

Key Information Document ("KID")

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Product

Mini-Future Long Warrant linked to Z-AG shares

German Securities Code (WKN): XYN34R / ISIN: DE000XYN34R4

Manufacturer of the Product: XY Bank AG (Issuer) / www.xy-bank.com/contact / call [phone number] for more information

The Federal Financial Supervisory Authority (BaFin), Germany, is responsible for supervising [XY Bank AG] [the manufacturer] in relation to this Key Information Document

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You are about to purchase a product that is not simple and may be difficult to understand.

1. What is this product?

Type

This product is a bearer bond issued under German law.

Term

The product does not have a fixed lifetime, subject to exercise by the investor or termination by the Issuer.

Objectives

Objective of the product is to provide you with a specified entitlement according to predefined conditions. You will participate disproportionately (in a leveraged manner) in any price trend of the Underlying. The product can expire during its lifetime if a Knock-out Event occurs. A Knock-out Event occurs if the Price of the Underlying is at or below the relevant Barrier at any time during the Observation Period. In this case you will receive an amount which equals the amount by which the Stop Loss Reference Price exceeds the relevant Strike Price, multiplied by the Multiplier. The Stop Loss Reference Price is determined at the Issuer's reasonable discretion on the basis of the proceeds of the unwinding of hedging transactions. In the case that the Stop Loss Reference Price is equal to or below the relevant Strike Price the product becomes almost worthless immediately. You will only receive the Minimum Amount.

You may exercise the product on any bank business day during the Exercise Period. Furthermore, the Issuer has the right to terminate the product on any bank business day following the start of the Exercise Period with a two-day notice period.

After exercise or termination and unless a Knock-out Event has occurred before, you will receive a Redemption Amount on the relevant Redemption Date which equals the amount by which the Reference Price exceeds the relevant Strike Price, multiplied by the Multiplier.

The Strike Price is adjusted daily to reflect a financing component incurred by the Issuer based on a specific market interest plus a margin determined by the Issuer in its reasonable discretion. In addition, upon payment of a dividend by the Underlying's issuer the relevant Strike Price will be reduced by an amount which takes into account the net dividend paid.

The Barrier is also adjusted daily so that it is equal to the relevant Strike Price multiplied by the Stop Loss Buffer. As a result the Barrier is constantly higher than the Strike Price with the effect that the Product does not immediately and necessarily expire worthless after the occurrence of a Knock-out Event.

You have not right to any entitlement resulting from the Underlying (e.g. voting rights).

| | | | |
|---|---------------------------|----------------------------|--|
| Underlying (ISIN) | Z-AG share (DE0001234565) | Stop Loss Reference Price | Price determined by the Issuer in its reasonable discretion on the basis of the proceeds of the unwinding of hedging transactions |
| Currency of the Product | Euro (EUR) | Minimum Amount | EUR [●] |
| Currency of the Underlying | EUR | Relevant Exchange | Frankfurt Stock Exchange (XETRA) |
| Issue Date | 10 December 2015 | Observation Period | 11 December 2015 until the Exercise Date upon termination by the Issuer (inclusive) |
| [Issue Price | EUR 0.99] | Exercise Period | Two bank business days after the Issue Date (inclusive) until the last trading day prior to the Exercise Date upon termination by the Issuer (inclusive) |
| [Initial] Strike Price | EUR 94.6362 | Exercise Date | Bank business day of valid exercise |
| Multiplier | 0.1 | Redemption Date (maturity) | Five bank business days after the relevant Exercise Date |
| Price of the Underlying at Issue of the Product | EUR 99.6362 | Type of Exercise | American (i.e. exercise can take place on any bank business day during the Exercise Period) |

| | | | |
|----------------------------|--|-----------------------|--------------|
| [Initial] Barrier | EUR 98.4216 | Minimum Exercise Unit | 100 products |
| [Initial] Stop Loss Buffer | 104 percent | Type of Settlement | Cash |
| Reference Price | Share closing price on the Relevant Exchange on the Exercise Date or the day when the termination by the Issuer takes effect | | |

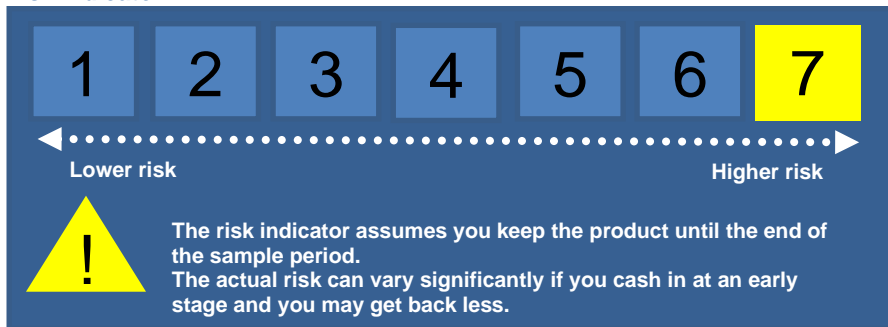
The Issuer is entitled to terminate the product with immediate effect, if an extraordinary event occurs. Examples of extraordinary events include [the delisting or loss of the Underlying,] [changes in legislation,] [tax events] [and the discontinuation of the Issuer's ability to carry out the necessary hedging transactions]. In case of a possible termination, the termination amount may possibly be significantly below the [purchase price] [Issue Price]. An almost total loss is even possible. You also bear the risk that the product will be called in at a time unfavourable to you, and you may only be able to reinvest the termination amount on less favourable terms.

Intended retail investor

The product is intended for private clients who pursue the disproportionate participation in price changes and / or hedging and have a short-term investment horizon. This product is a product for clients with extensive knowledge and / or experience with financial products. The investor may bear losses up to the total loss of the capital invested and attaches no importance to a capital protection.

2. What are the risks and what could I get in return?

Risk Indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 7 out of 7, which is the highest risk class.

This rates the potential losses from future performance at a very high level, and poor market conditions are very unlikely to impact our capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

If we are not able to pay you what is owed, you could lose your entire investment.

Performance Scenarios

What you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted.

The scenarios shown are illustrations based on results from the past and on certain assumptions. Markets could develop very differently in the future.

| Recommended holding period: Example Investment | | Sample period (1 day) EUR 10,000 If you exercise after 1 day |
|---|--|--|
| Scenarios | | |
| Minimum | EUR [●]. The return is only guaranteed if the redemption occurs at maturity and the Issuer is able to fulfill its obligations under the product (see under "3. What happens if XY Bank is unable to pay out?"). | |
| Stress | What you might get back after costs | EUR [●] |
| | Percentage return (not annualized) | [●] % |
| Unfavourable | What you might get back after costs | EUR [●] |
| | Percentage return (not annualized) | [●] % |
| Moderate | What you might get back after costs | EUR [●] |
| | Percentage return (not annualized) | [●] % |
| Favourable | What you might get back after costs | EUR [●] |
| | Percentage return (not annualized) | [●] % |

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The stress scenario shows what you might get back in extreme market circumstances.

The scenarios shown represent possible outcomes calculated based on simulations.

3. What happens if XY Bank is unable to pay out?

You are exposed to the risk that the Issuer might be unable to fulfil its obligations in respect of the product – e.g. in the event of insolvency (inability to pay / over-indebtedness) or an administrative order of resolution measures. In case of a crisis of the Issuer such an order can also be issued by a resolution authority in the run-up of an insolvency proceeding. Thereby the resolution authority has extensive intervention powers. Among other things, it can reduce rights of the investors to zero, terminate the product or convert it into shares of the Issuer and suspend rights of the investors. A total loss of your capital invested is possible. The product is a debt instrument and as such is not covered by any deposit protection scheme.

4. What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product. The amounts shown here are illustrations based on an example investment amount and different possible investment periods.

We have assumed:

- You would get back the amount that you invested (0 % annual return).
- EUR 10,000 is invested

| If you exercise at the end of the sample period (1 day) | |
|---|---------|
| Total costs | EUR [●] |
| Cost impact* | [●] % |

* This illustrates the effect of costs over a holding period of less than one year. This percentage is calculated considering the aggregated cost in the period divided by the investment amount and cannot be directly compared to the cost impact figures provided for other products.

Composition of costs

| One-off costs upon entry or exit | | If you exercise after 1 day |
|--|---|-----------------------------|
| Entry costs | These costs are already included in the price you pay | [Up to] EUR [●] |
| Exit costs | These costs are already included in the amount you receive and are only incurred if you exit before maturity. If you hold the product until maturity, no exit costs will be incurred. | [Up to] EUR [●] |
| Ongoing costs taken each year | | |
| Management fees and other administrative or operating costs | [●] % of the value of your investment relating to the recommended holding period. This is an estimate based on actual costs | EUR [●] |

5. How long should I hold it and can I take money out early?

Recommended holding period: 1 calendar day (sample period)

It is not possible to make an individual recommendation to a holding period. The product reacts due to its leverage to smallest price movements of the Underlying leading to losses or profits within unpredictable time periods. Any individual recommendation regarding the holding period would be misleading information for a speculative investor. For investors purchasing the product for hedging purposes the holding period depends on the hedging horizon of the individual investor.

In addition to selling the product through the exchange where the product is listed or off-exchange you may exercise the product on the Exercise Dates by transmission of an Exercise Notice to the Issuer. You must instruct your depository bank, which is responsible for the order of the transfer of the specified products. Upon effective exercise you will receive a Redemption Amount as described in more detail under "1. What is this product?" above. If you should exercise or sell the product before the end of the sample period, the amount you will receive could be – even significantly – lower than the amount you would have otherwise received.

| | | | |
|-------------------------------|---|----------------------------------|---|
| Exchange Listing | Stuttgart Stock Exchange (Freiverkehr); Frankfurt Stock Exchange (Freiverkehr) | Last Exchange Trading Day | 1 trading day prior to the termination day in case of a termination by the Issuer |
| Smallest Tradable Unit | 1 product | Price Quotation | Unit quotation |

In unusual market situations, or in the event of technical faults/disruptions, a purchase and/or sale of the product can be temporarily hindered, or may not be possible at all.

6. How can I complain?

Any complaint regarding the person advising on, or selling, the product can be submitted directly to that person via the relevant website.

Any complaint regarding the product or the conduct of the Issuer of this product can be submitted in text form (e.g. by letter or e-mail) to XY Bank under the following address: [postal address of XY Bank, Department, contact details of the complaints office within the organization of the Issuer, e-mail address, www.xy-bank.com/complaints].

7. Other relevant information

The prospectus, any supplements thereto and the final terms are published on the Issuer's website (www.xy-bank.com; the prospectus and the supplements under "Service / Prospectuses"; the final terms after entering the relevant ISIN or WKN and then under "Downloads"), all in accordance with legal requirements. In order to obtain more detailed information - and in particular details of the structure of and risks associated with an investment in the product - you should read these documents.