

Product information sheet

on financial instruments in accordance with the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG)

As of 10 June 2015

This document provides you with an overview of the essential features of this financial instrument; in particular it explains the functionality and the risks. Please read the following information carefully before you make an investment decision.

Product name: Capped Capital Protection Certificate linked to the Z Index

German securities code (WKN): XYN34R / ISIN: DE000XYN34R4

Exchanges: Börse Frankfurt Zertifikate Premium; EUWAX, Stuttgart

Issuer (issuer of the Capital Protection Certificate): XY Bank
(credit institution: www.bank/savings bank.com)

Product class: Capital Protection Certificate

1. Product description / functionality

General description of functionality

This Capital Protection Certificate is linked to the Z Index (index / underlying). It has a fixed lifetime and will be due on 3 October 2018 (redemption date).

The possibilities for the redemption of the Capital Protection Certificate are as follows:

1. If the closing level of the index on the Frankfurt Stock Exchange (Xetra) on 28 September 2018 (reference price) is at or above the upper price barrier of 3,519.62 points (cap), the investor will receive EUR 120.00 (maximum amount).
2. If the reference price is below 3,519.62 points but still above 2,933.02 points, the investor will receive the capital protection amount (EUR 100.00) plus the percentage value performance of the index as compared to its level at issue. In other words, the investor participates with a multiplier of 1 to 1 in the positive performance of the index as compared to its level at issue.
3. If the reference price is at or below 2,933.02 points, the investor will receive EUR 100.00 (capital protection amount).

Investors will renounce interest payments for the capital protection at the end of the lifetime.

Furthermore, they will renounce dividends from the components of the index. Investors have no right to any entitlement resulting from the components of the index (e.g. voting rights)..

Underlying (optional)

[The Z Index is an equity index which does not take the dividends of the index components into account (price index).] [The Z Index is an equity index which takes the dividends of the index components into account (performance index).] The index tracks the X largest companies in country Y. [optional: The index is calculated by the IS (index sponsor) who is responsible for the design, calculation and composition of the index and also for the weighting of the index components.]

Market expectation (optional)

The Capital Protection Certificate is intended for investors who assume that at maturity the price of the Z Index will be above 3,519.62 points¹.

¹ If 3,519.62 cannot be specified, the term 'cap' can also be used.

2. Product data

Underlying (German securities code (WKN)/ISIN)	Z Index (123456/DE0001234561)	Cap	3,519.62 points
Currency of the Capital Protection Certificate	EUR	Maximum amount	EUR 120.00
Issue date	1 October 2013	Reference price	The index closing price on the valuation date (Xetra)
Initial issue price	EUR 100.00	Valuation date	28 September 2018
Index price at issue of the Capital Protection Certificate	2,933.02 points (index closing price on issue date)	Redemption date	3 October 2018
Current price of the index	3,044.00 points	Smallest tradable unit	1 Capital Protection Certificate
Current price of the Capital Protection Certificate	EUR 101.73	Exchange listing	EUWAX, Stuttgart; Börse Frankfurt Zertifikate Premium
Capital protection amount	EUR 100.00	Last exchange trading day	27 September 2018

3. Risks

Issuer risk / credit risk

Investors are exposed to the risk that the issuer might be unable to fulfil its obligations in respect of the Capital Protection Certificate e.g. in the event of insolvency (inability to pay / over-indebtedness) or an administrative order. A total loss of the capital invested is possible. The Capital Protection Certificate is a debt instrument and as such is not covered by any deposit protection scheme².

Risks at maturity

Due to the capital protection, the risk at maturity is limited to the issuer risk (see above).

Price fluctuation risk

The investor will bear the risk that the value of this Capital Protection Certificate will be adversely affected during the lifetime, in particular due to the factors which determine the market price mentioned in Clause 4, and can also be significantly below the purchase price. In other words, the capital protection is effective at maturity but not during the lifetime.

Call-in / reinvestment risk

The issuer may, with immediate effect, call in the Capital Protection Certificate if an extraordinary event occurs. Examples of extraordinary events include [the cessation of calculation of the index by the calculation agent, changes in legislation, tax events and the discontinuation of the issuer's ability to carry out the necessary hedging transactions.] In this case, the redemption amount may possibly also be significantly below the [purchase price] [nominal value] [capital protection amount]. [A total loss of investment is even possible.] Investors also bear the risk that the product will be called in at a time unfavourable to them, and they may only be able to reinvest the redemption amount on less favourable terms.

4. Availability

Tradability

After the issue date, the Capital Protection Certificate can, as a rule, be bought or sold on an exchange or on the OTC market. The issuer will continually quote indicative (non-binding) buy and sell prices for the Capital Protection Certificate under normal market conditions (market making). However, it is not under any legal obligation to do so. The issuer determines the buy and sell prices using conventional pricing models, taking into account the factors that determine the market price. This means that the price is not derived directly from supply and demand, unlike in exchange trading of, for instance, equities. In unusual market situations, or in the event of technical faults/disruptions, a purchase and/or sale of the Capital Protection Certificate can be temporarily hindered, or may not be possible at all.

Factors determining the market price during the lifetime

In particular, the following factors can adversely affect the value of the Capital Protection Certificate:

- the price of the index decreases;
- the general interest rate level increases;
- the expectation regarding future dividends increases;
- a decrease in volatility (key figure for the frequency and intensity of the anticipated fluctuations of the index level) or, if the index level is close to the cap, an increase in volatility;
- a deterioration in the credit worthiness of the issuer.

Conversely, the factors can also increase the value of the Capital Protection Certificate. Individual factors can have a mutually bolstering effect, or the opposite.

5. Scenario analysis by way of example

The following scenario analysis is not an indicator of the actual value performance of the Capital Protection Certificate. The scenario analysis is based on the following assumptions: 1. OTC market purchase of the Capital Protection Certificate at the [initial issue price] [issue price] [purchase price] [plus issuance premium] and being held until maturity. 2. Standardised costs amounting to [1.2 percent] of the [initial issue price] [issue price]

² If applicable

[purchase price]. These will include normal market purchase costs and additional follow-up purchase costs such as commission and custody fees. The costs actually incurred by the investor can (possibly even considerably) deviate from the costs assumed in the scenario analysis. **3. Tax effects** will not be considered in the scenario analysis.

Scenario 1 – positive for the investor (optional):

The reference price is at or above 3,519.62 points. The investor will receive EUR 120.00 (this corresponds to a net amount of EUR 118.80 after deduction of the costs) on the redemption date. In this case, the investor will make a profit.

Scenario 2 – neutral for the investor (optional):

The reference price is 2,968.22 points. The investor will receive EUR 101.20 (EUR 100.00 net) on the redemption date. In this case, the investor will neither make a profit nor make a loss.

Scenario 3 – negative for the investor (optional):

The reference price is 1,500 points. The investor will receive the capital protection amount of EUR 100.00 (EUR 98.80 net) on the redemption date. In this case, the investor will make a loss equivalent to the amount of the costs.

Reference price	Gross redemption amount	<u>Alternative 1</u> Net amount (gross amount less costs)	<u>Alternative 2</u> Net performance to maturity based on the purchase price inclusive of costs
4,000.00 points	EUR 120.00	EUR 118.80	18.80 percent
3,300.00 points	EUR 112.51	EUR 111.31	11.31 percent
2,968.22 points	EUR 101.20	EUR 100.00	0.00 percent
2,500.00 points	EUR 100.00	EUR 98.80	-1.20 percent
1,500 points	EUR 100.00	EUR 98.80	-1.20 percent

Positive development for the investor / Neutral development for the investor / **Negative development for the investor**

6. Costs / sales remuneration

[Issuer estimated value (IEV)]

The issuer estimated value amounts to [EUR X / X percent].

This value of the Capital Protection Certificate estimated by the issuer is calculated one time only at the time of determining the terms and conditions of the product. The difference between the issue price of the Capital Protection Certificate [plus issue surcharge] and the IEV comprises the expected issuer margin and sales remuneration where applicable. The expected issuer margin covers, amongst other things, the costs of structuring, market making and settlement of the Capital Protection Certificate and also includes the expected profit for the issuer.]

Purchase costs

Where the transaction between the investor and the bank / savings bank is agreed at a fixed or specific price (fixed-price transaction), this price includes all purchase costs and normally comprises a profit for the bank / savings bank. Otherwise, the transaction will be concluded on behalf of the bank / savings bank with a third party for the account of the investor (commission transaction). The remuneration for this amounting to up to

[1 percent], however at least up to [EUR 50], and third-party costs and expenses (e.g. exchange fees and charges) will be separately disclosed in the securities settlement statement or contract note.

Ongoing costs

The costs agreed with the custodian bank / savings bank for holding the Capital Protection Certificate in the investor's securities account will have to be borne by the investor (custody fee).

Sales remuneration

The bank / savings bank will receive up to 1.00 percent of the initial issue price from the issuer as sales remuneration.

7. Taxation

Investors are advised to avail themselves of the services of a tax advisor in order to clarify any individual tax effects of buying, holding, selling and/or redeeming the Capital Protection Certificate.

8. Miscellaneous information

All details of the financial instrument contained in this product information sheet do not represent a recommendation in respect of the purchase or sale of the Capital Protection Certificate, nor can it replace the advice provided on a one-to-one basis by the bank / savings bank or an advisor of the investor. This product information sheet contains essential information relevant to the Capital Protection Certificate. In line with Section 14, paragraph 2, page 1, no. 3a of the German Securities Prospectus Act (*Wertpapierprospektgesetz, WpPG*), the prospectus is published on the issuer's website (www.xy-bank.de), along with any supplements and the final terms. In order to obtain further more detailed information - and in particular details of the structure of and risks associated with an investment in the Capital Protection Certificate - potential investors should read these documents.