DEUTSCHE BANK AKTIENGESELLSCHAFT
Form 424B2
June 20, 2017

Pricing Supplement No. 2834B

To product supplement B dated July 31, 2015, **Registration Statement No. 333-206013**

prospectus supplement dated July 31, 2015 and **Rule 424(b)(2)**

prospectus dated April 27, 2016

Deutsche Bank AG

$251,000 Autocallable Securities Linked to the Common Stock of Ford Motor Company due June 21, 2018

General

- The securities are designed for investors who seek a return at maturity linked to the performance of the common stock of Ford Motor Company (the "**Underlying**") and will pay Coupons on a monthly basis that accrue at a rate of 9.00% per annum regardless of the performance of the Underlying.

- The securities will not be automatically called during the first six months following the Trade Date. The securities will be automatically called after such six-month period if the Closing Price of the Underlying on any quarterly Observation Date is *greater than* or *equal to* the Initial Price. If the securities are automatically called, investors will receive a cash payment per $1,000 Face Amount of securities on the related Call Settlement Date equal to the Face Amount *plus* the Coupon otherwise due on such date. The securities will cease to be outstanding following an Automatic Call and no Coupon will accrue or be payable following the related Call Settlement Date.

- A Knock-Out Event will occur if the Closing Price of the Underlying on any day from, but excluding, the Trade Date to, and including, the Final Valuation Date is less than the Threshold Price (80.00% of the Initial Price). If the securities are not automatically called and a Knock-Out Event has *not* occurred, for each $1,000 Face Amount of securities, investors will receive a cash payment at maturity equal to the Face Amount *plus* the Coupon otherwise due on such date. However, if the securities are not automatically called but a Knock-Out Event has occurred, Deutsche Bank AG will deliver to investors at maturity a number of shares of the Underlying per $1,000 Face Amount of securities equal to the Face Amount *divided by* the Initial Price (the "**Share Delivery Amount**") (which is expected to have a value that is less, and possibly significantly less, than the Face Amount and may have no value at all) *plus* pay the Coupon otherwise due on such date. Investors should be willing to accept the risk of losing some or all of their initial investment, as well as the risk of owning shares of the Underlying (including the risk of further decline in their value), if the securities are not automatically called but a Knock-Out Event has occurred. Any payment on the securities is subject to the credit of the Issuer.

- Senior unsecured obligations of Deutsche Bank AG due June 21, 2018

- Minimum purchase of $1,000. Minimum denominations of $1,000 (the "**Face Amount**") and integral multiples thereof.

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The securities priced on June 16, 2017 (the "**Trade Date**") and are expected to settle on June 21, 2017 (the "**Settlement Date**").

Key Terms

Issuer:	Deutsche Bank AG, London Branch
Issue Price:	100% of the Face Amount
Underlying:	Common stock of Ford Motor Company (Ticker: F)
Coupon:	The securities will pay Coupons monthly in arrears on the Coupon Payment Dates in 12 equal installments based on the Coupon rate of 9.00% per annum, regardless of the performance of the Underlying. Each installment will equal $7.50 per $1,000 Face Amount of securities.
Automatic Call:	The securities will not be automatically called during the first six months following the Trade Date. The securities will be automatically called after such six-month period if the Closing Price of the Underlying on any quarterly Observation Date (including the Final Valuation Date) is greater than or equal to the Initial Price. If the securities are automatically called, you will receive a cash payment per $1,000 Face Amount of securities on the related Call Settlement Date equal to the Face Amount *plus* the Coupon otherwise due on such date. No Coupon will accrue or be payable following the Call Settlement Date.

(*Key Terms continued on next page*)

Investing in the securities involves a number of risks. See "Risk Factors" beginning on page 7 of the accompanying product supplement, page PS-5 of the accompanying prospectus supplement and page 13 of the accompanying prospectus and "Selected Risk Considerations" beginning on page PS-9 of this pricing supplement.

The Issuer's estimated value of the securities on the Trade Date is $967.10 per $1,000 Face Amount of securities, which is less than the Issue Price. Please see "Issuer's Estimated Value of the Securities" on page PS-3 of this pricing supplement for additional information.

By acquiring the securities, you will be bound by and deemed irrevocably to consent to the imposition of any Resolution Measure (as defined below) by the competent resolution authority, which may include the write down of all, or a portion, of any payment on the securities or the conversion of the securities into ordinary shares or other instruments of ownership. If any Resolution Measure becomes applicable to us, you may lose some or all of your investment in the securities. Please see "Resolution Measures and Deemed Agreement" on page PS-4 of this pricing supplement for more information.

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

	Price to Public	**Maximum Discounts and Commissions**(1)	**Minimum Proceeds to Us**
Per Security	$1,000.00	$25.00	$975.00

Total	$251,000.00	$6,275.00	$244,725.00

(1) For more detailed information about discounts and commissions, please see "Supplemental Plan of Distribution (Conflicts of Interest)" in this pricing supplement. The securities will be sold with varying underwriting discounts and commissions in an amount of $25.00 per $1,000 Face Amount of securities.

The agent for this offering is our affiliate. For more information, please see "Supplemental Plan of Distribution (Conflicts of Interest)" in this pricing supplement.

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

Deutsche Bank Securities

June 16, 2017

	(*Key Terms continued from previous page*)
Observation Dates:	Quarterly on the dates set forth in the table below
Call Settlement Dates:	As set forth in the table below. For the final Observation Date, the Call Settlement Date will be the Maturity Date.

Observation Date[1]	**Call Settlement Date**[1]
December 18, 2017	December 21, 2017
March 16, 2018	March 21, 2018
June 18, 2018 (*Final Valuation Date*)	June 21, 2018 (*Maturity Date*)

Payment at Maturity:	If the securities are not automatically called, which means the Closing Price of the Underlying on any quarterly Observation Date (including the Final Valuation Date) is less than the Initial Price, any payment you receive at maturity (excluding the applicable Coupon payment) will be determined as follows: · **If a Knock-Out Event does *not* occur**, you will receive a cash payment per $1,000 Face Amount of securities at maturity equal to the Face Amount. · **If a Knock-Out Event occurs**, Deutsche Bank AG will deliver to you at maturity a number of shares of the Underlying per $1,000 Face Amount of securities equal to the Share Delivery Amount. ***In this circumstance, the shares of the Underlying delivered as the Share Delivery Amount at maturity are expected to be worth less than your initial investment and may have no value at all****. If you receive the Share Delivery Amount at maturity, we will pay cash in lieu of delivering any fractional shares in an amount equal to that fraction multiplied by the closing price of the Underlying on the Final Valuation Date. Any payment at maturity is subject to the credit of the Issuer.*
Knock-Out Event:	A Knock-Out Event occurs if the Closing Price of the Underlying is *less than* the Threshold Price on any day during the Observation Period.
Threshold Price:	$8.98, equal to 80.00% of the Initial Price
Observation Period:	The period from, but excluding, the Trade Date to, and including, the Final Valuation Date
Initial Price:	$11.22, equal to the Closing Price of the Underlying on the Trade Date
Final Price:	The Closing Price of the Underlying on the Final Valuation Date
Closing Price:	The official closing price of one share of the Underlying on the relevant date of calculation *multiplied by* the then-current Stock Adjustment Factor
Stock Adjustment Factor:	Initially 1.0, subject to adjustment upon the occurrence of certain corporate events affecting the Underlying. See "Description of Securities — Anti-Dilution Adjustments for Reference Stock" in the accompanying product supplement.
Share Delivery Amount:	89.1266 shares of the Underlying per $1,000 Face Amount of securities, which is equal to approximately (1) the Face Amount *divided by* (2) the Initial Price, subject to adjustments in the case of certain corporate events as described in the accompanying product supplement

Coupon Payment Dates[1]:	July 20, 2017, August 21, 2017, September 21, 2017, October 19, 2017, November 21, 2017, December 21, 2017, January 19, 2018, February 22, 2018, March 21, 2018, April 19, 2018, May 21, 2018 and June 21, 2018 (the Maturity Date)
Trade Date:	June 16, 2017
Settlement Date:	June 21, 2017
Final Valuation Date[2]:	June 18, 2018
Maturity Date[2]:	June 21, 2018
Listing:	The securities will not be listed on any securities exchange.
CUSIP / ISIN:	25190LAB6 / US25190LAB62

[1] Subject to adjustment as described under "Description of Securities — Periodic and Contingent Coupons" in the accompanying product supplement.

[2] Subject to adjustment as described under "Description of Securities — Adjustments to Valuation Dates and Payment Dates" in the accompanying product supplement.

Issuer's Estimated Value of the Securities

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

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

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

Resolution Measures and Deemed Agreement

On May 15, 2014, the European Parliament and the Council of the European Union adopted a directive establishing a framework for the recovery and resolution of credit institutions and investment firms (commonly referred to as the "**Bank Recovery and Resolution Directive**"). The Bank Recovery and Resolution Directive 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. Germany adopted the Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*, or the "**Resolution Act**"), which became effective on January 1, 2015. The Bank Recovery and Resolution Directive and the Resolution Act provided national resolution authorities with a set of resolution powers to intervene in the event that a bank is failing or likely to fail and certain other conditions are met. From January 1, 2016, the power to initiate resolution measures applicable to significant banking groups (such as Deutsche Bank Group) in the European Banking Union has been transferred to the European Single Resolution Board which, based on the European Union regulation establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund (the "**SRM Regulation**"), works in close cooperation with the European Central Bank, the European Commission and the national resolution authorities. Pursuant to the SRM Regulation, the Resolution Act and other applicable rules and regulations, the securities may be subject to any Resolution Measure by the competent resolution authority if we become, or are deemed by the competent supervisory authority to have become, "non-viable" (as defined under the then applicable law) and are unable to continue our regulated banking activities without a Resolution Measure becoming applicable to us. By acquiring the securities, you will be bound by and deemed irrevocably to consent to the provisions set forth in the accompanying prospectus, which we have summarized below.

By acquiring the securities, you will be bound by and deemed irrevocably to consent to the imposition of any Resolution Measure by the competent resolution authority. Under the relevant resolution laws and regulations as applicable to us from time to time, the securities may be subject to the powers exercised by the competent resolution authority to: (i) write down, including to zero, any payment (or delivery obligations) on the securities; (ii) convert the securities into ordinary shares of (a) the Issuer, (b) any group entity or (c) any bridge bank or other instruments of ownership of such entities qualifying as common equity tier 1 capital; and/or (iii) apply any other resolution measure including, but not limited to, any transfer of the securities to another entity, the amendment, modification or variation of the terms and conditions of the securities or the cancellation of the securities. We refer to each of these measures as a "**Resolution Measure**." A "group entity" refers to an entity that is included in the corporate group subject to a Resolution Measure. A "bridge bank" refers to a newly chartered German bank that would receive some or all of our assets, liabilities and material contracts, including those attributable to our branches and subsidiaries, in a resolution proceeding.

Furthermore, by acquiring the securities, you:

- are deemed irrevocably to have agreed, and you will agree: (i) to be bound by, to acknowledge and to accept any Resolution Measure and any amendment, modification or variation of the terms and conditions of the securities to give effect to any Resolution Measure; (ii) that you will have no claim or other right against us arising out of any Resolution Measure; and (iii) that the imposition of any Resolution Measure will not constitute a default or an event of default under the securities, under the senior indenture dated November 22, 2006 among us, Law Debenture Trust Company of New York, as trustee, and Deutsche Bank Trust Company Americas, as issuing agent, paying agent, authenticating agent and registrar, as amended and supplemented from time to time (the "**Indenture**"), or for the purposes of, but only to the fullest extent permitted by, the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**");

- waive, to the fullest extent permitted by the Trust Indenture Act and applicable law, any and all claims against the trustee and the paying agent , the issuing agent and the registrar (each, an "indenture **agent**") for, agree not to initiate a suit against the trustee or the indenture agents in respect of, and agree that the trustee and the indenture agents will not be liable for, any action that the trustee or the indenture agents take, or abstain from taking, in either case in accordance with the imposition of a Resolution Measure by the competent resolution authority with respect to the securities; and

- will be deemed irrevocably to have: (i) consented to the imposition of any Resolution Measure as it may be imposed without any prior notice by the competent resolution authority of its decision to exercise such power with respect to the securities; (ii) authorized, directed and requested The Depository Trust Company ("**DTC**") and any direct participant in DTC or other intermediary through which you hold such securities to take any and all necessary action, if required, to implement the imposition of any Resolution Measure with respect to the securities as it may be imposed, without any further action or direction on your part or on the part of the trustee or the indenture agents; and (iii) acknowledged and accepted that the Resolution Measure provisions described herein and in the "Resolution Measures" section of the accompanying prospectus are exhaustive on the matters described herein and therein to the exclusion of any other agreements, arrangements or understandings between you and the Issuer relating to the terms and conditions of the securities.

This is only a summary, for more information please see the accompanying prospectus dated April 27, 2016, including the risk factors beginning on page 13 of such prospectus.

Additional Terms Specific to the Securities

You should read this pricing supplement together with product supplement B dated July 31, 2015, the prospectus supplement dated July 31, 2015 relating to our Series A global notes of which these securities are a part and the prospectus dated April 27, 2016. Delaware Trust Company, which acquired the corporate trust business of Law Debenture Trust Company of New York, is the successor trustee of the securities. When you read the accompanying product supplement and prospectus supplement, please note that all references in such supplements to the prospectus dated July 31, 2015, or to any sections therein, should refer instead to the accompanying prospectus dated April 27, 2016 or to the corresponding sections of such prospectus, as applicable, unless otherwise specified or the context otherwise requires. You may access these documents on the website of the Securities and Exchange Commission (the "**SEC**") at.www.sec.gov as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):

· Product supplement B dated July 31, 2015:

http://www.sec.gov/Archives/edgar/data/1159508/000095010315006059/crt_dp58181-424b2.pdf

· Prospectus supplement dated July 31, 2015:

http://www.sec.gov/Archives/edgar/data/1159508/000095010315006048/crt-dp58161_424b2.pdf

· Prospectus dated April 27, 2016:

https://www.sec.gov/Archives/edgar/data/1159508/000119312516559607/d181910d424b21.pdf

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

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

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

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

The tables and hypothetical examples set forth below are for illustrative purposes only. The actual returns applicable to a purchaser of the securities will be determined based on the performance of the Underlying during the Observation Period as well as on each Observation Date (including the Final Valuation Date). The following results are based *solely* on the hypothetical examples cited below. You should consider carefully whether the securities are suitable to your investment goals.

If the securities are automatically called:

The following table illustrates the hypothetical payments on the securities (excluding Coupon payments) upon an Automatic Call in respect of each Observation Date.

Observation Date	**Call Settlement Date**	**Payment upon an Automatic Call (per $1,000 Face Amount of Securities)** ($)
December 18, 2017	December 21, 2017	$1,000.00
March 16, 2018	March 21, 2018	$1,000.00
June 18, 2018 (*Final Valuation Date*)	June 21, 2018 (*Maturity Date*)	$1,000.00

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

If the securities are *not* automatically called:

The table below illustrates the hypothetical Payments at Maturity per $1,000 Face Amount of securities for a hypothetical range of performances for the Underlying from -100% to +100% (excluding any Coupon payments) if the securities are not automatically called. The table and the hypothetical examples set forth below reflect the Threshold Price of 80.00% of the Initial Price. The actual Initial Price and Threshold Price are set forth on the cover of this pricing supplement. The following results are based *solely* on the hypothetical examples cited. You should consider carefully whether the securities are suitable to your investment goals. The numbers appearing in the table and examples below may have been rounded for ease of analysis and it has been assumed that no event affecting the Underlying has occurred during the term of the securities that would cause the calculation agent to adjust the Stock

Adjustment Factor and/or the Share Delivery Amount.

	A Knock-Out Event *Does Not* Occur During the Observation Period		**A Knock-Out Event *Occurs* During the Observation Period**	
***Hypothetical* Return of the Underlying** (%)	***Hypothetical* Payment at Maturity** (excluding Coupon payments) ($)	***Hypothetical* Return on the Securities at Maturity** (excluding Coupon payments) (%)	**Value of the Share Delivery Amount on the Final Valuation Date*** ($)	***Hypothetical* Return on the Securities at Maturity** (excluding Coupon payments) (%)
100.00%	$1,000.00	0.00%	N/A	0.00%
90.00%	$1,000.00	0.00%	N/A	0.00%
80.00%	$1,000.00	0.00%	N/A	0.00%
70.00%	$1,000.00	0.00%	N/A	0.00%
60.00%	$1,000.00	0.00%	N/A	0.00%
50.00%	$1,000.00	0.00%	N/A	0.00%
40.00%	$1,000.00	0.00%	N/A	0.00%
30.00%	$1,000.00	0.00%	N/A	0.00%
20.00%	$1,000.00	0.00%	N/A	0.00%
10.00%	$1,000.00	0.00%	N/A	0.00%
0.00%	**$1,000.00**	**0.00%**	**N/A**	**0.00%**
-10.00%	$1,000.00	0.00%	$900.00	-10.00%
-20.00%	**$1,000.00**	**0.00%**	$800.00	-20.00%
-30.00%	N/A	N/A	$700.00	-30.00%
-40.00%	N/A	N/A	$600.00	-40.00%
-50.00%	N/A	N/A	$500.00	-50.00%
-60.00%	N/A	N/A	$400.00	-60.00%
-70.00%	N/A	N/A	$300.00	-70.00%
-80.00%	N/A	N/A	$200.00	-80.00%
-90.00%	N/A	N/A	$100.00	-90.00%
-100.00%	N/A	N/A	$0.00	-100.00%

* The value of the Share Delivery Amount on the Maturity Date is equal to the number of shares of the Underlying included in the Share Delivery Amount *multiplied by* the closing price of the Underlying on the Maturity Date. For

purposes of this table and the hypothetical examples below, the closing price of one share of the Underlying on the Maturity Date is deemed to be the same as the hypothetical Final Price as of the Final Valuation Date. If you receive the Share Delivery Amount at maturity, we will pay cash in lieu of delivering any fractional shares in an amount equal to that fraction *multiplied by* the closing price of the Underlying on the Final Valuation Date.

Hypothetical Examples of Amounts on the Securities

The following hypothetical examples illustrate how the payments on the securities set forth in the tables above are calculated. The examples below reflect the monthly Coupon of $7.50 (based on the Coupon rate of 9.00% per annum) that is payable on each Coupon Payment Date.

Example 1: **The Closing Price of the Underlying is *greater than* the Initial Price on the first Observation Date**. The securities will not be automatically called during the first six months following the Trade Date. Because the Closing Price of the Underlying on the first Observation Date (which occurs shortly after the first six months following the Trade Date) is greater than the Initial Price, the securities are automatically called on the first Observation Date. As a result, the investor will receive on the related Call Settlement Date a cash payment of $1,000.00 per $1,000 Face Amount of securities (excluding any Coupons). In addition, the investor will receive Coupon payments totaling $45.00 per $1,000 Face Amount of securities over the six-month term of the securities. As a result, the investor will receive a total of $1,045.00 per $1,000 Face Amount of securities..

Example 2: **The Closing Price of the Underlying is *less than* the Initial Price on the first and second Observation Dates but is *greater than* the Initial Price on the final Observation Date**. Because the Closing Price of the Underlying is less than the Initial Price on the first and second Observation Dates, but is greater than the Initial Price on the final Observation Date, the securities are automatically called on the final Observation Date (the Final Valuation Date). As a result, the investor will receive on the related Call Settlement Date (the Maturity Date) a cash payment of $1,000.00 per $1,000 Face Amount of securities (excluding any Coupons). In addition, the investor will receive Coupon payments totaling $90.00 per $1,000 Face Amount of securities over the one-year term of the securities. As a result, the investor will receive a total of $1,090.00 per $1,000 Face Amount of securities.

Example 3: **The Closing Price of the Underlying is *less than* the Initial Price on each Observation Date and a Knock-Out Event has not occurred**. Because the Closing Price of the Underlying is less than the Initial Price on each Observation Date, the securities are not automatically called. A Knock-Out Event has not occurred, which means the Closing Price of the Underlying on each day during the Observation Period was greater than or equal to the Threshold Price. Because a Knock-Out Event has not occurred, the investor receives a Payment at Maturity of $1,000.00 per $1,000 Face Amount of securities (excluding Coupon payments). In addition, the investor will receive Coupon payments totaling $90.00 per $1,000 Face Amount of securities over the one-year term of the securities. As a result, the investor will receive a total of $1,090.00 per $1,000 Face Amount of securities.

Example 4: **The Closing Price of the Underlying is *less than* the Initial Price on each Observation Date**, **a Knock-Out Event has occurred and the Final Price is 50.00% of the Initial Price**. Because the Closing Price of the Underlying is less than the Initial Price on each Observation Date, the securities are not automatically called. A Knock-Out Event has also occurred, which means the Closing Price of the Underlying on at least one day during the Observation Period was less than the Threshold Price. Because a Knock-Out Event has occurred, Deutsche Bank AG will deliver to you on the Maturity Date a number of shares of the Underlying equal to the Share Delivery Amount for each $1,000 Face Amount of securities you hold, and will pay cash in lieu of delivering any fractional shares in an amount equal to that fraction *multiplied by* the closing price of the Underlying on the Final Valuation Date. The value of the shares received at maturity and, thus, the total return on the securities at such time will depend on the closing price of the Underlying on the Maturity Date, and will likely result in a loss of some or all of your investment. In this example, we assume (i) a hypothetical Initial Price of $11.00, (ii) a hypothetical Final Price of $5.50, (iii) a hypothetical Share Delivery Amount of 90.9091 and (iv) that the closing price of one share of the Underlying on the Maturity Date is the same as the hypothetical Final Price on the Final Valuation Date. The actual Share Delivery Amount and Initial Price are set forth on the cover of this pricing supplement.

Value on the Maturity Date of shares of the Underlying received:	$495.00	(90 shares x $5.50)
Amount of cash received for fractional shares at the Final Price:	$5.00	(0.9091 shares x $5.50)
Total:	$500.00	
Total return on the securities (excluding any Coupon):	-50.00%	

In addition, the investor will receive Coupon payments totaling $90.00 per $1,000 Face Amount of securities over the one-year term of the securities. As a result, the investor will receive shares and cash with a total value of $590.00 per $1,000 Face Amount of securities.

Selected Purchase Considerations

- **THE SECURITIES OFFER A HIGHER COUPON IN EXCHANGE FOR EXPOSURE TO DOWNSIDE RISK OF THE UNDERLYING** — The securities will pay Coupons on a monthly basis at a rate of 9.00% per annum. This rate may be higher than the yield on debt securities of comparable maturity issued by us or by an issuer with a comparable credit rating, because you are taking downside risk of the Underlying if the securities are not automatically called and a Knock-Out Event occurs. **Any payment on the securities is subject to our ability to satisfy our obligations as they become due**.

  - **POTENTIAL EARLY EXIT AS A RESULT OF AN AUTOMATIC CALL** — While the original term of the securities is approximately one year, the securities will be automatically called prior to maturity if the Closing Price of the Underlying is greater than or equal to the Initial Price on any Observation Date, and you will receive a cash payment per $1,000 Face Amount of securities on the related Call Settlement Date equal to the Face Amount *plus* the Coupon otherwise due on such date. Therefore, the term of the securities could be as short as approximately six months. No Coupon will accrue or be payable following the Call Settlement Date.

- **LIMITED PROTECTION AGAINST LOSS** — If the securities are not automatically called and a Knock-Out Event has not occurred (which means the Closing Price of the Underlying is greater than or equal to the Threshold Price on each day during the Observation Period but less than the Initial Price on each Observation Date), you will receive a cash payment per $1,000 Face Amount of securities on the Maturity Date equal to the Face Amount *plus* the Coupon otherwise due on such date. However, if the securities are not automatically called and a Knock-Out Event occurs (which means the Closing Price of the Underlying is less than the Threshold Price on at least one day during the Observation Period and less than the Initial Price on each Observation Date), Deutsche Bank will deliver to you at maturity a number of shares of the Underlying equal to the Share Delivery Amount per $1,000 Face Amount of securities *plus* pay the Coupon otherwise due on such date. The shares of the Underlying delivered at maturity are expected to be worth less, and possibly significantly less, than your initial investment and may have no value at all. **In this circumstance**, **you will lose some or all of your investment at maturity and will also bear the risk of owning shares of the Underlying** (**including the risk of further decline in their value**).

- **COUPON PAYMENTS** — Unless the securities are previously called, the securities will pay Coupons monthly in arrears on the Coupon Payment Dates in 12 equal installments based on the Coupon rate of 9.00% per annum. Each installment will equal $7.50 per $1,000 Face Amount of securities. The securities will cease to be outstanding following an Automatic Call and no Coupon will accrue or be payable following the related Call Settlement Date. Therefore, you will receive less than 12 Coupon payments if the securities are called prior to the final Observation Date.

- **RETURN LINKED TO THE PERFORMANCE OF THE UNDERLYING** — The securities are linked to the performance of the common stock of Ford Motor Company (the "**Underlying**") as described herein. For more information on the Underlying, please see "The Underlying" in this pricing supplement.

- **TAX CONSEQUENCES** — Due to the lack of direct legal authority, there is substantial uncertainty regarding the U.S. federal income tax consequences of an investment in the securities. Our special tax counsel, Davis Polk & Wardwell

LLP, believes that it is reasonable to treat a security for U.S. federal income tax purposes as a put option (the "Put Option") written by you to us with respect to the Underlying, secured by a cash deposit equal to the Issue Price of the security (the "Deposit"), which will have an annual yield based on our cost of borrowing, as shown below. Our special tax counsel has advised, however, that it is unable to conclude that it is more likely than not that this treatment will be upheld, and that alternative treatments are possible that could materially and adversely affect the timing and character of income or loss on your securities. Generally, if this treatment is respected, only a portion of each Coupon payment will be attributable to interest on the Deposit; the remainder will represent premium attributable to your grant of the Put Option ("Put Premium").

Under this treatment, if you purchase the securities at issuance for their Issue Price, (a) interest on the Deposit will be taxed as ordinary interest income, while the Put Premium will not be taken into account prior to the maturity or other taxable disposition of your securities, (b) if upon an automatic call or at maturity you receive cash equal to the Face Amount of your securities and the applicable Coupon payment, you will recognize short-term capital gain in an amount equal to the total Put Premium received, and (c) if at maturity you receive the Underlying, you generally will not recognize gain or loss with respect to the Put Premium or the Underlying received; instead, the total Put Premium will reduce your basis in the Underlying received.

In 2007, the U.S. Treasury Department and the Internal Revenue Service (the "**IRS**") released a notice requesting comments on various issues regarding the U.S. federal income tax treatment of "prepaid forward contracts" and similar instruments. While it is not clear whether the securities would be viewed as similar to the typical prepaid forward contract described in the notice, 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 securities, possibly with retroactive effect.

As discussed in the section of the accompanying product supplement entitled “U.S. Federal Income Tax Consequences — ‘FATCA’ Legislation,” it would be prudent to assume that an applicable withholding agent will treat payments in respect of the securities as subject to withholding under FATCA. Notwithstanding anything to the contrary in that section of the accompanying product supplement, under a recent IRS notice, withholding under FATCA generally will not apply to payments of gross proceeds from the taxable disposition (including retirement) of the securities. You should consult your tax adviser regarding the potential application of FATCA to the securities.

Section 871(m) of the Code and Treasury regulations promulgated thereunder (“**Section 871(m)**”) generally impose a 30% withholding tax (unless an income tax treaty applies) on dividend equivalents paid or deemed paid to non-U.S. holders with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. Section 871(m) provides certain exceptions to this withholding regime, including for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations (such an index, a “**Qualified Index**”). Additionally, the applicable regulations exclude from the scope of Section 871(m) instruments issued in 2017 that do not have a delta of one with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes (each an “**Underlying Security**”). Based on certain determinations made by us, our special tax counsel is of the opinion that Section 871(m) should not apply to the securities with regard to non-U.S. holders. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. You should consult your tax adviser regarding the potential application of Section 871(m) to the securities.

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

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

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

You should consult your tax adviser regarding the U.S. federal tax consequences of an investment in the securities (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.

Consistent with the position described above, the Deposit will have an annual yield based on our cost of borrowing of 1.61%, paid monthly.

Selected Risk Considerations

An investment in the securities involves significant risks. Investing in the securities is not equivalent to investing directly in the Underlying. In addition to these selected risk considerations, you should review the "Risk Factors" sections of the accompanying product supplement, prospectus supplement and prospectus.

- **YOUR INVESTMENT IN THE SECURITIES MAY RESULT IN A LOSS** — The securities do not guarantee any return of your investment. The Payment at Maturity is based on whether the securities are automatically called and whether a Knock-Out Event occurs. If the Closing Price of the Underlying on any day during the Observation Period is less than the Threshold Price, a Knock-Out Event will have occurred. If the securities are not automatically called and a Knock-Out Event has occurred (which means the Closing Price of the Underlying is less than the Threshold Price on at least one day during the Observation Period and less than the Initial Price on each Observation Date), Deutsche Bank AG will deliver to you at maturity a number of shares of the Underlying equal to the Share Delivery Amount per $1,000 Face Amount of securities. The shares of the Underlying delivered as the Share Delivery Amount at maturity are expected to be worth less, and possibly significantly less, than the Face Amount and may have no value at all. In this circumstance, you are expected to lose some or all of your investment at maturity and will also bear the risk of owning shares of the Underlying (including the risk of further decline in their value). **Any payment on the securities is subject to our ability to satisfy our obligations as they become due**.

- **YOUR RETURN ON THE SECURITIES IS LIMITED TO THE FACE AMOUNT PLUS COUPON PAYMENTS AND YOU WILL NOT PARTICIPATE IN ANY INCREASE IN THE PRICE OF THE UNDERLYING** — The securities will not pay more than the Face Amount *plus* the Coupon payments for each $1,000 Face Amount of securities. You will not participate in any increase in the price of the Underlying even if the Final Price is greater than the Initial Price. The maximum payment upon an Automatic Call or at maturity will be the Face Amount per $1,000 Face Amount of securities (excluding Coupon payments), regardless of any increase in the price of the Underlying, which may be significant.

- **A HIGHER COUPON RATE OR A LOWER THRESHOLD PRICE MAY REFLECT A GREATER EXPECTED VOLATILITY, WHICH IS GENERALLY ASSOCIATED WITH A GREATER RISK OF LOSS** — Volatility is a measure of the degree of variation in the trading prices of an asset over a period of time. The greater the expected volatility at the time the terms of the securities are set on the Trade Date, the greater the expectation is at that time that the Underlying may close below its Threshold Price on any day during the Observation Period (resulting in a loss of some or all of your initial investment unless the securities are automatically called). In addition, the economic terms of the securities, including the Coupon rate and the Threshold Price, are based, in part, on the expected volatility of the Underlying at the time the terms of the securities are set on the Trade Date, where higher expected volatility will generally lead to a higher Coupon rate or a lower Threshold Price. Accordingly, a higher Coupon rate as compared with the coupon on our conventional fixed income securities with a similar maturity or the coupon on our other similarly structured securities will generally indicate a greater risk of loss, while a lower Threshold Price as compared with otherwise comparable securities does not necessarily indicate that the securities have a greater likelihood of returning your investment at maturity. You should be willing to accept the downside market risk of the Underlying and the potential loss of some or all of your initial investment at maturity.

- **REINVESTMENT RISK** — If your securities are automatically called, the term of the securities may be reduced to as short as approximately six months. There is no guarantee that you would be able to reinvest the proceeds from an investment in the securities at a comparable return for a similar level of risk in the event the securities are automatically called prior to the Maturity Date.

- **THE SECURITIES ARE SUBJECT TO THE CREDIT OF DEUTSCHE BANK AG** — The securities 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 securities depends on the ability of Deutsche Bank AG to satisfy its obligations as they become 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 securities. As a result, the actual and perceived creditworthiness of Deutsche Bank AG will affect the value of the securities and, in the event Deutsche Bank AG were to default on its obligations or become subject to a Resolution Measure, you might not receive any amount(s) owed to you under the terms of the securities and you could lose your entire investment.

- **THE SECURITIES MAY BE WRITTEN DOWN, BE CONVERTED INTO ORDINARY SHARES OR OTHER INSTRUMENTS OF OWNERSHIP OR BECOME SUBJECT TO OTHER RESOLUTION MEASURES. YOU MAY LOSE SOME OR ALL OF YOUR INVESTMENT IF ANY SUCH MEASURE BECOMES APPLICABLE TO US** — Pursuant to the SRM Regulation, the Resolution Act and other applicable rules and regulations described above under "Resolution Measures and Deemed Agreement," the securities are subject to the powers exercised by the competent resolution authority to impose Resolution Measures on us, which may include: writing down, including to zero, any claim for payment on the securities; converting the securities into ordinary shares of (i) the Issuer, (ii) any group entity or (iii) any bridge bank or other instruments of ownership of such entities qualifying as commoonsumers opted to take advantage of low rates provided through refinancing of their existing home mortgage. Earnings from this division for the previous three quarters of $239,000, $169,000 and $158,000 contributed significantly to record income levels recorded in year 2002.

The loan loss provision increased $69 thousand or 20.60% when compared to the same quarter of last year. Additional write downs, charge-offs, and the declining economy contributed to the increase in the provision for 2002. There was no incremental adjustment to bad debt expense accruals for the current reportable period.

Non-interest income increased $305 thousand, or (19.77%) over the prior year's third quarter. In the current quarter of 2002, fee income (non-interest income) contributed 14.93% to total revenue compared to 13.41% for the same period last year. Non-interest income received from Munford Union was $262 thousand or 15.75%. Excluding incremental income from Munford Union, the company's non-interest income increased only 2.79%. A slowdown in sales of brokerage services resulting in decreased fee income received from the subsidiary was noted as a contributing factor. Bond profits ($0 thousand) were taken third quarter of 2002 compared to $0 thousand for 2001. The following table compares non-interest income for the third quarter of 2002, 2001, and 2000:

Non-Interest Income
(in thousands)
September 30,

	2002	% of Change	2001	% of Change	2000
Service Charges on Deposit Accounts	$ 1,001	18.04%	$ 848	20.62%	$ 703
Trust Income	172	(15.27%)	203	(7.40%)	189
Other Income	675	37.20%	492	(9.55%)	544
TOTAL	$ 1,848	19.77%	$ 1,543	19.00%	$ 1,436

Non-interest expense increased $649 thousand, or 15.34%, over third quarter of 2001. The year to date pro-forma income statement(includes Munford in all periods presented) reflects a 2.49% increase in non-interest expense. Salary and benefits increased 10.80% with the addition of full time salaries, incentive accruals and health insurance associated with the opening of the Martin branch and Munford Union Bank. The full time equivalent for the current period was 254 versus 253 the prior quarter (including 42 FTE from Munford Union). Tight budget controls and incentives have stabilized the growth of controllable core expenses. First Citizens National Bank recorded a $100 thousand DDA charge-off during second quarter, which was recovered in third quarter 2002. The Efficiency ratio at quarter end was 57.17% compared to 62.31% for the same quarter in prior year. Expense other real estate was $109 thousand compared to $69 thousand for second quarter. The other real estate asset as of September 30, 2002 was $2,289,000, including $779 thousand acquired from Munford Union. Munford Union ORE decreased in excess of $550 thousand when comparing September 30, 2002 to June 30, 2002. Impaired Goodwill expense is $0 for the current reportable period compared to $153,000 for 2001. The core deposit intangible expense for the current reportable quarter was $21,000. FASB 142 altered the analysis of goodwill for the years 2003 forward. Year to date advertising, community relations, and other forms of marketing expenses was $258 thousand or 1.85% of total non-interest expense.

The following table compares non-interest expense for the third quarter of 2002, 2001, and 2000:

Non-Interest Expense
(in thousands)
September 30,

	2002	% of Change	2001	% of Change	2000
Salaries and Employee Benefits	$ 2,847	25.14%	$ 2,275	2.80%	$ 2,213
Net Occupancy	883	20.14%	735	2.79%	715
Other	1,149	(5.82%)	1,220	(35.68%)	1,897

TOTAL NON-INTEREST EXPENSE	$ 4,879	15.34%	$ 4,230	(12.33%)	$ 4,825

The following quarterly average balances, interest, and average rates are presented in the following table:

FIRST CITIZENS BANCSHARES, INC.,
AND SUBSIDIARY
MONTHLY AVERAGE BALANCES AND INTERST RATES
(STATED IN THOUSANDS)
SEPTEMBER 30,

	2002 Average			2001 Average			2000 Average		
	Balance	Interest	Rate	Balance	Interest	Rate	Balance	Interest	Rate
ASSETS									
INTEREST EARNING ASSETS:									
Loans (1) (2) (3)	$ 444,724	$ 8,757	7.87%	$ 368,026	$ 8,506	9.24%	$ 336,176	$ 8,096	9.63%
Investment Securities:									
Taxable	97,121	1,281	5.27%	82,803	1,197	5.78%	87,716	1,443	6.58%
Tax Exempt (4)	29,415	663	9.01%	14,273	256	7.17%	11,513	254	8.82%
Interest Earning Deposits	467	4	3.42%	1,147	11	3.83%	1,708	27	6.32%
Trading Account	0	0	0.00%	0	0	0.00%	0	0	0.00%
Federal Funds Sold	10,299	49	1.90%	8,270	84	4.06%	0	0	0.00%
Lease Financing	0	0	0.00%	0	0	0.00%	0	0	0.00%
Total Interest Earning Assets	$ 582,026	$ 10,754	7.39%	$ 474,519	$10,054	8.47%	$ 437,113	$ 9,820	8.98%
NON-INTEREST EARNING ASSETS:									
Cash and Due From Banks	14,904	0	0.00%	16,790	0	0.00%	20,306	0	0.00%
Bank Premises and Equipment	17,810	0	0.00%	14,299	0	0.00%	14,407	0	0.00%
Other Assets	50,471	0	0.00%	22,103	0	0.00%	21,146	0	0.00%
TOTAL ASSETS	$ 665,211	0	0.00%	$ 527,711	0	0.00%	$ 492,972	0	0.00%
	======	=====	=====	=====	=====	====	=====	====	====
LIABILITIES AND SHAREHOLDERS' EQUITY									
INTEREST BEARING LIABILITIES:									
Deposits	447,746	2,791	2.49%	354,250	3,609	4.07%	321,115	3,991	4.97%
Federal Funds Purchased and Other Interest Bearing Liabilities	106,663	1,279	4.79%	79,425	1,200	6.04%	83,987	1,192	5.67%
TOTAL INTEREST BEARING LIABILTIES	554,409	4,070	2.93%	433,675	4,809	4.43%	405,102	5,183	5.11%
NON-INTEREST BEARING LIABILITIES:									
Demand Deposits	52,454	0	0.00%	37,730	0	0.00%	38,138	0	0.00%
Other Liabilities	5,955	0	0.00%	6,943	0	0.00%	3,830	0	0.00%
TOTAL LIABILITIES	612,818	0	0.00%	478,348	0	0.00%	447,070	0	0.00%
SHAREHOLDERS' EQUITY	52,393	0	0.00%	49,363	0	0.00%	45,902	0	0.00%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 665,211	0	0.00%	$ 527,711	0	0.00%	$ 492,972	0	0.00%
	======	=====	=====	=====	=====	====	=====	====	====
NET INTEREST INCOME	--	6,684	--	--	5,245	--	--	4,637	--
NET YIELD ON AVERAGE EARNING ASSETS (ANNUALIZED)	--	--	4.59%	--	--	4.42%	--	--	4.24%

(1) Loan totals are shown net of interest collected, not earned and Loan Loss Reserve.

(2) Non-accrual loans are included in average total loans.

(3) Loan Fees are included in interest income and the computations of the yield on loans.

(4) Interest and rates on securities which are non-taxable for Federal Income Tax purposes are presented on a taxable equivalent basis.

LOANS:

The following table sets forth loan totals net of unearned income by category for the past five years:

	September 30 (In Thousands)				
	2002	2001	2000	1999	1998
Real Estate Loans:					
Construction	$ 54,547	$ 33,216	$ 33,938	$ 32,808	$ 25,232
Mortgage	282,927	225,919	201,856	184,653	142,281
Commercial, Financial and Agricultural Loans	71,598	65,961	64,404	68,222	77,059
Installment loans to individuals	39,980	45,412	38,009	38,462	27,404
Other Loans	4,376	2,039	3,201	2,887	2,506
TOTAL LOANS	$ 453,428	$ 372,547	$ 341,408	$ 327,032	$ 274,482

The following table sets forth the balance of non-performing loans as of September 30, for the years indicated:

Non-Performing Loans
September 30
(in thousands)

Year	Non-Accrual	90 Days Past Due Accruing Interest	Total
2002	$ 1,192	$ 2,985	$ 4,177
2001	$ 1,686	$ 1,184	$ 2,870
2000	$ 1,862	$ 1,877	$ 3,739
1999	$ 655	$ 444	$ 1,099
1998	$ 358	$ 301	$ 659

First Citizens National Bank
Loan Loss Experience and Reserve for Loan Losses
(in thousands)
Quarter ending September 30,

	2002	2001	2000	1999	1998
Average Net Loans Outstanding	$ 444,724	$ 368,026	$ 336,176	$ 322,550	$ 267,955
Balance of Reserve for Loan Losses at Beginning of Period	$ 5,179	$ 3,886	$ 3,898	$ 3,878	$ 3,438
Loan Charge-Offs	(481)	(227)	(249)	(192)	(166)
Recovery of Loans Previously Charged Off	333	84	88	126	90
Net Loans Charged Off	(148)	(143)	(161)	(66)	(76)
Additions to Reserve Charged to Operating Expense	404	335	239	122	121
Changes incident to Mergers	0	0	0	0	0
Balance at End of Period	$ 5,435	$ 4,078	$ 3,976	$ 3,934	$ 3,483
Ratio of Net Charge-Offs during quarter to Average Net Loans Outstanding	(.03%)	(.03%)	(.04%)	(.02%)	(.03%)

The following table will identify charge-offs by category for the period ending September 30, 2002, 2001 and 2000.

		2002	2001
CHARGE-OFFS:			
Domestic:			
Commercial, Financial and Agricultural		$ 46	$ 11
Real Estate - Construction		0	0
Real Estate - Mortgage		255	64
Installment Loans to individuals		141	114
Lease financing		0	0
Credit cards		39	38
Foreign		N/A	N/A
	Total	($ 481)	($ 227)
RECOVERIES:			
Domestic:			
Commercial, Financial and Agricultural		$ 0	$ 27
Real Estate - Construction		0	0
Real Estate - Mortgage		276	9
Installment Loans to individuals		49	45
Lease financing		0	0
Credit cards		8	3
Foreign		N/A	N/A
	Total	$ 333	$ 84
Net Charge-offs		($ 148)	($ 143)

LOANS:

Core loan growth (excluding acquisitions) grew $5 million or 1.29% when comparing September 2002 to September 2001. Reduced volume is attributable to a slowing economy and unemployment rate in Dyer County of 9%. Unemployment rates in other counties served by First Citizens range from 3.7% (Obion) to 8.8% (Lauderdale). Slower loan growth has resulted in an increase in total investments made to the bank's investment portfolio. Net loan demand is anticipated to remain flat for the remainder of 2002.

AGRICULTURAL LOANS:

First Citizens is one of the largest agriculture lenders in the State of Tennessee and is an approved Farm Credit Services lender. Agriculture makes a significant contribution to Dyer County commerce, generating approximately $79 million in revenue on an annual basis. Agriculture loans total approximately $14 million or 3.15% of total loans. Past due credits in this category are slightly over one percent of total loans.

LOAN LOSS EXPERIENCE AND RESERVES FOR LOAN LOSSES:

An analytical model based on historical loss experience, current trends and economic conditions as well as reasonably foreseeable events is used to determine the amount of provision to be recognized and to test the adequacy of the loan loss allowance.

The ratio of allowance for loan losses to total loans, net of unearned income, was listed at 1.20%. A recap of activity posted to the Reserve account in third quarter resulted in the following transactions: (1) loans charged-off $481,000 (2) recovery of loans previously charged off $333,000 and (3) additions to reserve $404,000. The provision for loan losses increased $1.3 million when compared to the same time period in 2001. The increase was necessary to cover write-downs on certain problem credits, cover shortfalls in the sale of other real estate and provide the allocations necessary to cover loan growth.

The ratio of net charged off loans during the quarter to average net loans outstanding was .03% compared to .03% for the same quarter of 2001. A review of non- performing loans indicates an increase of total non-performing loans from $2.8 million in 2001 to $4.2 million in 2002. The increase is mainly attributed to loans charged off as well as transfer of properties to Other Real Estate. An increase in unemployment rates discussed previously in the loan section was a result of the closing of a local textile manufacturer in July, 2001 and layoffs by other local manufacturing companies dealing with reduced demand for their products. A large manufacturer in Obion County recently laid off 367 workers and indicated that additional layoffs could possibly take place before year-end. The total impact of the closing and layoffs is mitigated to a degree by the opening of two small plants within Dyer County. First Citizens has no concentrations of credit of 10 percent or more of total loans in any single industry. There are no material reportable contingencies as of this report date.

LIQUIDITY:

Liquidity is managed to ensure ample funding of loan demand, investment opportunities, and large deposit withdrawals. Bancshares primary funding sources include customer core deposits, FHLB borrowings, correspondent and other borrowings. Customer based sources accounted for 81% of the total funding compared to 82% for prior year. Borrowed funds from the FHLB accounted for $69 million or 11% of total bank funding for year 2002 and 52 million or 11% for year 2001. The Federal Home Loan Bank line of credit is $117 million with a balance of $51 million available to service future draws. Total funding sources also consist of State of Tennessee deposits totaling $30 million and brokered certificates of deposits totaling $5 million resulting in total brokered deposits of $35 million or 1% of total deposits. Brokered certificate of deposits increased $5 million October 3, 2002 increasing the percentage of brokered deposits to 2% of total deposits.

The bank's liquidity position improved since year-end 2001, a result of below average loan demand and minimal deposit growth. Growth in deposits is occurring at both First Citizens National Bank and Munford Union Bank, but at levels below that accomplished in 2001. This situation reinforces the idea that consumers are in a pattern of a flight to quality by investing in deposits insured by FDIC, with the primary shift occurring in 2001. A major attraction of deposit customers has been the Wall Street Checking account. This is an unlimited transaction account that earns a rate of interest tied to the 90 day Treasury Bill Rate. Over the past three years, balances in this account have accumulated to levels in excess of $46 million. Above average deposit growth could apply pressure to the bank FDIC funds' reserve ratio causing FDIC insurance cost to increase. However, as of this reporting date, an adjustment in FDIC reserves would not have a material impact to the net income of Bancshares.

The bank's position is strengthened by ready access to a diversified base of wholesale borrowings. These include correspondent borrowings, federal funds purchased, securities sold under agreements to repurchase, Federal Home Loan Bank, Brokered certificates of deposit, and others. First Citizens National Bank has lines of credit with the FHLB and correspondent banks in excess of $140 million. The Company has a $13 million line of credit established for acquisitions and other holding company needs (see note 7). As of the current reportable period, $3.6 million of this line remains available for future liquidity needs.

The company has in place a Board approved crisis contingency liquidity plan at the bank and holding company level to defend against any material deterioration in our liquidity position.

INVESTMENT SECURITIES:

First Citizens had over one half of the bond portfolio called in the year 2001. Investments called were Callable U.S. Agencies. The called amounts were reinvested primarily into mortgage backed agencies (very defined traunches and predictable characteristics) with an average life of less than 5 years. The called agency volumes materially improved the bank's liquidity position for 2001. While year 2002 reflects an above average year in maturities and calls, volumes are significantly lower than 2001. The flow of funds as reflected on the cash flow statement reveals $84 million maturities or calls in 2001 compared to $47 million in 2002. Cash Flow statements indicate net loan growth of only $13 million, while investment purchases increased $47 million. Economic conditions negatively impacted loan growth thereby creating a shift of available funds into the portfolio. Pledged investments amount to $95 million as of the current reportable period. Peer data indicates Bancshares investment portfolio yields are slightly less than peer bank's average. The yield is a direct result of changes in the banks' called bond portfolio in the year 2001. The bank's goal is to steadily improve investment portfolio yields without taking on material risk.

The book value of listed investment securities as of the dates indicated are summarized as follows:

Composition of Investment Securities
September 30
(In thousands)

	2002	2001	2000	1999	1998
U.S. Treasury & Government Agencies	$ 92,801	$ 71,794	$ 82,824	$ 86,185	$ 88,559
State & Political Subdivisions	39,850	14,626	10,399	13,184	12,330
All Others	11,790	12,269	5,390	3,153	2,696
TOTALS	$ 144,441	$ 98,689	$ 98,613	$ 102,522	$ 103,585
	=======	======	=======	=======	=======

First Citizens National Bank does not engage in derivative activities as defined by paragraph 5 thru 7 of FASB 119 (reference footnote 7).

Investment Securities
September 30, 2002
(in thousands)

	Held to Maturity		Available for Sale	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
U.S. Treasury Securities	$ 0	$ 0	$ 509	$ 509
U.S. Government agency and corporation obligations	1,000	1,010	85,734	91,292
Securities issued by states and political subdivisions in the U.S.:				
Taxable Securities	0	0	0	0
Tax-exempt securities	1,502	1,557	35,964	38,348
U.S. Securities:				
Debt Securities	0	0	5,244	5,563
Equity Securities (including Federal Reserve stock)	0	0	6,239	6,227
Foreign securities:				
Debt Securities	N/A	N/A	N/A	N/A
Equity Securities	N/A	N/A	N/A	N/A
Total	$ 2,502	$ 2,567	$ 133,690	$ 141,939

CAPITAL RESOURCES

Total capital on September 30, 2002 was $53.9 million, up 8.25% from $49.8 million on December 31, 2001. The increase in capital was from undistributed net income, and favorable market value moves in the bond portfolio. Bancshares has historically maintained capital in excess of minimum levels established by the Federal Reserve Board. The risk based capital ratio reflects continuous improvement when reviewing prior years. The September 2002 ratio reflects the investment of $5 million in available capital into the Munford Union acquisition (purchase accounting with no stock issuance). This deployment of excess capital into revenue producing assets is in keeping with strategic planning goals established to enhance future earnings of the company. Risk based capital ratio as of September 30, 2002 was 10.58%, significantly in excess of the 8% mandated by Regulatory Authorities, while 2001's figure was 13.81%. The Company's Tier I ratio as of the current period was 7.54%. Capital as a percentage of total assets for the quarter ending September 30 is presented in the following table for the years indicated (excluding loan loss reserves):

2002	2001	2000	1999	1998

7.94%	9.39%	9.29%	9.28%	9.45%

The dividend payout ratio is 44.76% for the current period compared to 67.62% for the prior year. It is anticipated that the dividend payout will range from 45%-50% for the remainder of 2002. The quarterly dividend per share is $.26 for 2002 compared to $.25 for 2001. The quarterly dividend yield is 3.78%, well in excess of peer bank average (Southeast Bank Group)of 2.86%. Bancshares has purchased 12,285 shares of Bancshares stock in the open market since December 31, 2001. The weighted average cost basis of treasury shares is $22.43. The goal is to purchase $1 million per year for the next four years.

The table below presents for First Citizens Bancshares, Inc. certain operating ratios as of September 30: (quarterly)

	2002	2001	2000	1999	1998
Percentage of Net Income to:					
Average Total Assets	1.29%	1.14%	.56%	1.31%	1.17%
Average Shareholders' Equity	16.25%	12.29%	6.06%	14.08%	12.23%
Percentage of Dividends Declared Per Common Share to Net Income	44.76%	67.62%	71.61%	47.14%	38.17%
* Percentage of Average Shareholders' Equity to Average Total Assets	8.74%	10.11%	10.11%	10.10%	10.50%

* Represents primary capital - including reserve for loan losses account

SARBANES-OXLEY ACT OF 2002

Congress recently passed the Sarbanes-Oxley Act of 2002. The legislation requires Bancshares to disclose more information about their internal practices and to adopt more rigorous controls over the preparation and distribution of information to investors. The Act creates a new regulatory system for the audit profession and sets new standards for auditor independence. It expands criminal and civil liabilities and will attempt to contribute to broad restoration of trust in the integrity of the disclosure and accounting practices that inform our capital markets. Bancshares has and will continue to implement requirements of the act that apply to Bancshares and have been passed by congress and adopted by the Securities and Exchange Commission.

REPORT OF INTERNAL CONTROLS

A review of the effectiveness of internal controls in place over operations and accounting activities of Bancshares and its' subsidiaries is performed on an ongoing basis throughout the fiscal year. Review of systems controls is accomplished primarily through completion of control function questionnaires, observation and discussion with department or business unit managers. Controls and procedures for all operation and accounting functions are documented and approved by Executive Management. As of this report date, effectiveness of internal disclosure controls are considered to be adequate with no material deficiencies that could adversely affect Bancshares ability to report accurate and comprehensive financial information to investors. There was no internal fraud of any nature known to management.

RECENTLY ISSUED ACCOUNTING STANDARDS

The discussion on business combinations (FASB 141) and accounting for goodwill (FASB 142) will have an impact on the company's financials. Purchase accounting has been applied on the Munford Union acquisition and will be applied for future acquisitions.

First Citizens calculated the fair value of its' one unit and compared that to the unit's book value. FASB 142 adopts a more aggregate view for goodwill and bases the accounting on the units of the combined entity into which an acquired entity is integrated (reporting units per FASB 131). If book value is determined to be below the fair value assessment, there is no impairment loss. But, if fair value is below book, this means that goodwill has been impaired, and a write down is required. Pooling of interest method was eliminated June 30, 2001. As of June 30, 2002, there was no impairment; therefore, no amortization expense was required. The bank adopted FASB 142 on January 1, 2002 and the benchmark was applied. The amount of amortization eliminated in 2002 was $25 thousand per month. No impairment write-downs are anticipated in year 2002.

FASB Statement 144 supersedes Statement 121 and provides a single accounting model for long-lived assets to be disposed. This statement did not have a material impact on First Citizens financial condition or results of operations.

In April 2002, FASB issued Statement 145, "Recission of Statements 4,44 and 64 and amendment of FASB 13 and technical corrections" (Statement 145). Statement 145 rescinds Statement 4, which required all gains and losses from extinguishment of debt to be aggregated and, if, material, classified as an extraordinary item, net of tax. The provisions of this statement did not have a material impact on Bancshares.

FASB issued Statement 147 (Acquisitions of Certain Financial Institutions. This statement will replace paragraphs in Statement 72, Accounting for Certain Acquisitions of Banking or Thrift Institutions. This issuance has no immediate impact on Bancshares, but could be applicable if Bancshares enters into other acquisitions.

PART I - ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The bank maintains a formal asset and liability management process to quantify, monitor and control interest rate risk. The asset liability committee attempts to maintain stability in the net interest margin under various interest rate cycles. First Citizens has materially improved its interest rate risk exposure since year-end 2000. Strategic actions implemented are as follows: (1) increased long term FHLB Borrowings by $11 million; (2) purchased variable rate investments; (3) enticed existing deposit customers to extend maturities past 1 year; (4) Used 3 year brokered Certificate of deposits as a source of funds ($10 million); and (5) reduced overnight borrowings exposure.

First Citizens swapped a $1,500,000 fixed investment cash flow for a variable cash flow stream that is tied to the 90 day libor rate on June 2000. The new variable investment cash flow is matched with a variable borrowing, thereby producing a positive ongoing spread of 250 basis points with no interest rate risk. This transaction was implemented to increase earnings and reduce interest rate risk. The cash flow hedge has produced a positive income, but because the bank swapped a fixed cash flow for a variable cash flow and rates have declined the value of the derivative has decreased since inception. The volume and risk associated with this derivative is well within the Funds Management Policy of the bank. There have been no material changes since year-end 2001 applicable to this transaction.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

There are no material legal proceedings filed against First Citizens Bancshares or its subsidiaries as of this report date.

Item 2. Changes in Securities

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters To a Vote of Security Holders

None.

Item 5. Other Information - Certification Under Sarbanes-Oxley Act

The Chief Executive Officer and Chief Financial Officer furnished to the SEC the certification with respect to this Report that is required by Section 302 and 906 of the Sarbanes-Oxley Act of 2002.

Item 6. Exhibits and Reports on Form 8K

None.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

First Citizens Bancshares, Inc.
(Registrant)

Date: November 14, 2002

/s/ KATIE WINCHESTER
PRESIDENT, CEO & VICE CHAIRMAN
First Citizens National Bank
(Principal Subsidiary)

Date: November 14, 2002

/s/ JEFF AGEE
EXECUTIVE VICE PRESIDENT &
CHIEF FINANCIAL OFFICER
First Citizens National Bank
(Principal Subsidiary)