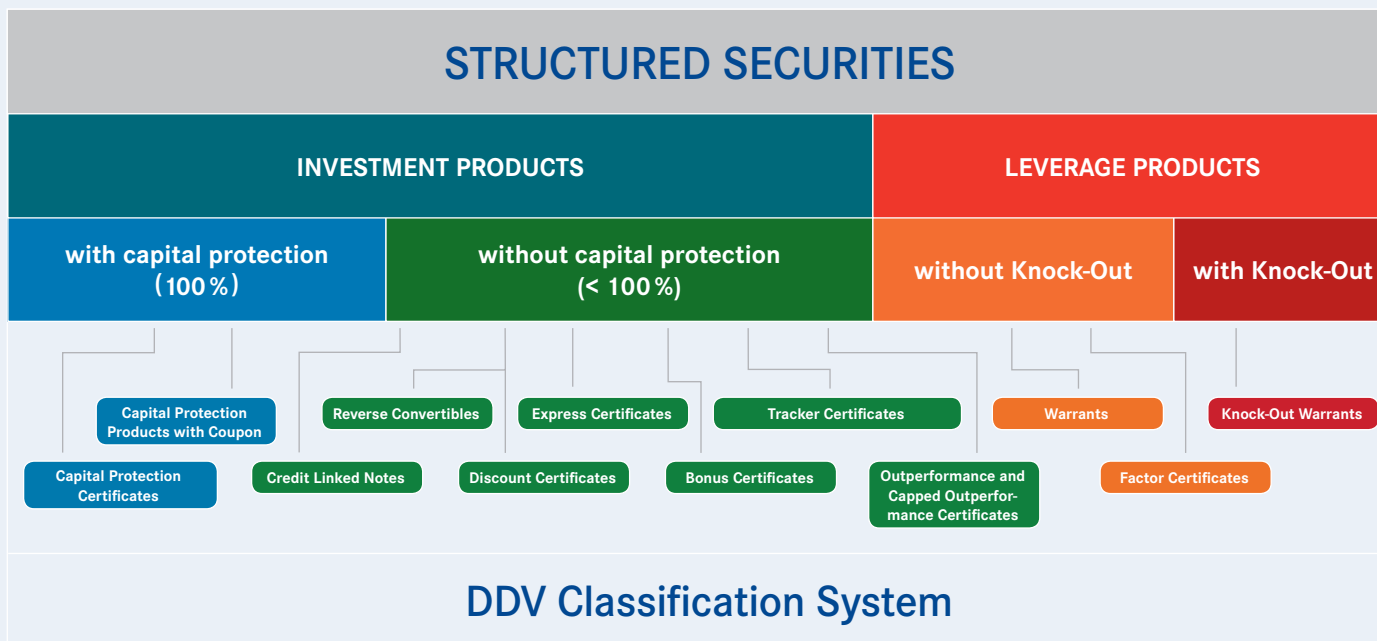


Market Volume

in Derivatives

German structured products market totals EUR 69.2 billion

Growth in Capital Protection Products with Coupon



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June | 2017

- In June, the total volume of the German structured products market fell to EUR 69.2 billion.
- Capital Protection Products with Coupon bucked the general trend, increasing by 1.4 percent to EUR 16.2 billion.
- Leverage products saw a sharper reduction – 9.1 percent – than the overall market.
- Investment products with commodities as an underlying experienced growth of 0.5 percent. The volume invested in them totalled EUR 792.1 million.

German structured products market totals EUR 69.2 billion

Growth in Capital Protection Products with Coupon

The outstanding volume of the German structured products market fell slightly at the end of the first half of 2017. Almost all product categories were affected by this decrease. Extrapolating the figures to all issuers puts the total volume of the German structured products market at EUR 69.2 billion at the end of June 2017. This corresponds to a loss of 2.1 percent or EUR 1.4 billion month on month. These trends are shown by the latest figures collected each month from 15 banks by the European Derivatives Group (EDG AG) on behalf of Deutscher Derivate Verband (DDV), the German Derivatives Association.

The ratio of investment products to leverage products shifted slightly in favour of investment products.

Investment products by product category

The negative overall trend meant that demand was down on the previous month in almost all product categories. **Reverse Convertibles** and **Bonus Certificates** in particular experienced above-average reductions in volumes. The volume invested in Reverse Convertibles fell to EUR 9.7 billion as a result. Meanwhile, the market volume for **Express Certificates** saw a comparatively small decrease to EUR 12.0 billion. **Capital Protection Products** with full capital protection bucked the trend by recording growth. 36.7 percent of the market volume was invested in **Capital Protection Products with Coupon** and **Uncapped Capital Protection Certificates** in June.

Leverage products by product category

After making gains in the previous months, the market volume of **Leverage Products** was down considerably at EUR 1.8 billion in June. Decreases were seen in all product categories, with the sharpest decline in Warrants.

Investment products by underlying

Structured products with **interest rates as an underlying** remained the most popular category in June. Having risen in the previous month, their volume increased again slightly to EUR 22.3 billion. Despite some losses, investment products with **equities as an underlying** followed in second place. The volume invested in them totalled EUR 19.5 billion. Investment products with **indices as an underlying** also registered negative growth. Having made gains in May, investment products with **commodities as an underlying** fared well again in June, coming in up at EUR 792.1 million.

Leverage products by underlying

Almost all classes of leverage product were down at the end of the second quarter. The market volume of leverage products with **equities as an underlying** decreased to EUR 1.0 billion, while the volume invested in leverage products with **indices as an underlying** fell to EUR 536.4 million. The market volume of leverage products with **interest rates as an underlying** was the only one to increase, climbing to EUR 38.0 million. ■



Deutscher Derivate Verband (DDV)

Deutscher Derivate Verband (DDV), the German Derivatives Association, is the industry representative body for the leading issuers of derivative securities in Germany, who represent more than 90 percent of the German structured products market: BayernLB, BNP Paribas, Citigroup, Commerzbank, Deka-Bank, Deutsche Bank, DZ BANK, Goldman Sachs, Helaba, HSBC Trinkaus, HypoVereinsbank, LBBW, Société Générale, UBS and Vontobel. Furthermore, the Association's work is supported by fourteen sponsoring members, which include the Stuttgart and Frankfurt Exchanges, Baader Bank, the direct banks comdirect bank, Consorsbank, DAB Bank, flatex, ING-DiBa and S Broker, as well as finance portals and other service providers.

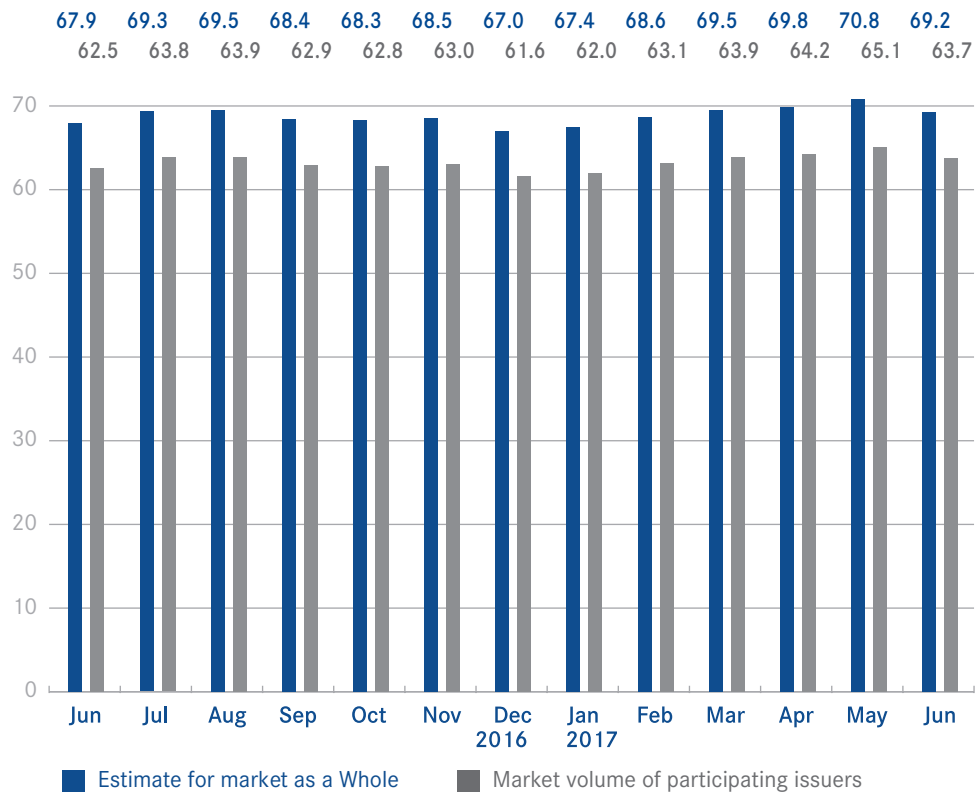
www.derivateverband.de

Office Berlin, Pariser Platz 3, 10117 Berlin, Germany
Office Frankfurt a.M., Feldbergstr. 38, 60323 Frankfurt a.M., Germany

Your contact:
Alexander Heftrich, Media Relations Officer
phone: +49 (0)69 244 33 03 70, mobile phone: +49 (0)160 805 30 34
heftrich@derivateverband.de

Under the heading Presse (Media) our website www.derivateverband.de provides not only our latest media releases but also audio and video recordings for reporting (presently only available on the German website).

Market volume since June 2016



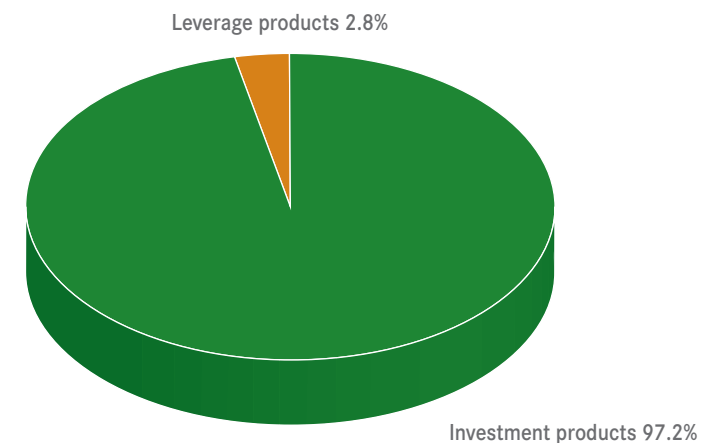
Product classes

Market volume as at 30 June 2017

Product classes	Market volume	Share
	T€	%
Investment products with capital protection	22,721,782	36.7%
Investment products without capital protection	39,183,224	63.3%
Total Investment products	61,905,006	100.0%
Leverage products without Knock-Out	988,565	54.6%
Leverage products with Knock-Out	821,183	45.4%
Total Leverage products	1,809,748	100.0%
Total Investment products	61,905,006	97.2%
Total Leverage products	1,809,748	2.8%
Total Derivatives	63,714,753	100.0%

Product classes

Market volume as at 30 June 2017

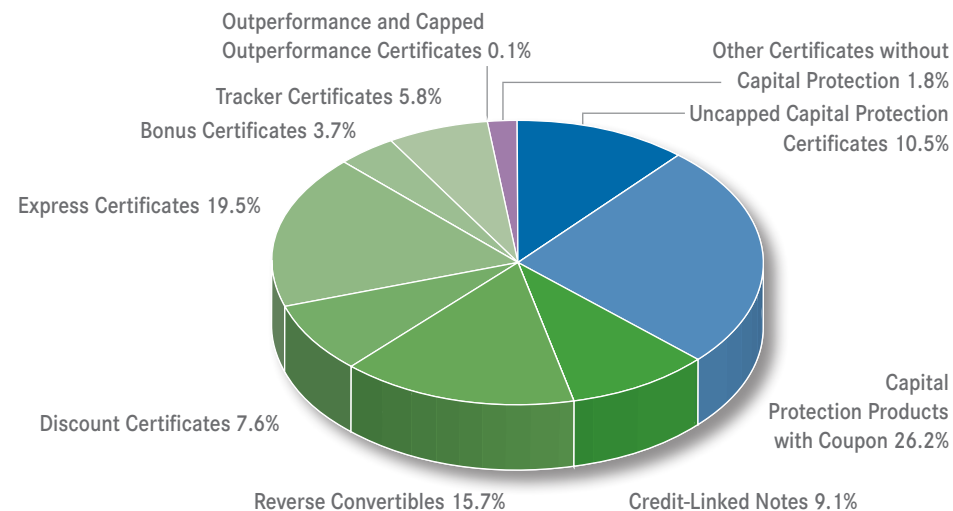


Market volume by product category as at 30 June 2017

Product categories	Market volume		Market volume price-adjusted		Number of Products	
	T€	in %	T€	in %	#	in %
■ Uncapped Capital Protection Certificates	6,503,417	10.5%	6,530,446	10.5%	1,828	0.3%
■ Capital Protection Products with Coupon	16,218,365	26.2%	16,264,565	26.2%	2,766	0.5%
■ Credit-Linked Notes	5,628,017	9.1%	5,635,475	9.1%	2,347	0.4%
■ Reverse Convertibles	9,736,731	15.7%	9,775,571	15.7%	128,345	23.4%
■ Discount Certificates	4,688,076	7.6%	4,692,126	7.5%	161,162	30.9%
■ Express Certificates	12,042,625	19.5%	12,118,681	19.5%	10,484	2.0%
■ Bonus Certificates	2,300,927	3.7%	2,289,337	3.7%	215,089	41.6%
■ Tracker Certificates	3,587,097	5.8%	3,662,001	5.9%	1,598	0.3%
■ Outperformance and Capped Outperformance Certificates	87,693	0.1%	89,247	0.1%	1,357	0.3%
■ Other Certificates without Capital Protection	1,112,056	1.8%	1,123,863	1.8%	862	0.2%
Investment products total	61,905,006	97.2%	62,181,314	96.9%	525,838	37.1%
■ Warrants	647,127	35.8%	732,905	36.5%	499,048	55.9%
■ Factor Certificates	341,437	18.9%	382,793	19.1%	5,128	0.6%
■ Knock-Out Warrants	821,183	45.4%	892,850	44.5%	388,174	43.5%
Leverage products total	1,809,748	2.8%	2,008,548	3.1%	892,350	62.9%
Total	63,714,753	100.0%	64,189,862	100.0%	1,418,188	100.0%

Investment products by product category

Market volume as at 30 June 2017

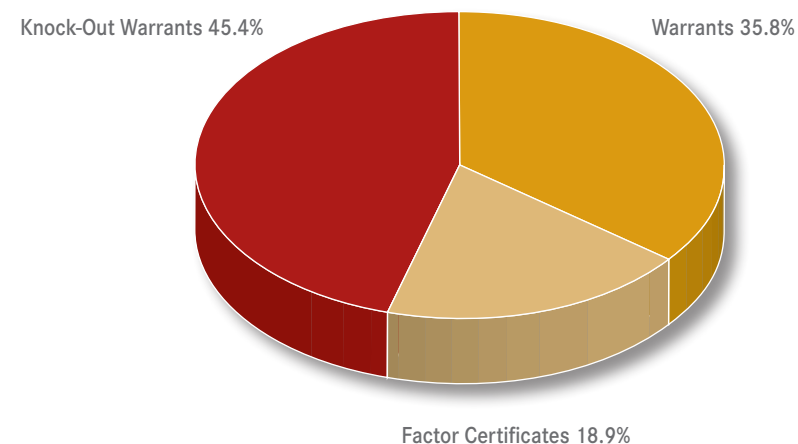


Change in market volume by product category in comparison with previous month

Product categories	Change		Change price-adjusted		Price effect	
	T€	in %	T€	in %		in %
■ Uncapped Capital Protection Certificates	-141,428	-2.1%	-114,399	-1.7%		-0.4%
■ Capital Protection Products with Coupon	227,382	1.4%	273,583	1.7%		-0.3%
■ Credit-Linked Notes	-39,044	-0.7%	-31,587	-0.6%		-0.1%
■ Reverse Convertibles	-452,091	-4.4%	-413,251	-4.1%		-0.4%
■ Discount Certificates	-269,558	-5.4%	-265,508	-5.4%		-0.1%
■ Express Certificates	-104,329	-0.9%	-28,274	-0.2%		-0.6%
■ Bonus Certificates	-255,322	-10.0%	-266,912	-10.4%		0.5%
■ Tracker Certificates	-156,552	-4.2%	-81,648	-2.2%		-2.0%
■ Outperformance and Capped Outperformance Certificates	-10,541	-10.7%	-8,988	-9.1%		-1.6%
■ Other Certificates without Capital Protection	-15,401	-1.4%	-3,594	-0.3%		-1.0%
Investment products total	-1,216,884	-1.9%	-940,576	-1.5%		-0.4%
■ Warrants	-84,460	-11.5%	1,317	0.2%		-11.7%
■ Factor Certificates	-12,087	-3.4%	29,269	8.3%		-11.7%
■ Knock-Out Warrants	-85,201	-9.4%	-13,534	-1.5%		-7.9%
Leverage products total	-181,748	-9.1%	17,052	0.9%		-10.0%
Total	-1,398,632	-2.1%	-923,524	-1.4%		-0.7%

Leverage products by product category

Market volume as at 30 June 2017



Market volume by underlying asset as at 30 June 2017

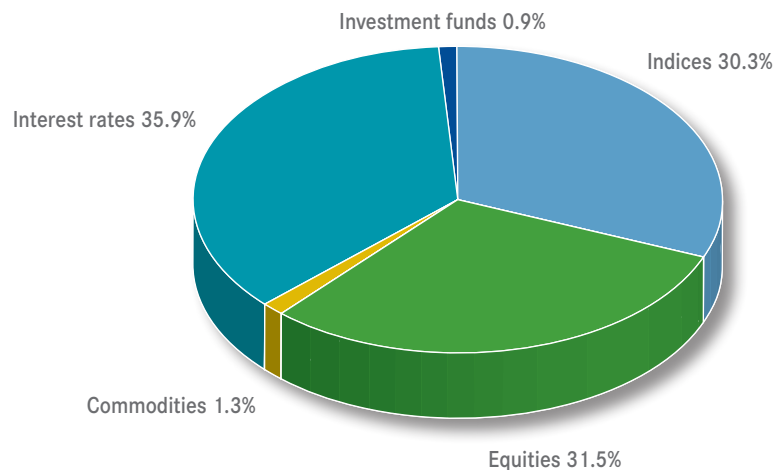
Underlying	Market volume		Market volume price-adjusted*		Number of Products	
	T€	%	T€	%	#	%
Investment products						
Indices	18,753,453	30.3%	18,854,980	30.3%	123,595	23.5%
Equities	19,485,281	31.5%	19,578,221	31.5%	394,582	75.0%
Commodities	792,053	1.3%	819,159	1.3%	2,242	0.4%
Currencies	41,773	0.1%	40,182	0.1%	39	0.0%
Interest rates	22,254,785	35.9%	22,309,452	35.9%	5,194	1.0%
Investment funds	577,659	0.9%	579,320	0.9%	186	0.0%
	61,905,006	97.2%	62,181,314	96.9%	525,838	37.1%
Leverage products						
Indices	536,357	29.6%	590,729	29.4%	205,144	23.0%
Equities	1,021,851	56.5%	1,125,596	56.0%	589,236	66.0%
Commodities	165,599	9.2%	207,129	10.3%	46,946	5.3%
Currencies	47,886	2.6%	51,725	2.6%	46,510	5.2%
Interest rates	38,032	2.1%	33,346	1.7%	4,506	0.5%
Investment funds	22	0.0%	22	0.0%	8	0.0%
	1,809,748	2.8%	2,008,548	3.1%	892,350	62.9%
Total	63,714,753	100.0%	64,189,862	100.0%	1,418,188	100.0%

*Market volume adjusted for price changes = quantity outstanding as at 30 June 2017 x price as at 31 May 2017

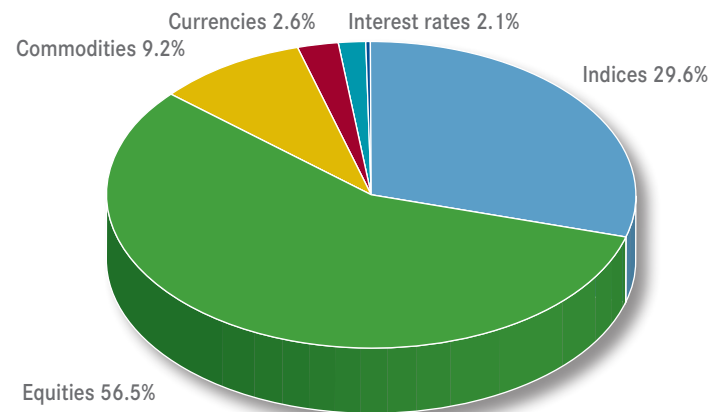
Change in the market volume by underlying asset in comparison with previous month

Underlying	Change		Change price-adjusted		Price effect
	T€	%	T€	%	
Investment products					
Indices	-703,356	-3.6%	-601,830	-3.1%	-0.5%
Equities	-691,432	-3.4%	-598,492	-3.0%	-0.5%
Commodities	3,575	0.5%	30,680	3.9%	-3.4%
Currencies	1,209	3.0%	-382	-0.9%	3.9%
Interest rates	181,090	0.8%	235,757	1.1%	-0.2%
Investment funds	-7,970	-1.4%	-6,309	-1.1%	-0.3%
	-1,216,884	-1.9%	-940,576	-1.5%	-0.4%
Leverage products					
Indices	-50,185	-8.6%	4,188	0.7%	-9.3%
Equities	-115,328	-10.1%	-11,583	-1.0%	-9.1%
Commodities	-18,098	-9.9%	23,432	12.8%	-22.6%
Currencies	-2,307	-4.6%	1,532	3.1%	-7.6%
Interest rates	4,170	12.3%	-517	-1.5%	13.8%
Investment funds	0	1.7%	0	0.0%	1.7%
	-181,748	-9.1%	17,052	0.9%	-10.0%
Total	-1,398,632	-2.1%	-923,524	-1.4%	-0.7%

Investment products by underlying asset Market volume as at 30 June 2017



Leverage products by underlying asset Market volume as at 30 June 2017



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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