

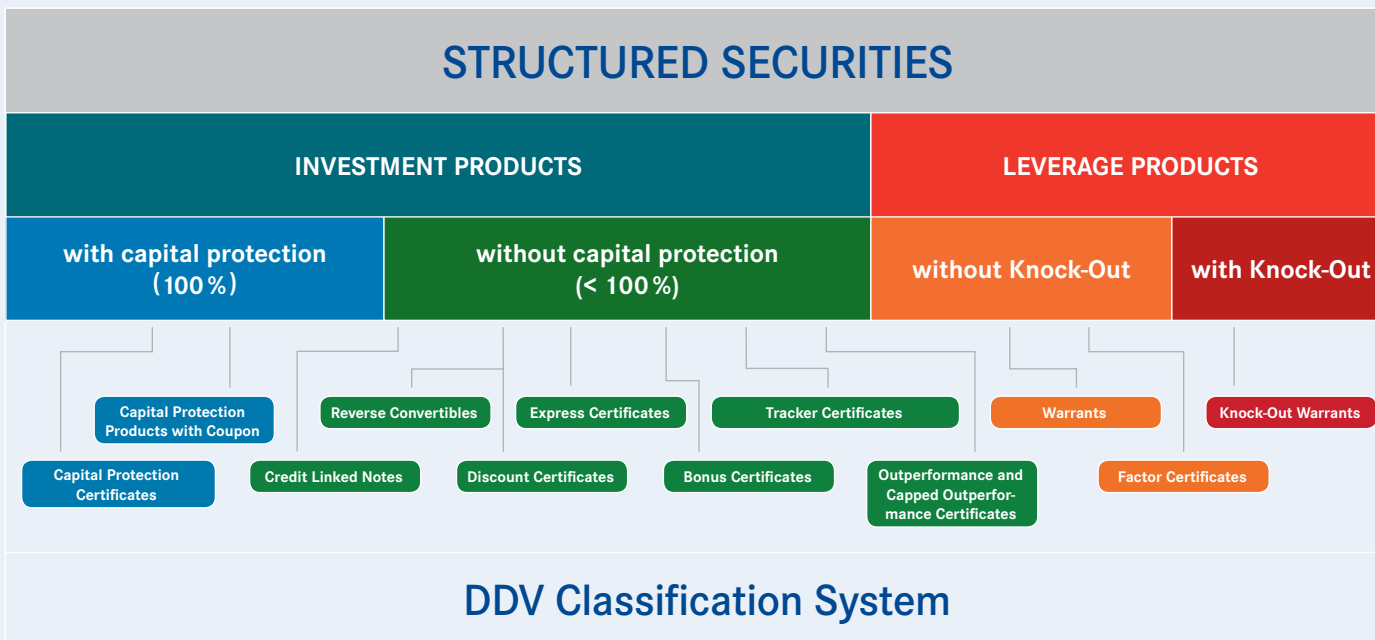
Market Volume

in Derivatives

Positive start to the second half of 2015

High demand for Discount and Express Certificates

STRUCTURED SECURITIES



DDV Classification System

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July | 2015

- The German structured products market made a positive start to the second half of 2015. In July, the total volume was EUR 73.2 billion.
- Discount Certificates experienced above-average growth of 6.7 percent, taking their volume to EUR 5.1 billion.
- The volume of Capital Protection Products continued its downward trend. Uncapped Capital Protection Certificates and Capital Protection Products with Coupon accounted for 50.2 percent in July.
- Leverage products with equities as an underlying upped their market volume substantially by 19.1 percent. An aggregate volume of around EUR 1.1 billion was recorded.

Positive start to the second half of 2015

High demand for Discount and Express Certificates

The outstanding volume of the German structured products market grew in July 2015. A positive market environment was responsible for growth in almost all product categories. Discount Certificates, Express Certificates and Reverse Convertibles recorded extraordinary growth figures.

Overall, the market volume saw a slight rise of 0.9 percent or EUR 576.1 million compared with the previous month. These trends are 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 73.2 billion at the end of July 2015.**

Compared with the previous month, the **ratio of investment products to leverage products** shifted in favour of leverage products. Investment products continued to influence market developments with a total market volume share of 97.0 percent.

Investment products by product category

Bucking the positive overall trend, the volume of **Capital Protection Products** decreased in the month under review. The market volume relating to Capital Protection Products with Coupon fell by 2.4 percent compared with the previous

month, to stand at EUR 23.3 billion. This corresponded to a 35.7 percent share of the investment products market. Uncapped Capital Protection Certificates recorded a less marked reduction of 1.0 percent to EUR 9.5 billion. They accounted for 14.5 percent of the investment products market. In July, 50.2 percent of the market volume was invested in these two product categories.

The volume of **Reverse Convertibles** increased 3.0 percent to EUR 8.0 billion. This corresponded to a share of 12.3 percent.

Express Certificates climbed strongly by 5.0 percent to come in at EUR 5.8 billion. Their share stood at 8.9 percent in July.

The market volume for **Credit Linked Notes** rose by 0.4 percent, taking it to EUR 5.3 billion. Their share of the market volume remained unchanged at 8.1 percent.

Discount Certificates also recorded a substantial increase in volume of 6.7 percent to stand at EUR 5.1 billion, representing a market share of 7.8 percent.

The market volume for **Tracker Certificates** was up 3.3 percent to EUR 4.5 billion. Their share of the investment products segment was 6.9 percent.

Bonus Certificates also recorded growth in July. With a volume of EUR 2.6 billion, their share represented 4.0 percent of the market.

Outperformance and Capped Outperformance Certificates upped their volume, with growth of 6.0 percent, taking the figure to EUR 129.5 million. However, as they accounted for just 0.2 percent of the total investment products market, this category had scarcely any impact on the overall trend.

The volume of **other Yield Enhancement Products** climbed 3.8 percent to EUR 1.1 billion, taking their market share to 1.7 percent.

Leverage products by product category

The market volume of **leverage products** grew by 5.9 percent and stood at EUR 2.0 billion in July.

The volume invested in **Knock-Out Warrants** increased by 7.6 percent on the previous month, taking it to EUR 900.4 million. Their share of the leverage products segment was 44.0 percent.

Warrants showed a plus of 9.1 percent, to stand at EUR 770.4 million. Their share stood at 37.7 percent. ▶▶

However the volume invested in **Factor Certificates** fell by 3.7 percent to EUR 373.2 million. This category accounted for 18.3 percent of the leverage products market.

Investment products by underlying

Despite registering some losses, structured products with **interest rates as an underlying** remained the most popular category. At EUR 29.8 billion, their volume was down 1.9 percent. Their share was 45.6 percent. The major reason for the slight upward trend was the decrease in Capital Protection Products with Coupon.

Investment products with **equities as an underlying** followed in second place. Their volume grew by 3.0 percent, taking it to EUR 18.7 billion. This corresponded to 28.6 percent of the total volume.

Investment products with **indices as an underlying** were the third most popular investment category. Their total volume increased by 3.9 percent, taking it to EUR 15.2 billion. Hence their share in the market was 23.2 percent.

Following at a considerable distance behind the other classes were investment products with **commodities as an underlying**. Their outstanding volume fell considerably, by 6.7 percent, to EUR 990.4 million in July. Commodities therefore accounted for a 1.5 percent share.

As in the previous month, investment products with **investment funds as an underlying** made up a 1.0 percent share. Their volume came in at EUR 622.2 million.

Investment products with **currencies as an underlying** were fairly insignificant in relation to the general trend with a share of 0.1 percent. The volume invested in them increased by 60.8 percent to EUR 83.0 million in the reporting month.

Leverage products by underlying

The market volume of leverage products with **equities as an underlying** climbed by 19.1 percent to approximately EUR 1.1 billion. They made up 52.9 percent of the total leverage products volume.

Leverage products with **indices as an underlying** experienced a slight loss of 0.5 percent and stood at EUR 676.0 million. This corresponded to a 33.1 percent share in the market.

Leverage products with **commodities as an underlying** were lagging some way behind financial instruments on equities and indices. Their volume shrank by 22.5 percent month on month to EUR 171.8 million. Their total market share was 8.4 percent.

The market volume of leverage products with **currencies as an underlying** went down by 6.8 percent. They accounted for EUR 91.0 million and a market share of 4.5 percent.

The market volume of leverage products with **interest rates as an underlying** dropped 1.4 percent to EUR 23.5 million in July. However their impact on the general trend was not significant because they accounted for 1.2 percent of the volume only. ■



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.

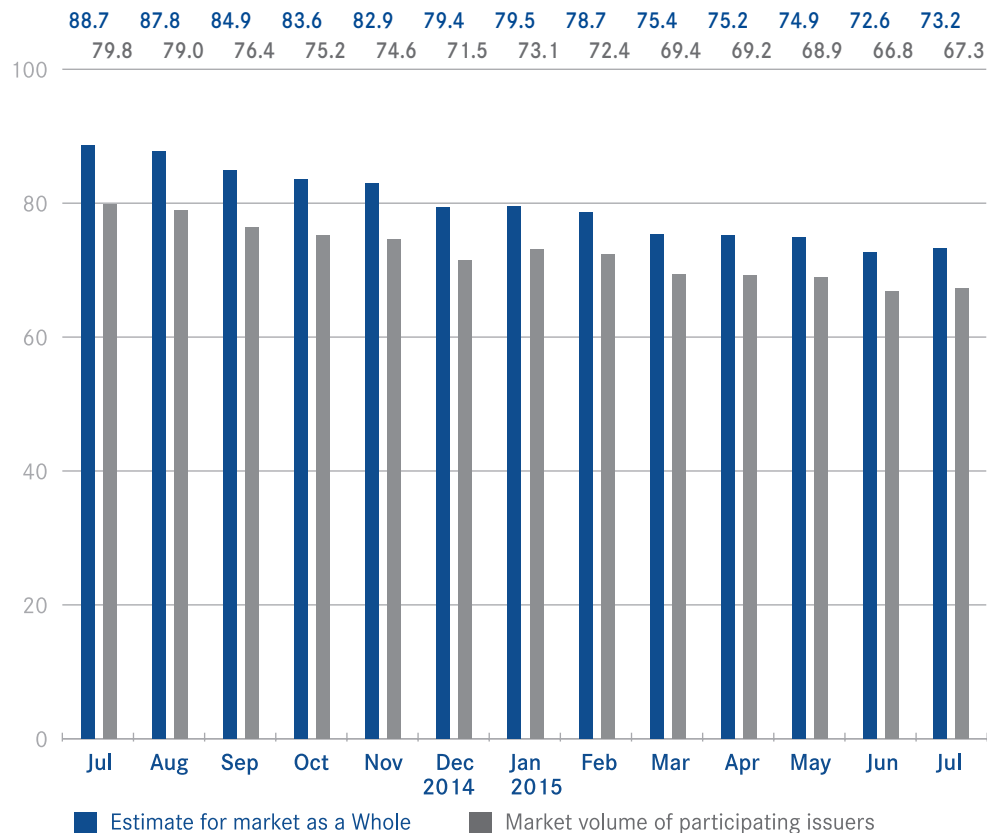
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Market volume since Juli 2014



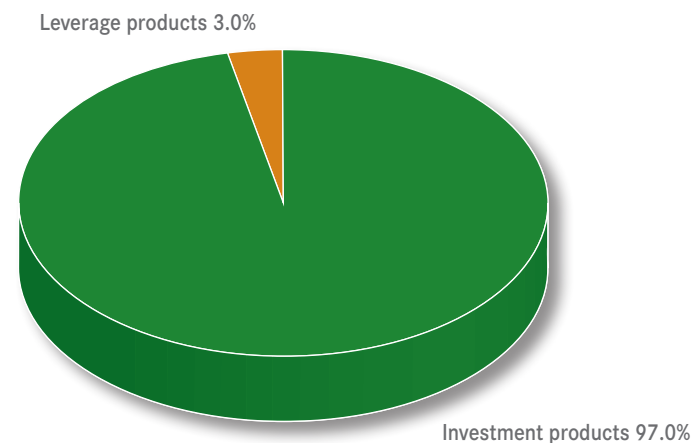
Product classes

Market volume as at 31 July 2015

Product classes	Market volume	Share
	T€	%
Investment products with capital protection	32,746,003	50.2%
Investment products without capital protection	32,541,723	49.8%
Total Investment products	65,287,726	100.0%
Leverage products without Knock-Out	1,143,683	56.0%
Leverage products with Knock-Out	900,359	44.0%
Total Leverage products	2,044,042	100.0%
Total Investment products	65,287,726	97.0%
Total Leverage products	2,044,042	3.0%
Total Derivatives	67,331,768	100.0%

Product classes

Market volume as at 31 July 2015

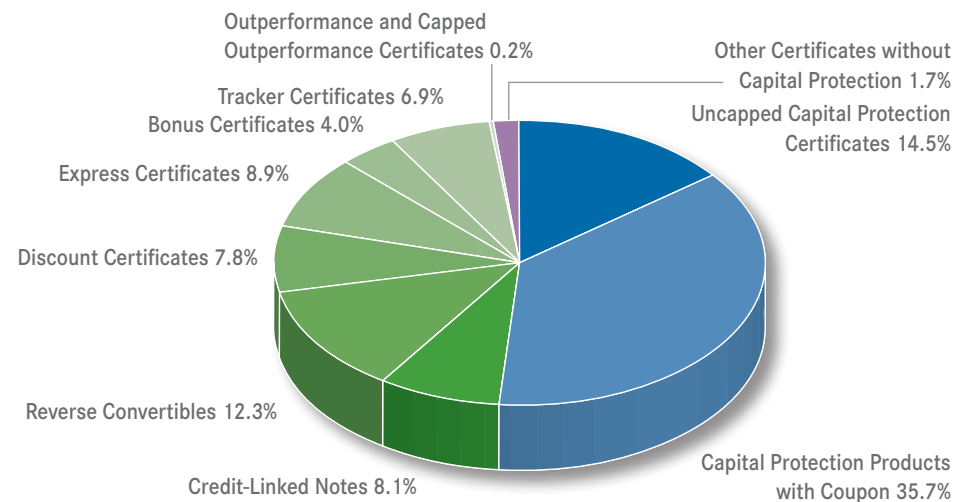


Market volume by product category as at 31 July 2015

Product categories	Market volume		Market volume price-adjusted		Number of Products	
	T€	in %	T€	in %	#	in %
■ Uncapped Capital Protection Certificates	9,463,644	14.5%	9,421,406	14.5%	2,599	0.5%
■ Capital Protection Products with Coupon	23,282,359	35.7%	23,284,627	35.9%	2,077	0.4%
■ Credit-Linked Notes	5,284,726	8.1%	5,269,044	8.1%	1,649	0.3%
■ Reverse Convertibles	8,011,326	12.3%	7,944,847	12.2%	96,362	18.0%
■ Discount Certificates	5,124,033	7.8%	5,040,822	7.8%	175,307	32.7%
■ Express Certificates	5,818,623	8.9%	5,726,971	8.8%	6,156	1.1%
■ Bonus Certificates	2,582,218	4.0%	2,515,783	3.9%	248,666	46.4%
■ Tracker Certificates	4,485,048	6.9%	4,519,793	7.0%	1,934	0.4%
■ Outperformance and Capped Outperformance Certificates	129,533	0.2%	125,434	0.2%	723	0.1%
■ Other Certificates without Capital Protection	1,106,215	1.7%	1,093,802	1.7%	693	0.1%
Investment products total	65,287,726	97.0%	64,942,528	96.8%	536,166	42.1%
■ Warrants	770,448	37.7%	816,072	38.0%	384,717	52.1%
■ Factor Certificates	373,235	18.3%	462,185	21.5%	2,699	0.4%
■ Knock-Out Warrants	900,359	44.0%	867,020	40.4%	350,964	47.5%
Leverage products total	2,044,042	3.0%	2,145,276	3.2%	738,380	57.9%
Total	67,331,768	100.0%	67,087,805	100.0%	1,274,546	100.0%

Investment products by product category

Market volume as at 31 July 2015

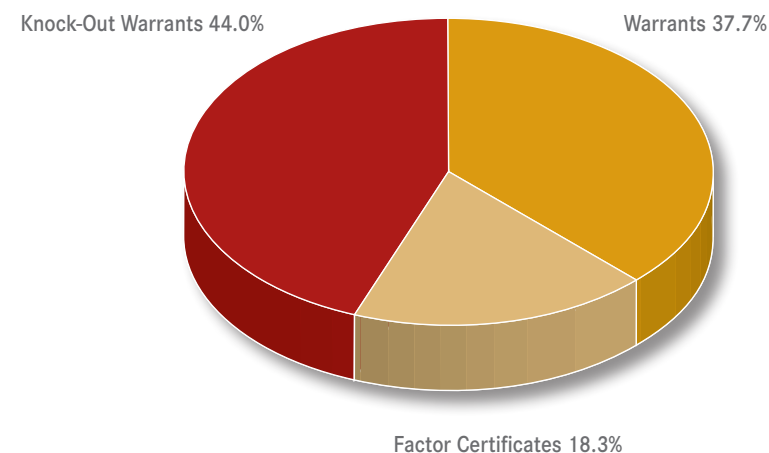


Change in market volume by product category in comparison with previous month

Product categories	Change		Change price-adjusted		Price effect
	T€	in %	T€	in %	in %
■ Uncapped Capital Protection Certificates	-97,284	-1.0%	-139,522	-1.5%	0.4%
■ Capital Protection Products with Coupon	-583,269	-2.4%	-581,001	-2.4%	0.0%
■ Credit-Linked Notes	21,694	0.4%	6,012	0.1%	0.3%
■ Reverse Convertibles	230,116	3.0%	163,636	2.1%	0.9%
■ Discount Certificates	321,346	6.7%	238,135	5.0%	1.7%
■ Express Certificates	276,350	5.0%	184,698	3.3%	1.7%
■ Bonus Certificates	100,540	4.1%	34,105	1.4%	2.7%
■ Tracker Certificates	144,831	3.3%	179,576	4.1%	-0.8%
■ Outperformance and Capped Outperformance Certificates	7,318	6.0%	3,219	2.6%	3.4%
■ Other Certificates without Capital Protection	40,974	3.8%	28,561	2.7%	1.2%
Investment products total	462,616	0.7%	117,418	0.2%	0.5%
■ Warrants	64,556	9.1%	110,180	15.6%	-6.5%
■ Factor Certificates	-14,259	-3.7%	74,691	19.3%	-23.0%
■ Knock-Out Warrants	63,228	7.6%	29,889	3.6%	4.0%
Leverage products total	113,525	5.9%	214,760	11.1%	-5.2%
Total	576,141	0.9%	332,177	0.5%	0.4%

Leverage products by product category

Market volume as at 31 July 2015



Market volume by underlying asset as at 31 July 2015

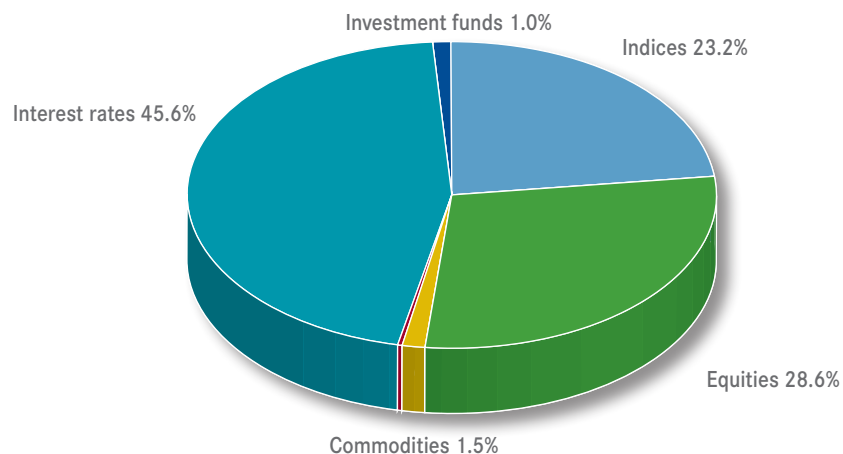
Underlying	Market volume		Market volume price-adjusted*		Number of Products	
	T€	%	T€	%	#	%
Investment products						
Indices	15,156,852	23.2%	14,925,355	23.0%	127,694	23.8%
Equities	18,655,746	28.6%	18,458,407	28.4%	402,083	75.0%
Commodities	990,354	1.5%	1,084,415	1.7%	2,339	0.4%
Currencies	82,974	0.1%	83,587	0.1%	43	0.0%
Interest rates	29,779,612	45.6%	29,770,704	45.8%	3,900	0.7%
Investment funds	622,188	1.0%	620,060	1.0%	107	0.0%
	65,287,726	97.0%	64,942,528	96.8%	536,166	42.1%
Leverage products						
Indices	676,009	33.1%	705,130	32.9%	198,902	26.9%
Equities	1,081,671	52.9%	1,033,911	48.2%	475,760	64.4%
Commodities	171,826	8.4%	287,302	13.4%	31,350	4.2%
Currencies	90,980	4.5%	90,564	4.2%	29,166	3.9%
Interest rates	23,528	1.2%	28,342	1.3%	3,192	0.4%
Investment funds	28	0.0%	28	0.0%	10	0.0%
	2,044,042	3.0%	2,145,276	3.2%	738,380	57.9%
Total	67,331,768	100.0%	67,087,805	100.0%	1,274,546	100.0%

*Market volume adjusted for price changes = quantity outstanding as at 31 July 2015 x price as at 30 June 2015

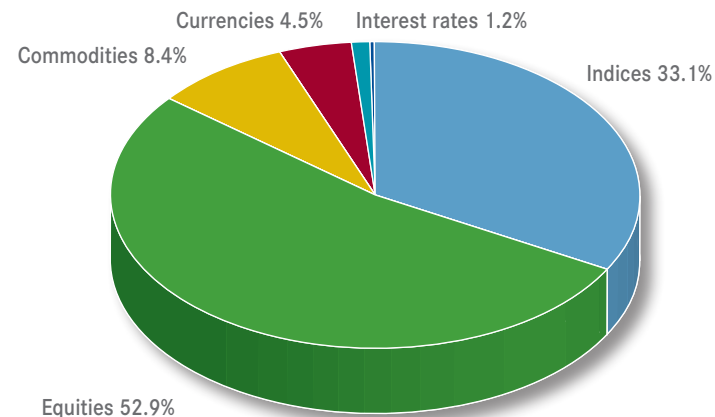
Change in the market volume by underlying asset in comparison with previous month

Underlying	Change		Change price-adjusted		Price effect
	T€	%	T€	%	
Investment products					
Indices	575,853	3.9%	344,355	2.4%	1.6%
Equities	542,005	3.0%	344,666	1.9%	1.1%
Commodities	-70,939	-6.7%	23,122	2.2%	-8.9%
Currencies	31,383	60.8%	31,996	62.0%	-1.2%
Interest rates	-587,120	-1.9%	-596,028	-2.0%	0.0%
Investment funds	-28,565	-4.4%	-30,693	-4.7%	0.3%
	462,616	0.7%	117,418	0.2%	0.5%
Leverage products					
Indices	-3,291	-0.5%	25,831	3.8%	-4.3%
Equities	173,713	19.1%	125,953	13.9%	5.3%
Commodities	-49,935	-22.5%	65,541	29.6%	-52.1%
Currencies	-6,622	-6.8%	-7,039	-7.2%	0.4%
Interest rates	-338	-1.4%	4,476	18.8%	-20.2%
Investment funds	-2	-7.8%	-2	-7.8%	0.0%
	113,525	5.9%	214,760	11.1%	-5.2%
Total	576,141	0.9%	332,177	0.5%	0.4%

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



Leverage products by underlying asset Market volume as at 31 July 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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