

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.

Outperformance Certificate linked to the I-Index

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

Issuer: XY-Bank

1. Product description/functionality

Product class

Outperformance Certificate (bearer bond)

General description of functionality

With this Outperformance Certificate, the investor receives a Cash Amount on the Maturity Date. The Cash Amount depends on the Reference Price. In this respect, the investor participates disproportionately in price gains of the Index above the Strike, while the investor's participation in price losses below the Strike is at a 1:1 ratio only.

- If the Reference Price is at or below the Strike, the Cash Amount corresponds to EUR 100.00 multiplied by the Index Performance (1:1 participation).
- If the Reference Price is above the Strike, the Cash Amount corresponds to EUR 100.00 plus the Index Price Gain multiplied by EUR 100.00 and the Participation Factor (disproportionate participation).

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

Investment objectives and strategy/market expectation (optional)

The Outperformance Certificate is aimed at investors who assume that the price of the Index will rise and who wish to participate disproportionately in an increase in value.

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 (123456/DE0001234561)	Index Performance	Reference Price ÷ Strike
Currency of Outperformance Certificate	EUR	Index Price Gain	Reference Price ÷ Strike-1
Issue Date	4 June 2007	Valuation Date	22 June 2010
Initial Issue Price	EUR 100	Maturity Date	three banking days following the Valuation Date
Strike	4,479.37	Minimum Trading Unit	1 Certificate
Participation Factor	1.5	Stock Exchange Listing	Stuttgart (EUWAX), Frankfurt (Scoach Premium)
Reference Price	official closing price of Index on the Valuation Date	Last Exchange Trading Day	21 June 2010

3. Risks

Risks at the end of the lifetime

If the Reference Price is below the Strike, the investor suffers a loss. Worst case scenario: a total loss of the capital invested if the price of the Index is zero on the Valuation Date.

Market price risk during the lifetime

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

4. Availability

Tradability

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

Factors determining the market price during the lifetime

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

The market price of the Outperformance 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 Outperformance Certificate:

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

Reference Price	The investor receives per Outperformance Certificate
6,000	EUR 150.92
5,000	EUR 117.43
4,479.37	EUR 100.00
4,000	EUR 89.30
3,000	EUR 66.97

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 Outperformance 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 Outperformance 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 Outperformance 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: maximum 1.20% 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 Outperformance 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 Outperformance 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 Outperformance Certificate. For full information – and in particular regarding the details of the structure of and risks associated with an investment in the Outperformance 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.