

Product information sheet

Regarding financial instruments in accordance with the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG)

As of: 24 May 2011

This document provides an overview of the essential characteristics of the capital investment, in particular those relating to its structure and risks. We advise potential investors to read carefully the information provided.

Express Certificate linked to the I-Index

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

Issuer: XY-Bank

1. Product description/functionality

Product class

Express Certificate (bearer bond)

General description of functionality

With Express Certificates, on every Valuation Date, it is reviewed whether the Reference Price is equal to or exceeds the Strike. Thereby, the investor has a chance that the Express Certificate is redeemed early. In such a case, he receives the Initial Issue Price and, in addition, an amount specified at the issuance which increases during the lifetime. If no early maturity occurs, the investor receives, on the Maturity Date, a Cash Amount which is calculated as follows based on the Reference Price:

- If the Reference Price is equal to or above the Strike on the Final Valuation Date, the investor receives a Cash Amount of EUR 115.00 on the Maturity Date.
- If the Reference Price is below the Strike but equal to or above the Barrier on the Final Valuation Date, the investor receives a Cash Amount of EUR 100.00 on the Maturity Date.
- If the Reference Price is below the Barrier on the Final Valuation Date, the investor receives a Cash Amount on the Maturity Date corresponding to EUR 100.00 multiplied by the Index Performance.

During the lifetime, the investor does not receive any regular income (e. g. dividends or interest).

Investment objectives and strategy/market expectation (optional)

The Express Certificate is aimed at investors who expect a sideways trend or a slight increase in the Index.

2. Product data

Explanations of the terms used can be found at www.derivateverband.de under the heading „Knowing the facts“.			
Underlying (German securities code – WKN/ISIN)	I-Index (calculated by IS as index sponsor) (123456/DE0001234561)	Valuation Dates	18 May 2011 (1) 18 May 2012 (2) 17 May 2013 (Final)
Currency of Express Certificate	EUR	[Early] Maturity Date	three banking days following the relevant Valuation Date
Issue Date	21 May 2010	[Early] Cash Amount	EUR 105.00 (1) EUR 110.00 (2) EUR 115.00 (Final)
Initial Issue Price	EUR 100.00	Index Performance	Reference Price ÷ Strike
Strike	official closing price of Index on the Initial Valuation Date	Minimum Trading Unit	1 Certificate
Barrier	60% of Strike	Stock Exchange Listing	Stuttgart (EUWAX), Frankfurt (Scoach Premium)
Reference Price	closing price of Index on the relevant Valuation Date and on the Final Valuation Date	Last Exchange Trading Day	17 May 2013 (unless due early)
Initial Valuation Date	19 May 2010		

3. Risks

Risks at the end of the lifetime

If the Reference Price is below the Barrier on the Final Valuation Date, the investor suffers a loss which depends on the Index Performance from the Initial Valuation Date up to the Final Valuation Date. In the worst case scenario, the investor suffers a total loss of the capital invested if the price of the Index is zero on the Final Valuation Date. The Express Certificate may become due prior to maturity. In this case, an Early Cash Amount, which is below the maximum Cash Amount on the Maturity Date, is paid.

Market price risk during the lifetime

The value of the Express Certificate during the lifetime can be adversely affected in particular by the factors determining the market price as referred to in item 4 and can also be substantially below the purchase price.

Creditworthiness/Issuer risk

Investors are exposed to the risk of the Issuer becoming insolvent, and thus failing to pay. Details of the relevant Issuer rating can be found at www.beispieleseite.de. As a bearer bond, the Express Certificate is not subject to any deposit protection.

4. Availability

Tradability

After the Issue Date, the Express Certificate can, as a rule, be bought or sold on an exchange or in the over-the-counter-market. The Issuer will continually quote indicative bid and ask prices for the Express Certificate under normal market conditions (market making), without being under a legal obligation to do so. In unusual market situations, or in the event of technical problems, it may be difficult or impossible to purchase or sell the Express Certificate temporarily.

Factors determining the market price during the lifetime

The value of the Express Certificate during the lifetime can be substantially below the purchase price.

The market price of the Express Certificate depends primarily on the Index Performance, however, without necessarily tracking such performance exactly.

The following circumstances, in particular, may have an additional impact on the market price of the Express Certificate:

- remaining lifetime of the Express Certificate;
- general changes of interest rates;
- dividend performance of the shares included in the Index;
- changes in the volatility level of the price of the Index.

Individual market factors can have a mutually amplifying or neutralising effect.

5. Opportunities and scenario analysis by way of example

The following examples apply as at the end of the lifetime. They are not an indicator of the actual performance of the Express Certificate. Assumed Strike: 3,000 index points/assumed Barrier: 1,800 index points

Reference Price on the Valuation Date (1)	Reference Price on the Valuation Date (2)	Reference price on the Final Valuation Date	The investor receives on the Early Maturity Date (1)	The investor receives on the Early Maturity Date (2)	The investor receives on the Maturity Date
3,300	–	–	EUR 105.00	–	–
2,800	3,000	–	–	EUR 110.00	–
2,500	2,000	3,200	–	–	EUR 115.00
2,800	2,700	2,000	–	–	EUR 100.00
2,800	2,700	1,800	–	–	EUR 100.00
2,500	2,000	1,500	–	–	EUR 50.00
2,300	1,000	600	–	–	EUR 20.00
2,000	800	0	–	–	EUR 0

Purchasing at the Initial Issue Price:

Positive development for the investor

Neutral development for the investor

Negative development for the investor

6. Costs / distribution fees

The Initial Issue Price of the Express Certificate as well as the bid and ask prices quoted by the Issuer during the lifetime are based on the Issuer's internal pricing models. In particular, these prices can include a margin which may cover, amongst other things, the costs for structuring the security, for the Issuer's risk hedging, and for distribution (kick-backs/benefits).

Costs of purchase and sale

Where a fixed or determinable price has been agreed (fixed price transaction), fees and expenses for the purchase or the sale of the Express Certificate – including external costs – are not charged separately. These are included in the fixed price. Otherwise (commission transactions), fees for the purchase or the sale of the Express Certificate in the amount agreed with the bank as well as any other fees and expenses (e. g. stock exchange fees) are charged separately.

Agio: none

Ongoing costs

Custody costs are to be paid in the amount agreed with the bank.

Kick-backs/benefits

Placement commission: EUR 1.25 per Certificate

Portfolio commission: none

7. Taxation

Investors are advised to consult a tax advisor in order to clarify any individual tax effects of purchasing, holding, selling and/or redemption of the Express Certificate.

8. Miscellaneous information

The product information contained in this product information sheet does not constitute a recommendation on our part to purchase or sell the Express Certificate, nor can it replace the advice provided on a one-to-one basis by the bank or an advisor of the investor. This product information sheet does not contain all information relevant to the Express Certificate. For full information – and in particular regarding the details of the structure of and risks associated with an investment in the Express Certificate – potential investors should read the securities prospectus which (together with the final terms as well as any supplements, if any) are available from the XY-Bank free of charge, or may be downloaded from our website at www.xy-bank.de.