

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.

Bonus Certificate linked to Z-AG Shares

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

Issuer: XY-Bank

1. Product description/functionality

Product class

Bonus Certificate (bearer bond)

General description of functionality

With this Bonus Certificate, the investor receives a Cash Amount on the Maturity Date. The Cash Amount depends on the performance of the price of the Share.

- If the price of the Share is never at the level of or below the Barrier during the Observation Period, then the Cash Amount corresponds to the Reference Price, and at least to the Bonus Amount.
- If the price of the Share is at the level of or below the Barrier at least once during in the Observation Period, then the Cash Amount no longer corresponds to at least the Bonus Amount, but always to the Reference Price.

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

Investment objectives and strategy/market expectation (optional)

The Bonus Certificate is aimed at investors who assume that the price of the Share will rise slightly or will at least remain above the Barrier during the Observation Period.

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)	Z-AG Share (123456/DE000123456)	Observation Period	2 March 2010 – 28 June 2013
Currency of Bonus Certificate	EUR	Reference Price	closing price of Share (Xetra) on the Valuation Date
Currency of Underlying	EUR	Valuation Date	28 June 2013
Issue Date	2 March 2010	Maturity Date	three banking days following the Valuation Date
Initial Issue Price	EUR 26.71	Multiplier	1.0
Price of the Share at issuance of Certificate	EUR 26.71	Minimum Trading Unit	1 Certificate
Bonus Amount	EUR 35.52 (133%)	Stock Exchange Listing	Stuttgart (EUWAX), Frankfurt (Scoach Premium)
Barrier	EUR 16.03 (60%)	Last Exchange Trading Day	27 June 2013

3. Risks

Risks at the end of the lifetime

If the price of the Share is at the level of or below the Barrier at least once during the Observation Period and the Reference Price is below the purchase price of the Bonus Certificate, then the investor will suffer a loss. Worst case scenario: a total loss of the capital invested if the Share is worthless on the Valuation Date.

Market price risk during the lifetime

The value of the Bonus 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 Bonus Certificate is not subject to any deposit protection.

4. Availability

Tradability

After the Issue Date, the Bonus 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 Bonus 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 Bonus Certificate temporarily.

Factors determining the market price during the lifetime

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

The market price of the Bonus Certificate depends primarily on the performance of the price of the Share, however, without necessarily tracking such performance exactly.

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

- changes in the volatility level of the price of the Share;
- remaining lifetime of the Bonus Certificate;
- general changes of interest rates;
- dividend performance of the Share.

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 Bonus Certificate.

Reference Price	Price of the Share was at no time at the level of or below the Barrier. The investor receives per Bonus Certificate	Price of the Share was at the level of or below the Barrier at least once. The investor receives per Bonus Certificate
EUR 40.00	EUR 40.00	EUR 40.00
EUR 38.00	EUR 38.00	EUR 38.00
EUR 29.00	EUR 35.52	EUR 29.00
EUR 26.71	EUR 35.52	EUR 26.71
EUR 23.00	EUR 35.52	EUR 23.00
EUR 20.00	EUR 35.52	EUR 20.00
EUR 17.00	EUR 35.52	EUR 17.00
EUR 10.00	—	EUR 10.00
EUR 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 Bonus 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 Bonus 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 Bonus 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: 1.00% of the purchase price

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 Bonus 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 Bonus 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 Bonus Certificate. For full information – and in particular regarding the details of the structure of and risks associated with an investment in the Bonus 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.