

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.

Call Warrant linked to Z-AG Shares

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

Issuer: XY-Bank

1. Product description/functionality

Product class

Warrant (bearer bond)

General description of functionality

With this Call Warrant, the investor can participate disproportionately (through leverage) in a positive performance of the price of the Share.

However, the investor makes a leveraged loss if the performance of the price of the Share is negative, and takes the risk of the Call Warrant expiring worthless if the Reference Price equals or is below the Strike.

On the Maturity Date, the investor receives a Cash Amount corresponding to the amount (multiplied with the Multiplier) by which the Reference Price exceeds the Strike. If the Reference Price equals or is below the Strike, the investor will not receive any payment and the Call Warrant expires worthless.

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

Investment objectives and strategy/market expectation *(optional)*

The Call Warrant is aimed at investors who assume that the price of the Share will rise. **Due to the increased risk of loss associated with such a Warrant, it is only considered suitable for experienced investors who are not averse to taking high risks.**

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/DE0001234561)	Exercise Period	27 April 2009 to 17 December 2010
Currency of Warrant	EUR	Reference Price	closing price of Share (Xetra) on the Valuation Date
Currency of Underlying	EUR	Valuation Date	date of exercise
Issue Date	23 April 2009	Maturity Date	three banking days following the Valuation Date
Initial Issue Price	EUR 1.18	Multiplier	1.0
Strike	EUR 25.00	Minimum Trading Unit	1 Warrant
Price of the Underlying at issuance of Warrant	EUR 24.90	Minimum Exercise	Per 1,000 Warrants
Warrant type	Call	Stock Exchange Listing	Stuttgart (EUWAX), Frankfurt (Scoach Premium)
Exercise type	American	Last Exchange Trading Day	15 December 2010

3. Risks

Risks at the end of the lifetime

If the Reference Price is above the Strike, the investor incurs a loss when the Cash Amount is lower than the purchase price paid by the investor for the Call Warrant. If the Reference Price is equal to or below the Strike, the investor suffers a total loss.

Market price risk during the lifetime

The value of the Call Warrant 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 Call Warrant is not subject to any deposit protection.

4. Availability

Tradability

After the Issue Date, the Call Warrant 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 Call Warrant 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 Call Warrant temporarily.

Factors determining the market price during the lifetime

The value of the Call Warrant during the lifetime can be substantially below the purchase price.

The market price of the Call Warrant 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 and significant impact on the market price of the Call Warrant:

- changes in the volatility level of the price of the Share;
- remaining lifetime of the Call Warrant;
- 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 Call Warrant.

Reference Price	The investor receives per Call Warrant
EUR 35.00	EUR 10.00
EUR 30.00	EUR 5.00
EUR 26.18	EUR 1.18
EUR 25.00	EUR 0
EUR 24.00	EUR 0
EUR 10.00	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 Call Warrant 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 Call Warrant – 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 Call Warrant 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: none

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 Call Warrant.

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 Call Warrant, 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 Call Warrant. For full information – and in particular regarding the details of the structure of and risks associated with an investment in the Call Warrant – 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.