

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.

Structured Bond

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

Issuer: XY-Bank

1. Product description/functionality

Product class

Capital Protection with Coupon (bearer bond)

General description of functionality

For the Structured Bond, the Issuer pays, on the Maturity Date, a Cash Amount corresponding to the Nominal Amount of the Structured Bond.

In addition, the Issuer pays, on the respective Interest Payment Date, interest on the Nominal Amount amounting to

- a) 2.75% p. a. for the period from 25 September 2009 to 24 September 2010,
- b) 2.90% p. a. for the period from 25 September 2010 to 24 September 2011,
- c) 3.05% p. a. for the period from 25 September 2011 to 24 September 2012,
- d) 3.20% p. a. for the period from 25 September 2012 to 24 September 2013,
- e) 3.35% p. a. for the period from 25 September 2013 to 24 September 2014,
- f) 3.50% p. a. for the period from 25 September 2014 to 24 September 2015.

Investment objectives and strategy/market expectation (optional)

The Structured Bond is aimed at investors who assume that the general level of interest rates will remain unchanged or will fall.

2. Product data

Explanations of the terms used can be found at www.derivateverband.de under the heading „Knowing the facts“.

Currency of Structured Bond	EUR	Interest Commencement Date	25 September 2009
Issue Date	25 September 2009	Interest Payment Date	25 September each year, beginning on 25 September 2010 and ending on 25 September 2015.
Initial Issue Price	100%	Interest Period	25 September to 24 September (inclusive in each case)
Nominal Amount	EUR 1,000	Minimum Trading Unit	1 Structured Bond
Capital Protection Amount	100% of the Nominal Amount	Stock Exchange Listing	Stuttgart (EUWAX), Frankfurt (Scoach Premium)
Interest Rate p. a.	2.75%/2.90%/3.05%/3.20%/3.35%/3.50%	Last Exchange Trading Day	24 September 2015
Maturity Date	25 September 2015		

3. Risks

Risks at the end of the lifetime

Due to the capital protection, the risk at the end of the lifetime is limited to the Issuer risk (see below).

Market price risk during the lifetime

The value of the Structured Bond 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 Structured Bond is not subject to any deposit protection.

4. Availability

Tradability

After the Issue Date, the Structured Bond 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 Structured Bond 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 Structured Bond temporarily.

Factors determining the market price during the lifetime

The market price of the Structured Bond depends primarily on the general level of interest rates. When buying a Structured Bond during the lifetime, accrued interest must be paid in addition to the purchase price. In particular, a change of the Issuer's creditworthiness may have an additional impact on the market price of the Structured Bond. Individual market factors can have a mutually amplifying or neutralising effect.

5. Opportunities and scenario analysis by way of example

Interest Payment Date	Interest Amount
25 September 2010	EUR 27.50
25 September 2011	EUR 29.00
25 September 2012	EUR 30.50
25 September 2013	EUR 32.00
25 September 2014	EUR 33.50
25 September 2015	EUR 35.00

6. Costs / distribution fees

The Initial Issue Price of the Structured Bond 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 Structured Bond – 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 Structured Bond 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 Structured Bond.

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