

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 Outperformance Certificate linked to Z AG shares

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

Exchanges: Börse Frankfurt Zertifikate Premium; EUWAX / Stuttgart

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

Product class: Capped Outperformance Certificate

1. Product description / functionality

General description of functionality

This Capped Outperformance Certificate is linked to the shares of Z AG (share / underlying). It has a fixed lifetime and will be due on 23 December 2013 (redemption date).

The possibilities for redemption of the Capped Outperformance Certificate are as follows:

1. If the closing price of the share on the Frankfurt Stock Exchange (Xetra) on 16 December 2013 (reference price) is above or at the upper price barrier of EUR 42.00 (cap), the investor will receive EUR 49.00 (maximum amount).
2. If the reference price is below EUR 42.00 but above or at EUR 35.00 (strike price), the investor will receive EUR 35.00 plus twice the amount (participation factor 2.0) by which the reference price exceeds the strike price.
3. If the reference price is below EUR 35.00, the investor will receive the number of shares determined by the multiplier of 1. Consequently, the investor will receive 1 share. In this case, the value of the share can be lower than the [initial issue price] [issue price] [purchase price] [plus issuance premium].

In order to be able to participate in twice the growth of the share, the redemption amount is limited to the maximum amount. Furthermore, investors will renounce the entitlement to dividends from the share.

Investors have no right to any entitlement resulting from the share (e.g. voting rights).

Underlying (optional)

Industry: Y Registered office: country Y [Inclusion in the index: Y index]

Market expectation (optional)

The Capped Outperformance Certificate is intended for investors who assume that the value of the share will not rise above EUR 49.00¹, but will not fall below EUR 35.00² at the end of the lifetime.

2. Product data

Underlying (German securities code (WKN)/ISIN)	Z-AG share (123456/ DE0001234561)	Participation factor	2.0
Currency of the Capped Outperformance Certificate	EUR	Valuation date	16 December 2013
Currency of the underlying	EUR	Reference price	Share closing price (Xetra) on the valuation date
Issue date	27 November 2012	Redemption date	23 December 2013
Share price at issue of the Capped Outperformance Certificate	EUR 34.33	Multiplier	1.0
Initial issue price	EUR 34.33	Smallest tradable unit	1 Capped Outperformance Certificate
Strike price	EUR 35.00	Exchange listing	EUWAX, Stuttgart; Börse Frankfurt Zertifikate Premium

¹ If it is not possible to indicate EUR 49.00, the term 'maximum amount' may also be used.

² If it is not possible to indicate EUR 35.00, the term 'strike price' may also be used.

Cap (share)	EUR 42.00	Last exchange trading day	13 December 2013
Maximum amount (Capped Outperformance Certificate)	EUR 49.00		

3. Risks

Risks at maturity

If the reference price is below the strike price, shares will be delivered. The value of the shares may possibly be significantly below the purchase price of the Capped Outperformance Certificate. The investor must note that losses may arise even after the valuation date until the shares are credited to the investor's securities account. Worst case: total loss of the capital invested if the share is worthless upon delivery.

Issuer risk / credit risk

Investors are exposed to the risk that the issuer might be unable to fulfil its obligations in respect of the Capped Outperformance 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 Capped Outperformance Certificate is a debt instrument and as such is not covered by any deposit protection scheme³.

Price fluctuation risk

The investor will bear the risk that the value of this Capped Outperformance 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 Capped Outperformance Certificate if an extraordinary event occurs. Examples of extraordinary events include [the delisting or loss of the underlying, 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 Capped Outperformance 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 Capped Outperformance 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 Capped Outperformance 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 Capped Outperformance Certificate:

- the price of the share decreases;
- the general interest rate level increases;
- the expectation regarding future dividends increases;
- generally a decrease in volatility (key figure for the frequency and intensity of the anticipated fluctuations of the share price) or if the price of the share 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 Capped Outperformance 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 Capped Outperformance Certificate. The scenario analysis is based on the following assumptions: **1.** OTC market purchase of the Capped Outperformance 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.** In the event of delivery, the calculations will be made on the basis of the reference price. **4.** Tax effects will not be considered in the scenario analysis.

Scenario 1 – positive for the investor (optional):

The reference price is above or at EUR 42.00 (cap). The investor will receive EUR 49.00 (this corresponds to a net amount of EUR 48.59 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 EUR 34.74. The investor will receive 1 share with a value of EUR 34.74 (EUR 34.33 net) on the redemption date. In this case, the investor will neither make a profit nor make a loss. This is because the value of the share - after deduction of the costs - will correspond to the purchase price of the Capped Outperformance Certificate.

Scenario 3 – negative for the investor (optional):

The reference price is EUR 20.00. The investor will receive 1 share with a value of EUR 20.00 (EUR 19.59 net) on the redemption date. In this case, the investor will make a loss. This is because the value of the share - after deduction of the costs - will be below the purchase price of the Capped Outperformance Certificate.

³ If applicable

Reference price	Repayment	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
EUR 55.00	EUR 49.00	EUR 49.00	EUR 48.59	41.54 percent
EUR 42.00	EUR 49.00	EUR 49.00	EUR 48.59	41.54 percent
EUR 38.50	EUR 42.00	EUR 42.00	EUR 41.59	21.15 percent
EUR 34.74	Delivery of 1 share	EUR 34.74	EUR 34.33	0.00 percent
EUR 29.00	Delivery of 1 share	EUR 29.00	EUR 28.59	-16.72 percent
EUR 25.00	Delivery of 1 share	EUR 25.00	EUR 24.59	-28.37 percent
EUR 20.00	Delivery of 1 share	EUR 20.00	EUR 19.59	-42.94 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 Capped Outperformance 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 Capped Outperformance 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 Capped Outperformance 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 Capped Outperformance 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 Capped Outperformance 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 Capped Outperformance 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 Capped Outperformance 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 Capped Outperformance Certificate - potential investors should read these documents.