

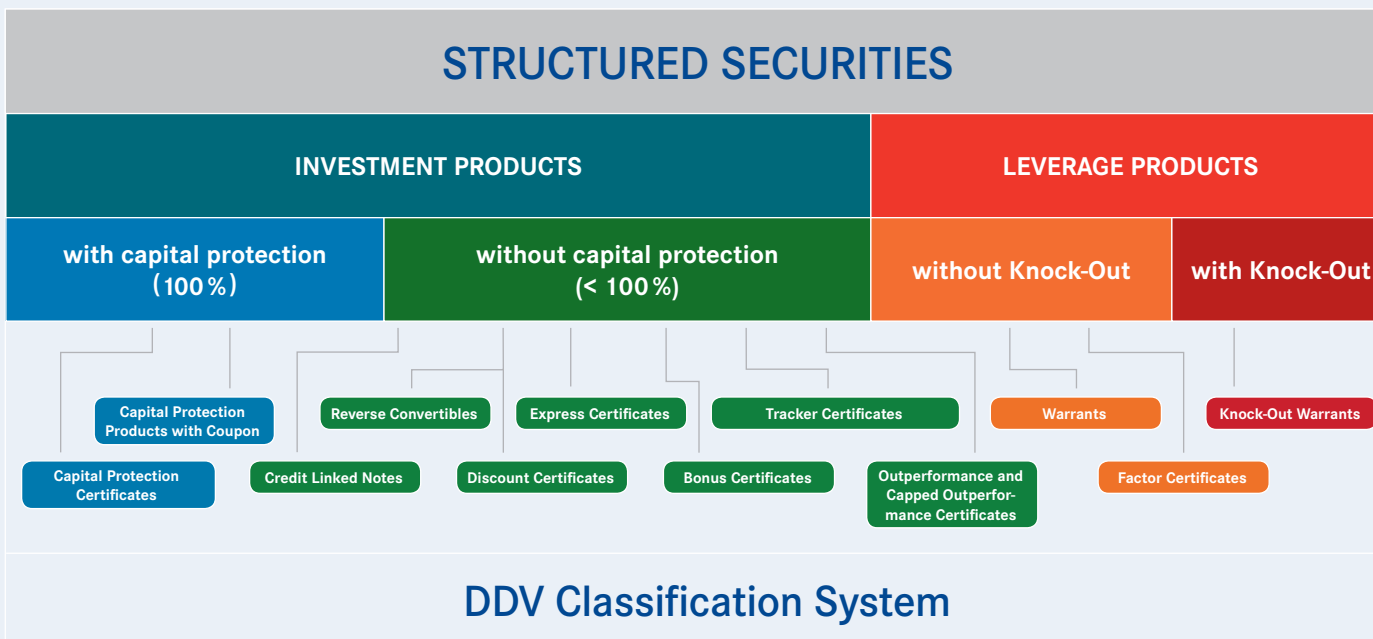
# Market Volume

in Derivatives

## Structured Products market stable

Investors go for higher returns with Capped Capital Protection Products

### STRUCTURED SECURITIES



### DDV Classification System

### CONTENTS

Market volume since February 2014	4
Market volume by product class	4
Market volume by product category	5
Change in the market volume by product category	5
Investment products by product category	5
Leverage products by product category	5
Market volume by underlying	6
Change in market volume by underlying	6
Investment products by underlying	6
Leverage products by underlying	6
Collection, validation and analysis methodology	

## February | 2015

- At EUR 78.7 billion, the total volume of the German Structured Products market in February was almost on a par with the previous month's level.
- Both Capped Capital Protection Certificates and Reverse Convertibles recorded substantial volume increases.
- Investment products accounted for 96.9 percent of the market volume, while leverage products made up 3.1 percent.
- Capital Protection Products remained the dominant investment category. More than half of investors' money was invested in Capital Protection Products with Coupon and Uncapped Capital Protection Certificates.

## Structured Products market stable

### Investors go for higher returns with Capped Capital Protection Products

The outstanding volume of the German Structured Products market fell slightly in February 2015. This drop was attributable to Capital Protection Products with Coupon, whose volume shrank considerably due to redemption dates. By contrast, Reverse Convertibles, Tracker Certificates and leverage products grew substantially.

Overall, the market volume decreased by 1.0 percent or EUR 736.6 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 78.7 billion at the end of February 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 96.9 percent share of the total market volume. Leverage products made up 3.1 percent.

#### Investment products by product category

The volume of **Capital Protection Products** fell in February. The market volume relating to Capital Protection Products with Coupon was down 6.1 percent compared with the previous month at EUR 28.8 billion. This corresponded to a 41.0 percent share of the investment products market. By contrast, Uncapped Capital Protection Certificates lost 0.2 percent to come in at EUR 10.4 billion. Their share was 14.8 percent. 55.8 percent of the market volume was invested in these two product categories in February.

The market volume of **Reverse Convertibles** rose by 5.7 percent to stand at EUR 7.8 billion. Their share within the investment products segment was 11.1 percent.

The volume for **Express Certificates** dropped by 0.4 percent to EUR 5.5 billion. This corresponded to a share of 7.8 percent.

**Credit Linked Notes** gained 1.6 percent to total EUR 5.3 billion. This took their share to 7.6 percent.

**Discount Certificates** experienced growth of 0.4 percent and stood at EUR 4.7 billion. They accounted for 6.7 percent of the volume.

**Tracker Certificates** recorded an increase of 6.9 percent to EUR 4.3 billion, taking their market share to 6.1 percent.

**Bonus Certificates** gained 1.3 percent to come in at EUR 2.5 billion. Their volume share stood at 3.5 percent.

**Outperformance and Capped Outperformance Certificates** upped their volume by 0.3 percent to EUR 89.3 million. However, as it accounted for just 0.1 percent of the total investment products volume, this category continued to have scarcely any impact on the overall trend.

The volume of **further Yield Enhancement Products** rose by 5.8 percent to EUR 834.0 million. They accounted for 1.2 percent of the volume.

#### Leverage products by product category

The market volume of **leverage products** increased by 15.7 percent and stood at EUR 2.2 billion.

The volume invested in **Knock-Out Warrants** climbed by 18.0 percent to EUR 1.0 billion. Their share of volume within the leverage products segment was 45.7 percent. ►►

**Warrants** gained 10.3 percent to come in at EUR 876.1 million. Their share was 39.0 percent.

The volume for **Factor Certificates** grew by 24.3 percent, taking it to EUR 343.7 million. They made up a 15.3 percent share of the leverage products category.

## Investment products by underlying

Structured securities with **interest rates as an underlying** remained the most popular category in February, despite a marked slump. Their volume was down 4.8 percent at EUR 35.4 billion due primarily to the decrease in Capital Protection Products with Coupon. However, they continued to make up just over half of the total investment products volume, accounting for 50.4 percent.

With a share of 26 percent, investment products with **equities as an underlying** ranked next. Their volume edged up by 2.6 percent to EUR 18.2 billion.

Investment products with **indices as an underlying** were the third most popular type. With a volume of EUR 14.6 billion and growth of 1.0 percent, their market share came in at 20.7 percent.

Following at some distance behind the other classes were investment products with **commodities as an underlying**, which made up 1.6 percent. Their volume increased by 14.3 percent in February to EUR 1.1 billion.

At 1.0 percent, the share of investment products with **investment funds as an underlying** was even lower. Their volume grew by 2.6 percent to EUR 719.9 million in February.

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 3.0 percent to EUR 138.9 million.

## Leverage products by underlying

Leverage products with **equities as an underlying** charted growth of 20.5 percent and accounted for a market volume of EUR 1.1 billion. They made up 48.6 percent of the total leverage products volume.

Leverage products with **indices as an underlying** gained 10.6 percent, taking their market volume to EUR 789.4 million. This corresponded to a share of 35.2 percent.

Lagging some way behind leverage products based on equities and indices were those with **commodities as an underlying**. Their volume climbed by 30.6 percent to EUR 224.7 million. This took their share to 10.0 percent.

The market volume of leverage products with **interest rates as an underlying** fell by 13.0 percent to EUR 14.0 million. They accounted for 0.6 percent of the volume. ■



## Deutscher Derivate Verband (DDV)

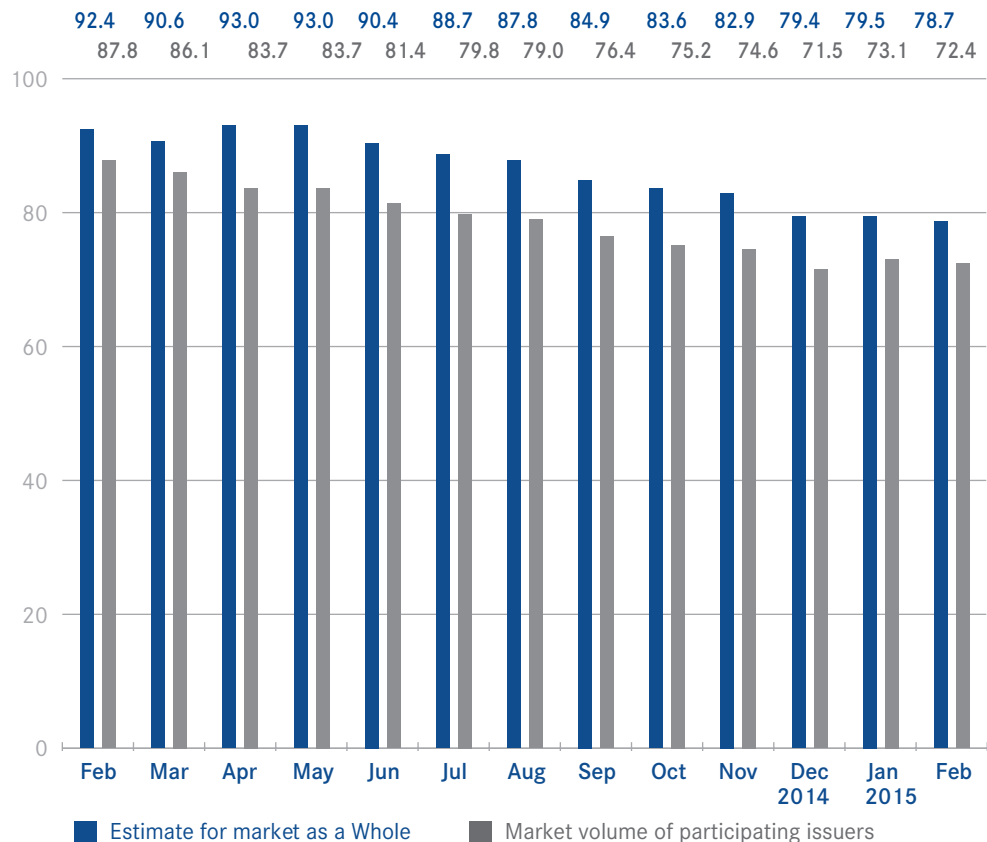
Deutscher Derivate Verband (DDV), the German Derivatives Association, is the industry representative body for the 16 leading issuers of derivatives in Germany: Barclays, BayernLB, BNP Paribas, Citigroup, Commerzbank, DekaBank, Deutsche Bank, DZ BANK, Goldman Sachs, Helaba, HSBC Trinkaus, HypoVereinsbank, 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.

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

Please address any queries to:  
Barbara Wiesneth, Press Secretary  
phone: +49 (69) 244 33 03 – 70, mobile phone: +49 (172) 724 21 53  
wiesneth@derivateverband.de

[www.derivateverband.de](http://www.derivateverband.de)

## Market volume since February 2014



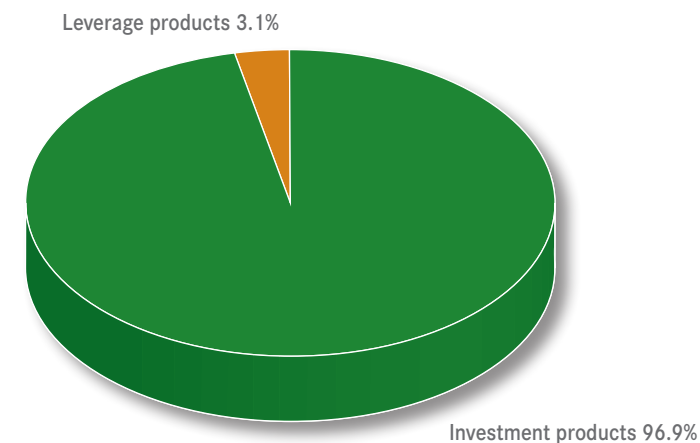
## Product classes

Market volume as at 28 February 2015

Product classes	Market volume	Share
	T€	%
Investment products with capital protection	39,182,173	55.9%
Investment products without capital protection	30,967,132	44.1%
<b>Total Investment products</b>	<b>70,149,305</b>	<b>100.0%</b>
Leverage products without Knock-Out	1,219,834	54.3%
Leverage products with Knock-Out	1,025,084	45.7%
<b>Total Leverage products</b>	<b>2,244,918</b>	<b>100.0%</b>
<b>Total Investment products</b>	<b>70,149,305</b>	<b>96.9%</b>
<b>Total Leverage products</b>	<b>2,244,918</b>	<b>3.1%</b>
<b>Total Derivatives</b>	<b>72,394,223</b>	<b>100.0%</b>

### Product classes

Market volume as at 28 February 2015

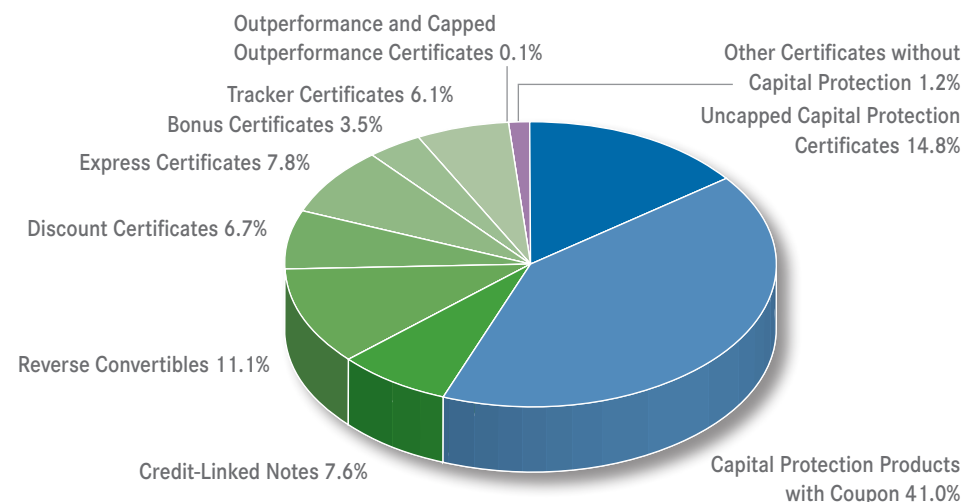


## Market volume by product category as at 28 February 2015

Product categories	Market volume		Market volume price-adjusted		Number of Products	
	T€	in %	T€	in %	#	in %
■ Uncapped Capital Protection Certificates	10,411,454	14.8%	10,357,562	14.9%	2,871	0.6%
■ Capital Protection Products with Coupon	28,770,718	41.0%	28,781,706	41.5%	2,184	0.4%
■ Credit-Linked Notes	5,337,675	7.6%	5,331,188	7.7%	1,482	0.3%
■ Reverse Convertibles	7,768,977	11.1%	7,647,783	11.0%	93,223	18.3%
■ Discount Certificates	4,683,389	6.7%	4,591,907	6.6%	170,556	33.5%
■ Express Certificates	5,474,537	7.8%	5,323,036	7.7%	5,315	1.0%
■ Bonus Certificates	2,470,268	3.5%	2,420,158	3.5%	229,879	45.2%
■ Tracker Certificates	4,309,034	6.1%	4,088,848	5.9%	1,959	0.4%
■ Outperformance and Capped Outperformance Certificates	89,269	0.1%	83,278	0.1%	707	0.1%
■ Other Certificates without Capital Protection	833,983	1.2%	811,054	1.2%	471	0.1%
<b>Investment products total</b>	<b>70,149,305</b>	<b>96.9%</b>	<b>69,436,519</b>	<b>97.1%</b>	<b>508,647</b>	<b>41.6%</b>
■ Warrants	876,086	39.0%	848,862	40.5%	382,876	53.7%
■ Factor Certificates	343,748	15.3%	344,488	16.4%	2,346	0.3%
■ Knock-Out Warrants	1,025,084	45.7%	903,001	43.1%	327,488	45.9%
<b>Leverage products total</b>	<b>2,244,918</b>	<b>3.1%</b>	<b>2,096,352</b>	<b>2.9%</b>	<b>712,710</b>	<b>58.4%</b>
<b>Total</b>	<b>72,394,223</b>	<b>100.0%</b>	<b>71,532,870</b>	<b>100.0%</b>	<b>1,221,357</b>	<b>100.0%</b>

## Investment products by product category

Market volume as at 28 February 2015

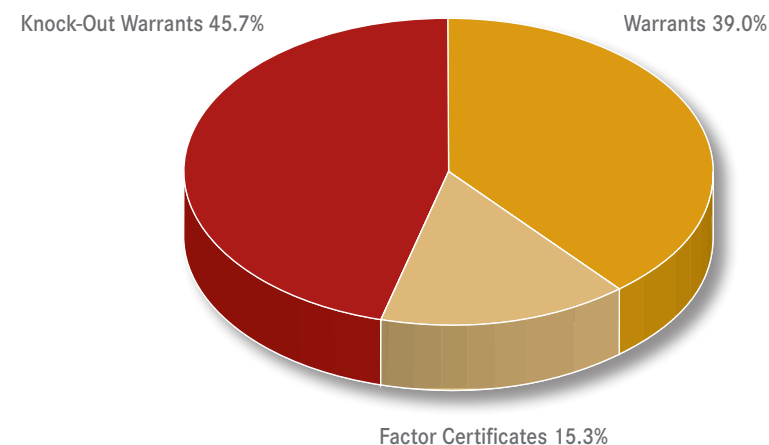


## Change in market volume by product category in comparison with previous month

Product categories	Change		Change price-adjusted		Price effect
	T€	in %	T€	in %	
■ Uncapped Capital Protection Certificates	-21,366	-0.2%	-75,258	-0.7%	0.5%
■ Capital Protection Products with Coupon	-1,876,984	-6.1%	-1,865,996	-6.1%	0.0%
■ Credit-Linked Notes	82,224	1.6%	75,737	1.4%	0.1%
■ Reverse Convertibles	419,146	5.7%	297,951	4.1%	1.6%
■ Discount Certificates	18,693	0.4%	-72,789	-1.6%	2.0%
■ Express Certificates	-20,596	-0.4%	-172,097	-3.1%	2.8%
■ Bonus Certificates	32,528	1.3%	-17,583	-0.7%	2.1%
■ Tracker Certificates	278,371	6.9%	58,186	1.4%	5.5%
■ Outperformance and Capped Outperformance Certificates	239	0.3%	-5,752	-6.5%	6.7%
■ Other Certificates without Capital Protection	45,768	5.8%	22,839	2.9%	2.9%
<b>Investment products total</b>	<b>-1,041,977</b>	<b>-1.5%</b>	<b>-1,754,763</b>	<b>-2.5%</b>	<b>1.0%</b>
■ Warrants	81,621	10.3%	54,397	6.8%	3.4%
■ Factor Certificates	67,194	24.3%	67,935	24.6%	-0.3%
■ Knock-Out Warrants	156,601	18.0%	34,518	4.0%	14.1%
<b>Leverage products total</b>	<b>305,416</b>	<b>15.7%</b>	<b>156,850</b>	<b>8.1%</b>	<b>7.7%</b>
<b>Total</b>	<b>-736,561</b>	<b>-1.0%</b>	<b>-1,597,913</b>	<b>-2.2%</b>	<b>1.2%</b>

## Leverage products by product category

Market volume as at 28 February 2015



## Market volume by underlying asset as at 28 February 2015

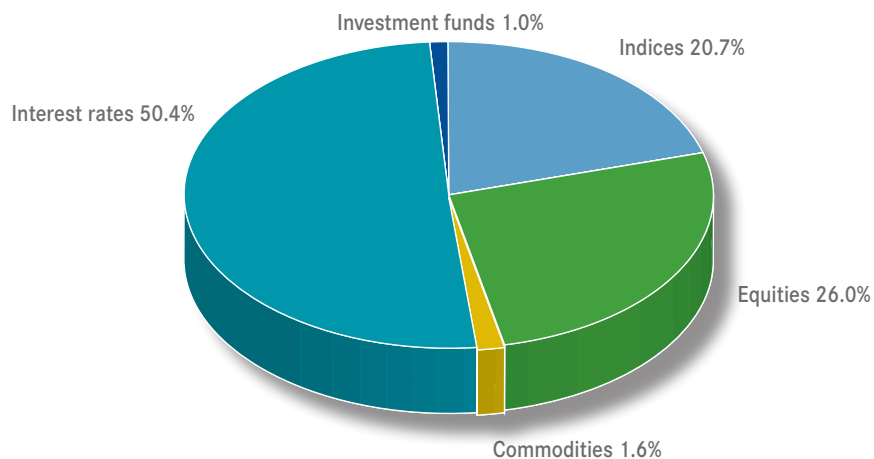
Underlying	Market volume		Market volume price-adjusted*		Number of Products	
	T€	%	T€	%	#	%
<b>Investment products</b>						
Indices	14,552,545	20.7%	14,240,244	20.5%	119,739	23.5%
Equities	18,249,546	26.0%	17,909,486	25.8%	382,451	75.2%
Commodities	1,118,359	1.6%	1,068,958	1.5%	2,452	0.5%
Currencies	138,885	0.2%	139,426	0.2%	48	0.0%
Interest rates	35,370,113	50.4%	35,369,375	50.9%	3,845	0.8%
Investment funds	719,857	1.0%	709,029	1.0%	112	0.0%
	<b>70,149,305</b>	<b>96.9%</b>	<b>69,436,519</b>	<b>97.1%</b>	<b>508,647</b>	<b>41.6%</b>
<b>Leverage products</b>						
Indices	789,384	35.2%	813,958	38.8%	177,914	25.0%
Equities	1,091,017	48.6%	917,118	43.7%	469,208	65.8%
Commodities	224,779	10.0%	226,085	10.8%	31,226	4.4%
Currencies	125,659	5.6%	124,992	6.0%	31,521	4.4%
Interest rates	14,034	0.6%	14,155	0.7%	2,827	0.4%
Investment funds	45	0.0%	44	0.0%	14	0.0%
	<b>2,244,918</b>	<b>3.1%</b>	<b>2,096,352</b>	<b>2.9%</b>	<b>712,710</b>	<b>58.4%</b>
<b>Total</b>	<b>72,394,223</b>	<b>100.0%</b>	<b>71,532,870</b>	<b>100.0%</b>	<b>1,221,357</b>	<b>100.0%</b>

\*Market volume adjusted for price changes = quantity outstanding as at 28 February 2015 x price as at 31 January 2015

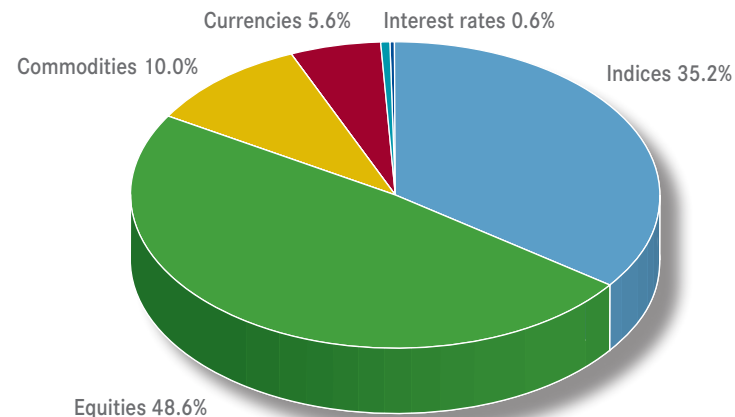
## Change in the market volume by underlying asset in comparison with previous month

Underlying	Change		Change price-adjusted		Price effect
	T€	%	T€	%	
<b>Investment products</b>					
Indices	138,237	1.0%	-174,063	-1.2%	2.2%
Equities	463,318	2.6%	123,258	0.7%	1.9%
Commodities	139,988	14.3%	90,587	9.3%	5.0%
Currencies	-4,305	-3.0%	-3,765	-2.6%	-0.4%
Interest rates	-1,797,348	-4.8%	-1,798,086	-4.8%	0.0%
Investment funds	18,133	2.6%	7,305	1.0%	1.5%
	<b>-1,041,977</b>	<b>-1.5%</b>	<b>-1,754,763</b>	<b>-2.5%</b>	<b>1.0%</b>
<b>Leverage products</b>					
Indices	75,676	10.6%	100,250	14.0%	-3.4%
Equities	185,875	20.5%	11,975	1.3%	19.2%
Commodities	52,629	30.6%	53,935	31.3%	-0.8%
Currencies	-10,378	-7.6%	-11,046	-8.1%	0.5%
Interest rates	1,619	13.0%	1,740	14.0%	-1.0%
Investment funds	-2	-5.1%	-3	-6.7%	1.7%
	<b>305,416</b>	<b>15.7%</b>	<b>156,850</b>	<b>8.1%</b>	<b>7.7%</b>
<b>Total</b>	<b>-736,561</b>	<b>-1.0%</b>	<b>-1,597,913</b>	<b>-2.2%</b>	<b>1.2%</b>

### Investment products by underlying asset Market volume as at 28 February 2015



### Leverage products by underlying asset Market volume as at 28 February 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](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.

### Copyright

These statistics may not be copied, used or quoted without reference to the source text (Deutscher Derivate Verband: The German Derivatives Market, February 2015).