Key Information Document ("KID")

Deutscher Derivate Verband

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
Competent Authority: Federal Financial Supervisory Authority (BaFin), Germany
[Production date of the KID: 10 December 2015] [Latest revision of the KID: 10 December 2015 [14:36]]

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.

Objectives

Objective of the product is to provide you with a specified entitlement according to predefined conditions. The product does not have a fixed lifetime. 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 worthless immediately.

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)	Reference Price	Share closing price on the Relevant Exchange on the Exercise Date or the day when the termination by the Issuer takes effect
Currency of the Product	Euro (EUR)	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 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

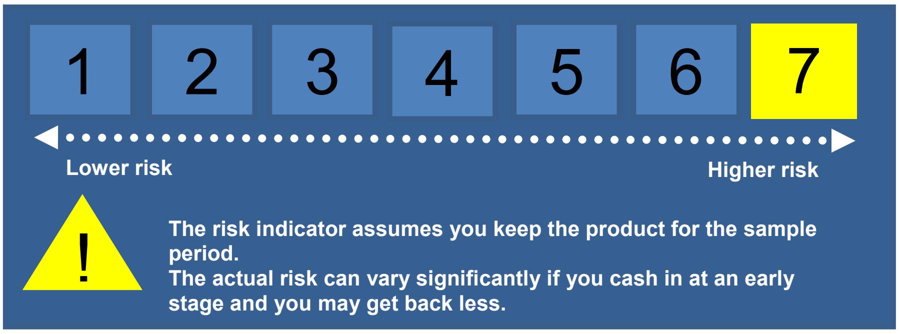
The Issuer is entitled to terminate the product with immediate effect, if an extraordinary event occurs. Examples of extraordinary events include [the delisting or loss of the Underlying,] [changes in legislation,] [tax events] [and the discontinuation of the Issuer's ability to carry out the necessary hedging transactions]. In the case of any termination, the termination amount may possibly be significantly below the [purchase price] [Issue Price]. A total loss of the investment 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. In the risk and return assessment, the product is in risk class [•] on a scale of 1 (safety-oriented, very low to low yield) to 7 (very risky, highest return).

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

Investment EUR 10,000 **Scenarios**		**Sample period (1 calendar day)**
Stress scenario	**What you might get back after costs**	**EUR [•]**
	Percentage return (not annualized)	[•] %
Unfavourable scenario	**What you might get back after costs**	**EUR [•]**
	Percentage return (not annualized)	[•] %
Moderate scenario	**What you might get back after costs**	**EUR [•]**
	Percentage return (not annualized)	[•] %
Favourable scenario	**What you might get back after costs**	**EUR [•]**
	Percentage return (not annualized)	[•] %

This table shows the money you could get back at the end of the sample period under different scenarios, assuming that you invest EUR 10,000.

The scenarios shown illustrate how your investment could perform. The figures are not calculated per year, but for the sample period. Figures in this section and “4. What are the costs?“ are not comparable with figures on products with a recommended holding period that deviates from the sample period.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

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.

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. 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”. 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 Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off and ongoing costs.

The amounts shown here are the cumulative costs of the product itself. The figures assume you invest EUR 10,000. The figures are estimates and may change in the future.

Costs over time

Investment EUR 10,000 Scenario	If you cash in at the end of the sample period (1 calendar day)
Total costs	**EUR [•]**
Impact on return (RIY)	[•] %

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Composition of Costs

The table below shows:

- the impact of the different types of costs on the investment return you might get at the end of the sample period;
- the meaning of the different cost categories.

This table shows the impact on return			
One-off costs	**Entry costs**	[•] %	The impact of the costs already included in the price. [This is the most you will pay and you could pay less].
	Exit costs	-	Not applicable.
Ongoing costs	**Portfolio transaction costs**	-	Not applicable.
	Other ongoing costs	[•] %	The impact of the costs that we take for managing your investments.

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 when the termination by the Issuer takes effect
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), 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.