

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: Open-End Tracker Certificate linked to the Z Index

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

Exchanges: Börse Frankfurt Zertifikate Premium; EUWAX, Stuttgart

Issuer (issuer of the Open-End Tracker Certificate): XY Bank
(credit institution; www.bank/savings bank.com)

Product class: Tracker Certificate

1. Product description / functionality

General description of functionality

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This Tracker Certificate is linked to the Z Index (index / underlying). It does not have a fixed lifetime. In addition to the option of being sold on an exchange or on the OTC market (for tradability, see Clause 4.), the investor may exercise the Tracker Certificate on the exercise dates. The issuer has the right to terminate the Tracker Certificate on any exercise date.

The investor will participate in the value performance of the index via the Tracker Certificate. After exercise or termination, the investor will receive a redemption amount on the relevant redemption date, the amount of which will depend on the price of the index on the relevant exercise date. The redemption amount will correspond to the closing level of the index on the exercise date (reference price) multiplied by the multiplier of 0.01. The index value is calculated in USD whereby 1 point corresponds to USD 1.00. The conversion into EUR required to determine the redemption amount will be carried out at the relevant EUR/USD exchange rate.

Investors will not receive any regular income (e.g. interest) during the lifetime. Furthermore, they 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 Tracker Certificate is intended for investors who assume that the price of the index will rise and the USD will not depreciate relative to the EUR.

2. Product data

Underlying (German securities code (WKN)/ ISIN)	Z Index (123456/DE0001234561)	Reference price	The index closing price on the relevant exercise date (NASDAQ)
Currency of the Tracker Certificate	EUR	Exercise date	From 2 May 2013, on the third Friday in June and in December, for the first time on 20 December 2013
Currency of the underlying	USD	Termination by the issuer	From 18 September 2014 on each exercise date with a notice period of 3 months, for the first time on 18 December 2014
Current price of the underlying (optional)	1.280 points	Redemption date	On the third bank working day following the relevant exercise date
Issue date	26 April 2013	Multiplier	0.01
Initial issue price	EUR 9.17	Smallest tradable unit	1 Tracker Certificate
Price of the index at issue of the Tracker Certificate	1,100 points (the index closing price on issue date)	Exchange listing	EUWAX, Stuttgart; Börse Frankfurt Zertifikate Premium
EUR/USD exchange rate at issue of the Tracker Certificate	EUR 1.0000 / USD 1.2000		

3. Risks

Risks at maturity [in the case of exercise or termination]

The investor will incur a loss if at maturity the reference price multiplied by the relevant multiplier (converted into EUR) is below the purchase price of the Tracker Certificate. Worst case: total loss of the capital invested if the index is quoted at zero on the relevant exercise date.

Currency risk

Investors are exposed to the risk that the [EUR/USD] exchange rate [of the currencies relevant to the product] will change to the detriment of the investor both during the lifetime and at maturity.

Issuer risk / credit risk

Investors are exposed to the risk that the issuer might be unable to fulfil its obligations in respect of the Tracker 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 Tracker Certificate is a debt instrument and as such is not covered by any deposit protection scheme¹.

Price fluctuation risk

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

4. Availability

Tradability

After the issue date, the Tracker 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 Tracker 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 Tracker 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 Tracker Certificate:

- the price of the index decreases;
- the USD depreciates against the EUR;
- a deterioration in the credit worthiness of the issuer.

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

¹ If applicable

5. Scenario analysis by way of example

The following scenario analysis is not an indicator of the actual value performance of the Tracker Certificate. The scenario analysis is based on the following assumptions: 1. OTC market purchase of the Tracker Certificate at the [initial issue price] [issue price] [purchase price] [plus issuance premium] and exercise by the investor. 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. The exchange rate is unchanged at EUR 1.0000 / USD 1.2000. 4. Tax effects will not be considered in the scenario analysis.

Scenario 1 – positive for the investor (optional):

The reference price is 2,000 points. The investor will receive EUR 16.67 (after deduction of the costs this will correspond to a net amount of EUR 16.56) on the redemption date. In this case, the investor will make a profit.

Scenario 2 – neutral for the investor (optional):

The reference price is 1,113.60 points. The investor will receive EUR 9.28 (EUR 9.17 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 1,000 points. The investor will receive EUR 8.33 (EUR 8.22 net) on the redemption date. In this case, the investor will make a loss.

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
2,000	EUR 16.67	EUR 16.56	+82.78%
1,500	EUR 12.50	EUR 12.39	+36.76%
1,113.60	EUR 9.28	EUR 9.17	0.00%
1,000	EUR 8.33	EUR 8.22	-10.24%
500	EUR 4.17	EUR 4.06	-55.07%

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