

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: Corridor Certificate linked to the Z Index

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

Exchanges: Börse Frankfurt Zertifikate Premium; EUWAX, Stuttgart

Issuer (issuer of the Corridor 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 27 December 2018 (redemption date). At the end of the lifetime, a full payment of the capital protection amount (EUR 1,000.00) will be made.

The investor will receive a fixed distribution of EUR 27.50 per certificate on each annual distribution date (see below). This will, however, only take place if the price of the index in the distribution observation period has never fallen to or below the lower price barrier (lower barrier) and has never risen to or above the upper price barrier (upper barrier) before the respective distribution date. If the price of the index is removed from the 'corridor' formed by the upper and lower barrier at least once in the distribution observation period before a distribution date, the distribution on the following distribution date will not apply. The likelihood of the payment of all distributions at the time of determining the product conditions is thereby X percent and the likelihood that no distribution will be made at all is Y percent.

The investor has 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 the price of the Z Index is always within the respective corridor.

2. Product data

Underlying (German securities code (WKN)/ISIN)	Z Index (123456/DE0001234561)	Initial level	9,181.75 points
Currency of the Capital Protection Certificate	EUR	Redemption date	27 December 2018
Issue date	18 December 2013	Smallest tradable unit	1 Capital Protection Certificate
Initial issue price	EUR 1,000.00	Exchange listing	EUWAX, Stuttgart, Börse Frankfurt Zertifikate Premium
Capital protection amount	EUR 1,000.00	Last exchange trading day	23 December 2018
Possible distribution amount	EUR 27.50 per certificate		

Distribution observation period	Distribution date	Barriers
18 Dec. 2013 (exclusive) to 18 Dec. 2014 (inclusive)	29 December 2014	Lower barrier: 7,345.40 points (80% of the initial level) Upper barrier: 11,018.10 points (120% of the initial level)
18. Dec. 2014 (exclusive) – 18.Dec. 2015 (inclusive)	28 December 2015	Lower barrier: 6,886.31 points (75% of the initial level) Upper barrier: 11,477.19 points (125% of the initial level)
18. Dec. 2015 (exclusive) – 19.Dec. 2016 (inclusive)	27 December 2016	Lower barrier: 6,427.23 points (70% of the initial level) Upper barrier: 11,936.28 points (130% of the initial level)
19. Dec. 2016 (exclusive) – 18. Dec. 2017 (inclusive)	27 December 2017	Lower barrier: 5,968.14 points (65% of the initial level) Upper barrier: 12,395.36 points (135% of the initial level)
18.Dec. 2017 (exclusive) – 18.Dec. 2018 (inclusive)	27 December 2018	Lower barrier: 5,509.05 points (60% of the initial level) Upper barrier: 12,854.45 points (140% of the initial level)

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, 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 Capital Protection Certificate to zero, terminate the Capital Protection 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 Capital Protection Certificate is a debt instrument and as such is not covered by any deposit protection scheme¹.

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 approaches the barriers or is above or below the barriers;
- the general interest rate level increases;
- the expectation regarding future dividends increases;
- the volatility (key figure for the frequency and intensity of the expected price fluctuations for the index) increases;
- 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.

¹ If applicable

5. Scenario analysis by way of example

So long as the issuer is able to pay, the aforementioned distributions will be paid on the distribution dates. The distributions are not guaranteed, but are dependent on the price trend of the index. The redemption of the Capital Protection Certificate will be made at 100 percent of the capital protection amount. 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] [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.

Amount invested	Redemption	Distributions	Costs	Net amount (redemption plus. distribution less costs)
EUR 1,000	EUR 1,000	EUR 137.50 (5 distributions)	EUR 12.00	EUR 1,125.50
EUR 1,000	EUR 1,000	EUR 27.50 (1 distribution)	EUR 12.00	EUR 1,015.50
EUR 1,000	EUR 1,000	EUR 0.00 (no distribution)	EUR 12.00	EUR 988.00

Positive 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.