

Product information sheet

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

As of 4 January 2017

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: Express Certificate linked to the Z Index

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

Exchange: Börse Frankfurt Zertifikate Premium; EUWAX, Stuttgart

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

Product class: Express Certificate

1. Product description / functionality

General description of functionality

This Express Certificate is linked to the Z Index (index / underlying). It has a fixed lifetime and will be due on 12 September 2018 (redemption date). The Express Certificate may be repaid prematurely during its lifetime. This occurs if the relevant closing level of the index on the Frankfurt Stock Exchange (Xetra) is at or above 2,851.40 points (redemption threshold) on a valuation date. [The redemption amounts rise from one valuation date to the next.]

If the Express Certificate has not been prematurely repaid, the following scenarios are possible on the redemption date:

1. If the closing level of the index on the Frankfurt Stock Exchange (Xetra) on 7 September 2018 (reference price) is at or above 2,851.40 points (redemption threshold), the investor will receive EUR 129.00.
2. If the reference price is below 2,851.40 points but still above 1,853.41 points (barrier), the investor will receive EUR 100.00.
3. If the reference price is below 1,853.41 points (barrier), the investor will receive EUR 100.00 less the percentage performance of the index. In other words, the investor participates in a ratio of 1 to 1 in the negative performance of the index as compared to its level at issue.

Investors will limit their potential return on the redemption amount for the possibility of early redemption at a redemption amount. Furthermore, they will renounce the entitlement to 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 Express Certificate is intended for investors who assume that at the latest at maturity the level of the Z Index will be at least 2,851.40 points¹.

2. Product data

Underlying (German securities code (WKN/ISIN))	Z Index (123456/DE0001234561)	Redemption date	12 September 2018
Currency of the Express Certificate	EUR	Price of the underlying	3,038.00 points
Issue date	10 September 2013	Price of the Express Certificate	EUR 98.86
Initial issue price	EUR 100.00	Smallest tradable unit	1 Express Certificate
Price of the index at issue of the Express Certificates	2,851.40 points	Exchange listing	EUWAX, Stuttgart Börse Frankfurt Zertifikate Premium
Reference price	The index closing level on the last exercise date (Xetra)		

¹ If 2,851.40 points cannot be specified, the term 'redemption threshold' can also be used.

Barrier	1,853.41 points	Last exchange trading day	6 September 2018
Valuation dates	Date	Redemption threshold	Redemption amount
1. Valuation date	9 September 2014	2,851.40 points	EUR 105.80
2. Valuation date	9 September 2015	2,851.40 points	EUR 111.60
3. Valuation date	7 September 2016	2,851.40 points	EUR 117.40
4. Valuation date	7 September 2017	2,851.40 points	EUR 123.20
5. Valuation date	7 September 2018	2,851.40 points	EUR 129.00

3. Risks

Risks at maturity

If the reference price is below the barrier of the Express Certificate, the investor will sustain a loss. Worst case: total loss of the capital invested if the index level is zero on the last valuation date.

Issuer risk / credit risk

Investors are exposed to the risk that the issuer might be unable to fulfil its obligations in respect of the Express Certificate, such as in the event of insolvency (inability to pay / over-indebtedness) or an administrative order to initiate resolution measures. The resolution authority may also issue such an order before any insolvency proceedings if the issuer experiences a [crisis] [threat to its continued existence]. Under these circumstances the resolution authority has wide-ranging powers to take action. For example, it can reduce the claims of investors in respect of the Express Certificate to zero, terminate the Express Certificate, or convert it into shares of the issuer and suspend investors' rights. [With regard to the basic ranking of the issuer's obligations in the event of action by the resolution authority, please see (www.bafin.de and search for the keyword "Haftungskaskade").] [Insert own website.] A total loss of the capital invested is possible. The Express Certificate is a debt instrument and as such is not covered by any deposit protection scheme².

Price fluctuation risk

The investor will bear the risk that the value of this Express 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.

Call-in / reinvestment risk

The issuer may, with immediate effect, call in the Express 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]. [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. The investor bears this reinvestment risk, also in case of an early redemption of the Express Certificate.

4. Availability

Tradability

After the issue date, the Express 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 Express 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 Express 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 Express Certificate:

- the price of the index falls;
- the general interest rate level increases;
- the expectation regarding future dividends increases;
- a deterioration in the credit worthiness of the issuer.

Also, an increase in volatility (key figure for the frequency and intensity of the anticipated fluctuations of the index level) can adversely affect the value of the Express Certificate.

Conversely, the factors can also increase the value of the Express 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 Express Certificate. The scenario analysis is based on the following assumptions: **1.** OTC market purchase of the Express 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] [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 2,851.40 points (redemption threshold). The investor will receive EUR 129.00 on the redemption date (this corresponds to a net amount of EUR 127.80 after deduction of the costs). In this case, the investor will make a profit.

² If applicable

Scenario 2 – negative for the investor (optional):

The reference price is EUR 1,482.73 points. The investor will receive EUR 52.00 (EUR 50.80 net) on the redemption date. In this case, the investor will make a loss.

Reference price on the first valuation date	Reference price on the last valuation date	Redemption date	Gross redemption amount	Alternative 1 Net amount (gross amount less costs)	Alternative 2 Net performance to maturity based on the purchase price inclusive of costs
3,136.54 points		14 September 2014	EUR 105.80	EUR 104.60	4.55 percent
2,566.26 points	3,136.54 points	12 September 2018	EUR 129.00	EUR 127.80	27.47 percent
2,566.26 points	2,038.75 points	12 September 2018	EUR 100.00	EUR 98.80	-1.19 percent
2,566.26 points	1,482.73 points	12 September 2018	EUR 52.00	EUR 50.80	- 48.62 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 Express 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 Express 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 Express Certificate and also includes the expected profit for the issuer.]

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 Express 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 Express 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 Express 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 Express 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 Express Certificate - potential investors should read these documents.