

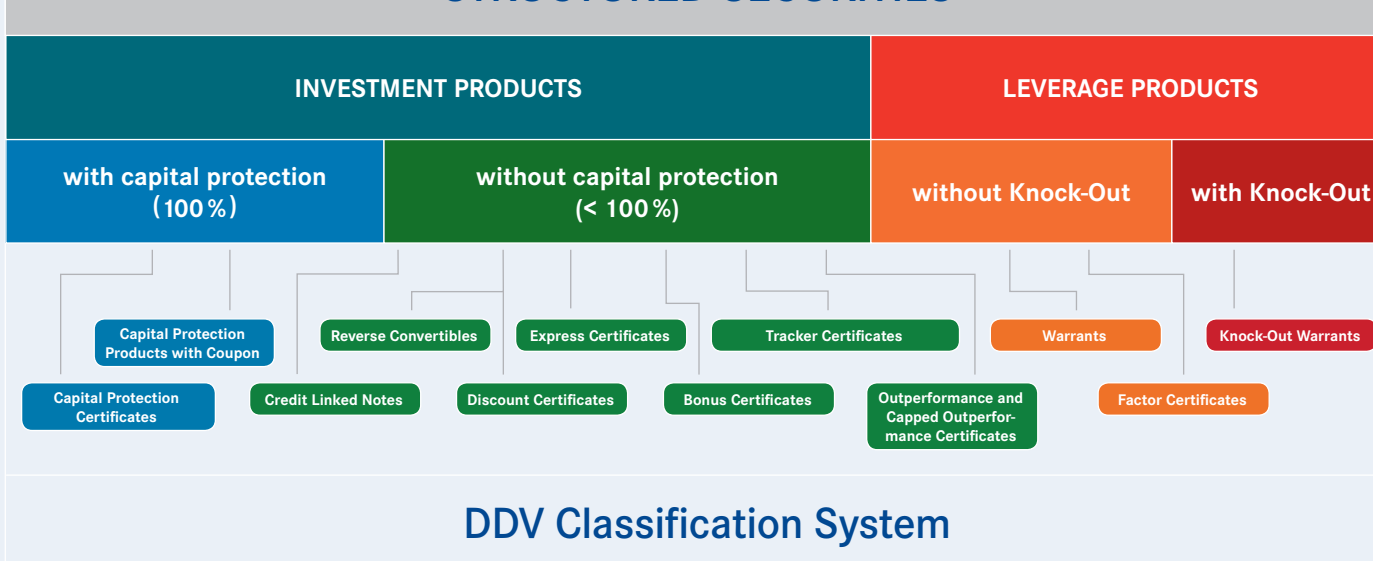
Marktvolumen

von strukturierten Wertpapieren

Good start to the year for the structured products market

Capped capital protection and leverage products experience strong growth

STRUCTURED SECURITIES



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January | 2015

- In January, the total volume of the German Structured Products market climbed to EUR 79.5 billion.
- Investment products accounted for 97.3 percent of the market volume, while leverage products made up 2.7 percent.
- Reverse Convertibles have been gaining in popularity with investors for a number of years. Their share within the investment products segment exceeded 10.0 percent of the market volume for the first time in January.
- A new issuer, DekaBank, is included in the market statistics from January onwards. This means that 16 issuers are now covered as RBS and NordLB have stopped providing data. The market coverage is still in excess of 90 percent.

Good start to the year for the structured products market

Capped capital protection and leverage products experience strong growth

The outstanding volume of the German structured products market increased at the beginning of the year. Particularly strong growth was seen in Discount and Express Certificates in January, after maturities had a major impact on these product categories in December. By contrast, the volume of Capital Protection Products with Coupon continued to shrink.

Overall, the market volume increased by 1.0 percent or EUR 692.9 million compared with the previous month. This trend is shown by the latest figures collected each month from 16 banks by the European Derivatives Group (EDG AG) on behalf of Deutscher Derivate Verband (DDV), the German Derivatives Association. Extrapolating these figures to all issuers puts the **total volume of the German structured products market at EUR 79.5 billion at the end of January 2015**.

Compared with the previous month, the **ratio of investment products to leverage products** changed in favour of leverage products. However, investment products continued to shape the trend to a large extent with a 97.3 percent share of the total market volume. Leverage products made up 2.7 percent accordingly.

A new issuer – DekaBank Deutsche Girozentrale (DekaBank) – is included in the market statistics from January onwards. At the same time, Royal Bank of Scotland (RBS) stopped providing data on its outstanding volume after BNP took over its struc-

tured products portfolio and Norddeutsche Landesbank Girozentrale (NordLB) also withdrew from the reporting system. The number of issuers included as of 31 January 2015 therefore fell to 16. These changes also affected the coverage of the issuers included in the statistics, which is now 92 percent.

Investment products by product category

The volume of **Capital Protection Products** fell in January. The market volume relating to Capital Protection Products with Coupon was down 4.1 percent compared with the previous month at EUR 30.6 billion. This corresponded to 43.0 percent of the investment products. By contrast, Uncapped Capital Protection Certificates gained 1.3 percent to come in at EUR 10.4 billion. Their share was 14.7 percent. 57.5 percent of the market volume was invested in these two product categories in January.

Reverse Convertibles gained 3.2 percent to EUR 7.3 billion. Their share within the investment products segment was 10.3 percent.

Express Certificates recorded a somewhat sharper rise in volume, increasing 7.0 percent to come in at EUR 5.5 billion. This corresponded to a share of 7.7 percent.

Credit Linked Notes gained 0.2 percent to total EUR 5.3 billion. Their share was 7.4 percent.

Discount Certificates charted the strongest growth in January, increasing by a substantial 13.4 percent to EUR 4.7 billion. This corresponded to 6.6 percent of the volume.

Tracker Certificates recorded an increase of 7.1 percent to EUR 4.0 billion, securing a market share of 5.7 percent.

The market volume for **Bonus Certificates** grew by 5.3 percent, taking it to EUR 2.4 billion. They accounted for 3.4 percent of the volume.

Outperformance and Capped Outperformance Certificates lost 2.0 percent in market volume, taking it to EUR 89.0 million. However, as it accounted for just 0.1 percent of the total investment products volume, this category had scarcely any impact on the overall trend.

The volume of **further yield enhancement products** shrank by 0.6 percent to EUR 788.2 million. As before, they accounted for 1.1 percent of the volume.

Leverage products by product category

The market volume of **leverage products** rose by 20.0 percent and stood at EUR 1.9 billion in January.

Meanwhile, the market volume of **Knock-Out Warrants** increased by 24.7 percent to EUR 868.5 million. Their volume share stood at 44.8 percent. ►►

Warrants experienced growth of 20.4 percent with a volume of EUR 794.5 million. Their share of volume within the leverage products segment was 41.0 percent.

Factor Certificates gained somewhat less ground than the two above-mentioned categories. Their volume climbed by 6.6 percent to EUR 276.6 million. Their share came to 14.3 percent.

Investment products by underlying

Products with **interest rates as an underlying** remained the most popular category in January, despite a marked slump. Their volume was down 3.0 percent at EUR 37.2 billion due in particular to the decrease in Capital Protection Products with Coupon. However, they continued to make up over half of the total investment products volume, accounting for 52.2 percent.

With a share of 25.0 percent, investment products with **equities as an underlying** ranked next. Their volume rose by 3.9 percent to EUR 17.8 billion.

Products with **indices as an underlying** took third place with a 20.2 percent share. Their market volume climbed by 4.6 percent to EUR 14.4 billion.

Following at some distance behind the other underlying classes were investment products with **commodities as an underlying**, which made up 1.4 percent. Their outstanding volume soared by 23.9 percent in January to EUR 978.4 million.

At 1.0 percent, the share of investment products with **investment funds as an underlying** was rather lower. They experienced growth of 6.5 percent to EUR 701.7 million in January.

Investment products with **currencies as an underlying** were insignificant in relation to the general trend with a share of 0.2 percent. The volume invested in them fell by 4.6 percent to EUR 143.2 million.

Leverage products by underlying

The volume of leverage products with **equities as an underlying** grew by a substantial 14.0 percent. At EUR 905.1 million, they accounted for 46.7 percent of the total leverage products volume.

Leverage products with **indices as an underlying** also grew, upping their market volume by 17.8 percent to EUR 713.7 million. This corresponded to a share of 36.8 percent.

Lagging some way behind leverage products based on equities and indices were those with **commodities as an underlying**. Their volume rose considerably, up 54.1 percent to EUR 172.1 million. This took their share to 8.9 percent.

Leverage products with **currencies as an underlying** grew by 49.1 percent, taking them to EUR 136.0 million. This corresponded to a share of 7.0 percent.

The market volume of leverage products with **interest rates as an underlying** decreased by 2.4 percent to EUR 12.4 million. They accounted for 0.6 percent of the aggregate volume. ■



Deutscher Derivate Verband (DDV)

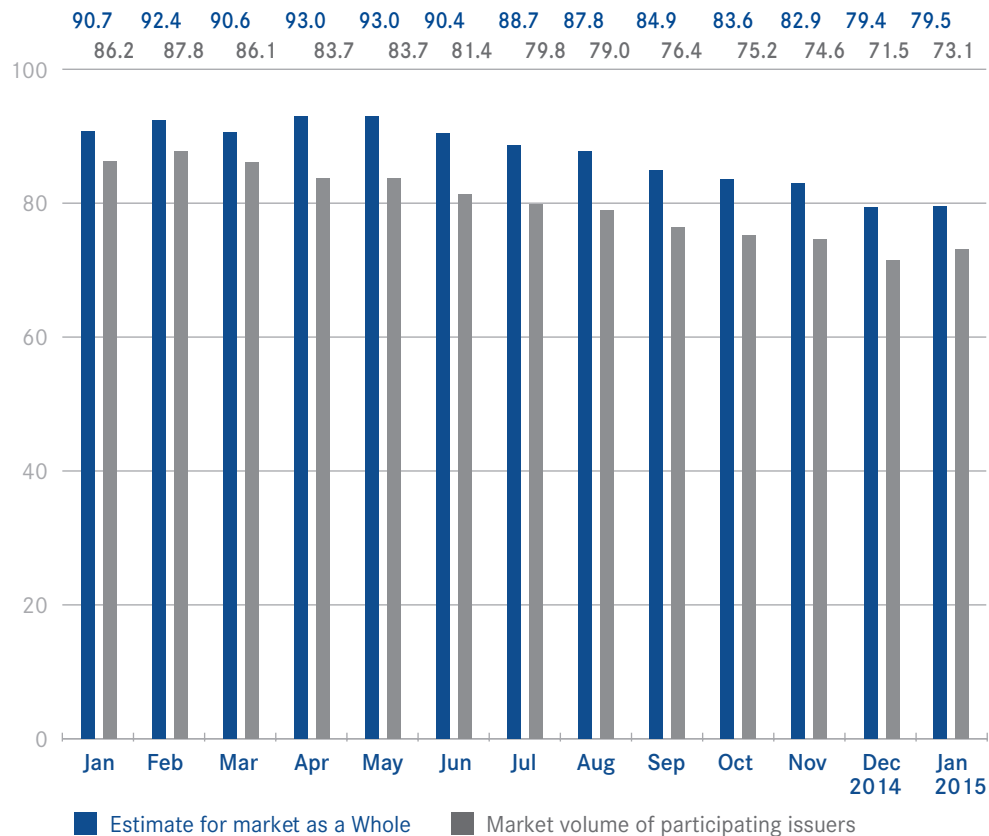
Deutscher Derivate Verband (DDV), the German Derivatives Association, is the industry representative body for the 16 leading issuers of derivatives in Germany: Barclays, BayernLB, BNP Paribas, Citigroup, Commerzbank, DekaBank, Deutsche Bank, DZ BANK, Goldman Sachs, Helaba, HSBC Trinkaus, HypoVereinsbank, LBBW, Société Générale, UBS and Vontobel. The Association's work is supported by nine sponsoring members, which include the Stuttgart and Frankfurt am Main stock exchanges, finance portals and service providers.

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Market volume since January 2014



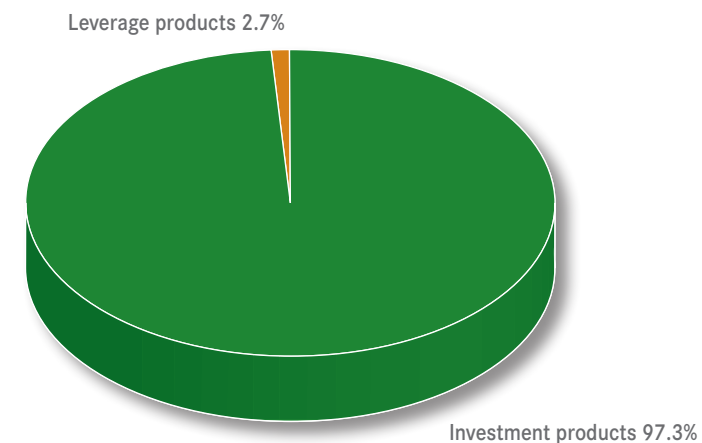
Product classes

Market volume as at 31 January 2015

Product classes	Market volume	Share
	T€	%
Investment products with capital protection	41,080,522	57.7%
Investment products without capital protection	30,110,760	42.3%
Total Investment products	71,191,282	100.0%
Leverage products without Knock-Out	1,071,018	55.2%
Leverage products with Knock-Out	868,483	44.8%
Total Leverage products	1,939,501	100.0%
Total Investment products	71,191,282	97.3%
Total Leverage products	1,939,501	2.7%
Total Derivatives	73,130,784	100.0%

Product classes

Market volume as at 31 January 2015

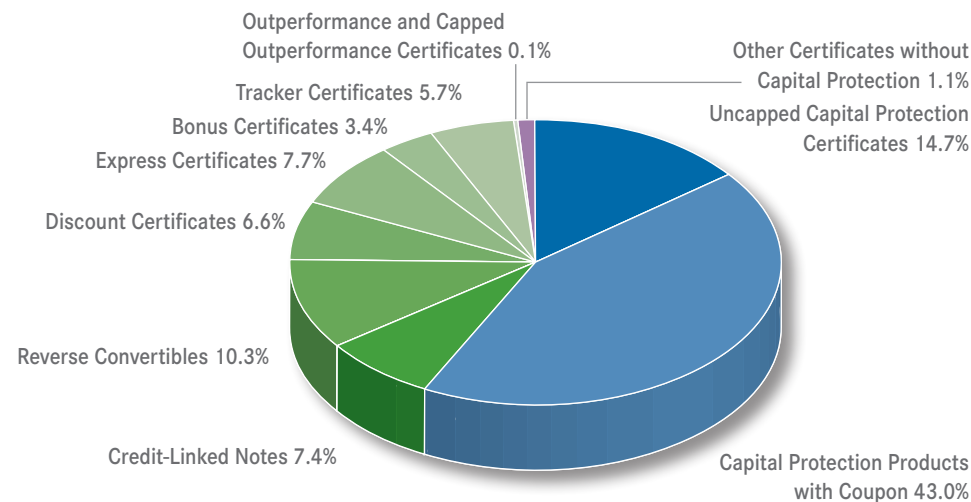


Market volume by product category as at 31 January 2015

Product categories	Market volume		Market volume price-adjusted		Number of Products	
	T€	in %	T€	in %	#	in %
■ Uncapped Capital Protection Certificates	10,432,820	14.7%	10,394,824	14.7%	2,903	0.6%
■ Capital Protection Products with Coupon	30,647,702	43.0%	30,680,068	43.4%	2,225	0.5%
■ Credit-Linked Notes	5,255,451	7.4%	5,241,431	7.4%	1,439	0.3%
■ Reverse Convertibles	7,349,832	10.3%	7,268,011	10.3%	90,447	18.4%
■ Discount Certificates	4,664,696	6.6%	4,583,159	6.5%	167,240	34.0%
■ Express Certificates	5,495,133	7.7%	5,402,567	7.6%	5,206	1.1%
■ Bonus Certificates	2,437,741	3.4%	2,418,621	3.4%	218,889	44.5%
■ Tracker Certificates	4,030,662	5.7%	3,876,896	5.5%	1,935	0.4%
■ Outperformance and Capped Outperformance Certificates	89,030	0.1%	83,640	0.1%	689	0.1%
■ Other Certificates without Capital Protection	788,215	1.1%	771,810	1.1%	465	0.1%
Investment products total	71,191,282	97.3%	70,721,028	97.4%	491,438	41.6%
■ Warrants	794,465	41.0%	740,512	39.5%	365,466	53.1%
■ Factor Certificates	276,554	14.3%	365,660	19.5%	2,298	0.3%
■ Knock-Out Warrants	868,483	44.8%	766,256	40.9%	321,034	46.6%
Leverage products total	1,939,501	2.7%	1,872,427	2.6%	688,798	58.4%
Total	73,130,784	100.0%	72,593,455	100.0%	1,180,236	100.0%

Investment products by product category

Market volume as at 31 January 2015

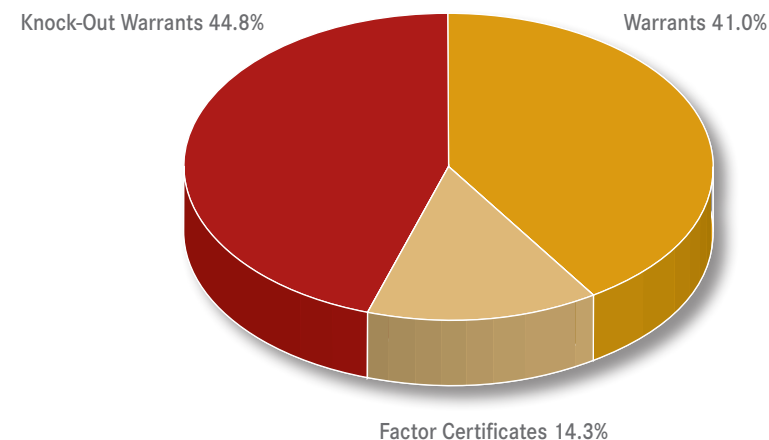


Change in market volume by product category in comparison with previous month

Product categories	Change		Change price-adjusted		Price effect
	T€	in %	T€	in %	in %
■ Uncapped Capital Protection Certificates	135,752	1.3%	97,755	0.9%	0.4%
■ Capital Protection Products with Coupon	-1,299,174	-4.1%	-1,266,808	-4.0%	-0.1%
■ Credit-Linked Notes	9,747	0.2%	-4,273	-0.1%	0.3%
■ Reverse Convertibles	229,567	3.2%	147,746	2.1%	1.1%
■ Discount Certificates	550,460	13.4%	468,923	11.4%	2.0%
■ Express Certificates	359,356	7.0%	266,791	5.2%	1.8%
■ Bonus Certificates	122,124	5.3%	103,004	4.4%	0.8%
■ Tracker Certificates	267,847	7.1%	114,080	3.0%	4.1%
■ Outperformance and Capped Outperformance Certificates	-1,851	-2.0%	-7,241	-8.0%	5.9%
■ Other Certificates without Capital Protection	-4,713	-0.6%	-21,118	-2.7%	2.1%
Investment products total	369,115	0.5%	-101,140	-0.1%	0.7%
■ Warrants	134,398	20.4%	80,445	12.2%	8.2%
■ Factor Certificates	17,121	6.6%	106,228	40.9%	-34.3%
■ Knock-Out Warrants	172,257	24.7%	70,030	10.1%	14.7%
Leverage products total	323,777	20.0%	256,703	15.9%	4.2%
Total	692,892	1.0%	155,563	0.2%	0.7%

Leverage products by product category

Market volume as at 31 January 2015



Market volume by underlying asset as at 31 January 2015

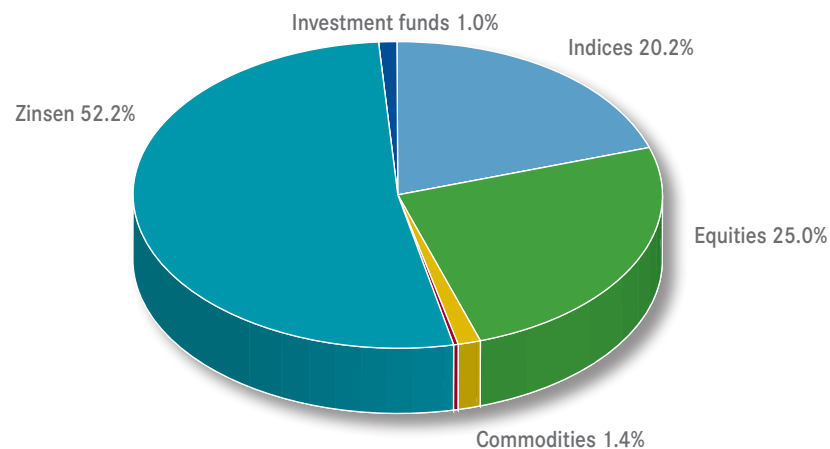
Underlying	Market volume		Market volume price-adjusted*		Number of Products	
	T€	%	T€	%	#	%
Investment products						
Indices	14,414,308	20.2%	14,194,066	20.1%	119,650	24.3%
Equities	17,786,228	25.0%	17,541,534	24.8%	365,292	74.3%
Commodities	978,371	1.4%	965,996	1.4%	2,482	0.5%
Currencies	143,190	0.2%	141,800	0.2%	53	0.0%
Interest rates	37,167,461	52.2%	37,189,775	52.6%	3,849	0.8%
Investment funds	701,724	1.0%	687,856	1.0%	112	0.0%
	71,191,282	97.3%	70,721,028	97.4%	491,438	41.6%
Leverage products						
Indices	713,708	36.8%	759,548	40.6%	168,537	24.5%
Equities	905,143	46.7%	799,710	42.7%	453,770	65.9%
Commodities	172,150	8.9%	192,399	10.3%	30,016	4.4%
Currencies	136,038	7.0%	105,471	5.6%	33,602	4.9%
Interest rates	12,415	0.6%	15,252	0.8%	2,859	0.4%
Investment funds	47	0.0%	47	0.0%	14	0.0%
	1,939,501	2.7%	1,872,427	2.6%	688,798	58.4%
Total	73,130,784	100.0%	72,593,455	100.0%	1,180,236	100.0%

*Market volume adjusted for price changes = quantity outstanding as at 31 January 2015 x price as at 31 December 2014

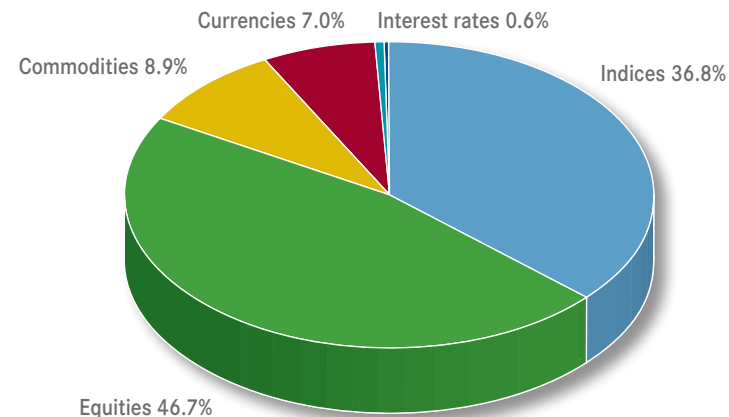
Change in the market volume by underlying asset in comparison with previous month

Underlying	Change		Change price-adjusted		Price effect
	T€	%	T€	%	
Investment products					
Indices	638,320	4.6%	418,078	3.0%	1.6%
Equities	667,575	3.9%	422,882	2.5%	1.4%
Commodities	188,599	23.9%	176,225	22.3%	1.6%
Currencies	-6,936	-4.6%	-8,327	-5.5%	0.9%
Interest rates	-1,161,215	-3.0%	-1,138,900	-3.0%	-0.1%
Investment funds	42,770	6.5%	28,903	4.4%	2.1%
	369,115	0.5%	-101,140	-0.1%	0.7%
Leverage products					
Indices	107,656	17.8%	153,496	25.3%	-7.6%
Equities	111,188	14.0%	5,755	0.7%	13.3%
Commodities	60,438	54.1%	80,686	72.2%	-18.1%
Currencies	44,798	49.1%	14,232	15.6%	33.5%
Interest rates	-301	-2.4%	2,536	19.9%	-22.3%
Investment funds	-2	-4.5%	-2	-4.5%	0.0%
	323,777	20.0%	256,703	15.9%	4.2%
Total	692,892	1.0%	155,563	0.2%	0.7%

Investment products by underlying asset Market volume as at 31 January 2015



Leverage products by underlying asset Market volume as at 31 January 2015



Collection, validation and analysis methodology

1. Calculation of the market volume

In calculating the outstanding volume, the first step is to establish the market volume for an individual issue by multiplying the quantity outstanding by the market price on the last trading day of the month under review. The total market volume is calculated by adding the individual values. The price-adjusted figure is obtained by valuing the outstanding quantities at the market prices on the last trading day of the previous month. Newly launched products are valued at the price on the last trading day in the month under review.

2. Calculation of the turnover

Turnover is calculated at the relevant exercise price by aggregating the individual trades per issue and period and then adding them up. Purchases and sales are included at their relevant absolute amounts. The only turnover recorded is that relating to end customers. Also, issues are not classified as turnover until their value dates. By contrast, repayments are not included in the turnover figures, since they do not constitute actual trades. This means that there is a natural outflow of funds at the maturity date of the products, although this is offset by new issues if investors continue to invest in these investment classes. This turnover calculation can lead to inflows of funds in one investment class in one month that exceed the turnover recorded for that month in terms of their amounts. Also, large price fluctuations can lead to a change in the market volume that exceeds the turnover amount in terms of its amount.

3. Definition of the retail products covered

The collection and analysis process covers market volume and turnover in retail products that are publicly offered and listed on at least one German stock exchange in the relevant survey period. Private placements, institutional transactions and white-label trading are not covered. The possibility that parts of an issue may be bought by institutional investors, for instance through the stock exchange, cannot be ruled out.

4. DDV classification system (Derivatives League)

The product classification system used is based on DDV's Derivatives League concept. Investment products include Uncapped Capital Protection Certificates, Capital Protection Products with Coupon, Reverse Convertibles, Discount Certificates, Express Certificates, Bonus Certificates, Tracker Certificates, Outperformance and Capped Outperformance Certificates, as well as other investment products without capital protection. Leverage products comprise Warrants and Knock-Out Warrants. (For further details please refer to http://www.derivateverband.de/DE/MediaLibrary/Document/ddv_klassifizierung_final.pdf).

5. Differentiation by investment class

Retail products are differentiated by the investment class of the underlying. All products with an equity component are included among the equity-based investment or leverage products. Products with a purely bond-based underlying (e.g. index certificates based on the German REX bond index, capital protected certificates based on the EURIBOR Euro Interbank Offered Rate) are included in the investment class of bonds. The currencies and commodities investment class comprises products based on goods, commodities and currencies. Hedge fund products are also shown separately.

6. Collection of the data

Each month, the issuers provide the relevant data in a specified scope and format from their internal systems (trading, risk management and pricing systems etc.). The mandatory information comprises ISIN, product type, asset class of the underlying, product category, turnover, market volume, quantity outstanding, maturity date of the products, product name, issue date, issue volume (quantity issued). The optional information includes details of the underlying, the knock-out thresholds, market prices and listings on German stock exchanges.

7. Monitoring of compliance with the self-commitment

Compliance with the code of conduct is monitored by means of on-site and off-site inspection of data and systems. Random sampling and targeted requests for selected information are backed up by cross-checking of data using stock exchange data, information services and the websites of issuers. In particular, the data are reconciled on a regular basis in cooperation with Boerse Stuttgart, with the main focus on stock exchange listing, the categorisation of products and the substantiation of figures for turnover and outstanding volumes.

DISCLAIMER

EDG AG regularly checks the methods and analyses on which this interpretation is based. However, it does not guarantee the correctness of the analyses. By signing up to the voluntary agreement, the issuers have agreed to ensure the correctness of the transaction data provided by them, and on which the analysis is based. However, EDG AG cannot guarantee the correctness or the completeness of the data from the issuers.

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