paid up and called	5,001,000	5,001,000
Share premium reserve	25,000	25,000
Other reserves	358,462	300,882
Result for the year	4,053,651	3,657,580
	9,438,113	8,984,462
Long-term liabilities		
Debenture loans	16,517,039,756	15,613,679,000
Deferred discount/premium	228,674,086	97,455,701
	16,745,713,842	15,711,134,701
Short-term liabilities		
Debenture loans	3,479,784,100	3,873,061,720
Interest on debenture loans	670,646,056	771,198,107
Taxes	434,731	–
Other liabilities	31,738,404	18,943,099
	4,182,603,291	4,663,202,926
	20,937,755,246	20,383,322,089

Profit and Loss Account for the Year 1996

(Expressed in Dutch guilders)

	Year ended December 31,	
	1996	1995
Revenues		
Interest on loans	1,327,408,585	1,288,602,659
Release of deferred premium/discount	41,961,452	17,035,999
Other interest income	238,625	172,468
Exchange differences	261,908	6,658
	1,369,870,570	1,305,817,784
Expenses		
Interest on debenture loans	1,320,063,773	1,281,913,888
Amortisation deferred premium/discount	41,961,452	17,035,640
Commissions	319,507	233,823
Guarantee fee	411,159	168,036
Other operating expenses	398,965	488,187
	1,363,154,856	1,299,839,574
	6,715,714	5,978,210
General and administrative expenses	476,253	343,471
	6,239,461	5,634,739
Provision for corporation tax	2,185,810	1,977,159
Net result	4,053,651	3,657,580

Outlook

No substantial changes in the business or the results of the Company are currently expected for the year 1997.

