

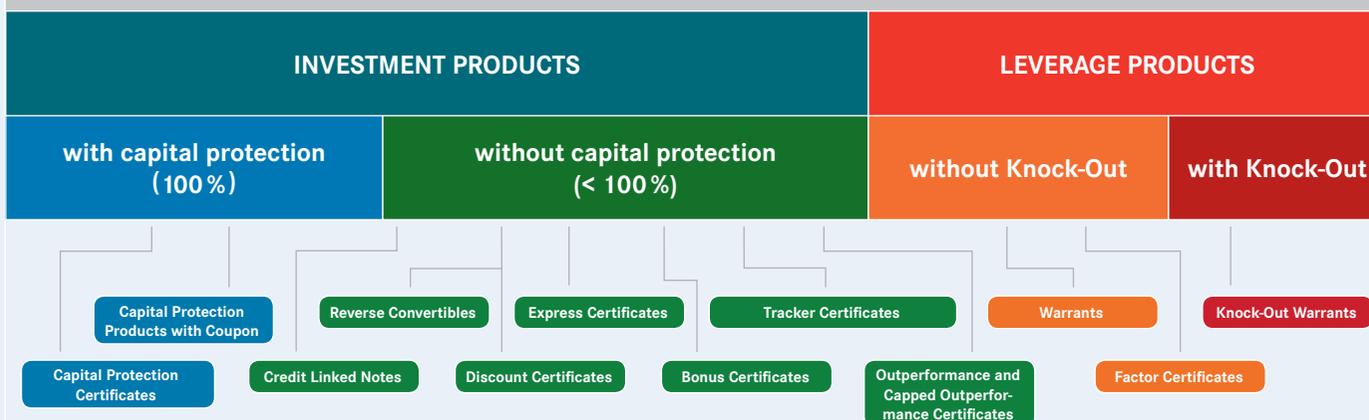
Market Volume

in Derivatives

Good start into the last quarter

High demand for Reverse Convertibles and Discount Certificates

STRUCTURED SECURITIES



DDV Classification System

CONTENTS

Market volume since October 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	7

October | 2015

- The German structured products market made a good start to the last quarter. In October, the total market volume was EUR 70.0 billion.
- Reverse Convertibles experienced above-average growth of 5.6 percent. Their market volume stood at EUR 7.8 billion.
- The market volume of investment products with capital protection experienced further losses. Uncapped Capital Protection Certificates and Capital Protection Products with Coupon still accounted for 48.4 percent.
- The market volume of leverage products amounted to EUR 1.9 billion and thus experienced a significant growth of 26.2 percent.

Good start into the last quarter

High demand for Reverse Convertibles and Discount Certificates

The outstanding volume of the German structured products market increased in October 2015. A positive market environment was responsible for growth in almost all product categories. In particular, Reverse Convertibles, Discount Certificates, and Outperformance and Capped Outperformance Certificates recorded extraordinary growth figures.

Overall, the market volume increased by 1.7 percent or EUR 1.1 billion compared with September 2015. 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 70.0 billion at the end of October 2015.**

Compared with the previous month, the **ratio of investment products to leverage products** shifted in favour of leverage products. They made up 2.9 percent of the total market share. Investment products continued to influence market developments with a total market volume share of 97.1 percent.

Investment products by product category

Bucking the generally positive market trend, the volume of **Capital Protection Products** decreased in the month un-

der review. Compared with the previous month, the market volume of Capital Protection Products with Coupon fell by 3.3 percent to EUR 20.9 billion. This corresponded to a 33.5 percent share of the investment products market. Uncapped Capital Protection Certificates went up slightly by 1.0 percent, taking their volume to EUR 9.3 billion. This represented 14.9 percent of the investment products market. A total of 48.4 percent of the market volume was invested in these two product categories in October.

Reverse Convertibles upped their volume substantially by 5.6 percent to EUR 7.8 billion. This corresponded to a market share of 12.5 percent.

Express Certificates also recorded growth. They gained 2.3 percent to come in at EUR 5.7 billion. Their share was 9.1 percent in October.

The market volume of **Credit Linked Notes** lost 0.5 percent to stand at EUR 5.3 billion. They accounted for a share of 8.5 percent of the volume.

Discount Certificates also charted considerable gains. Their volume increased by 5.6 percent to come in at EUR 5.2 billion – a share of 8.3 percent.

The market volume for **Tracker Certificates** climbed 7.5 percent to EUR 4.5 billion. Their share of the investment products segment accounted for 7.1 percent.

There was also a significant increase in the volume of **Bonus Certificates** in October. Their market volume stood at EUR 2.7 billion. This corresponded to a 4.3 percent share of the total market.

Outperformance and Capped Outperformance Certificates dropped by 5.1 percent taking their volume to EUR 118.5 million. However, as they accounted for just 0.2 percent of the total investment products volume, this category had scarcely any impact on the overall trend.

The volume of **other Yield Enhancement Products** upped 5.1 percent to EUR 1.1 billion. They accounted for a 1.7 percent share.

Leverage products by product category

The market volume of **leverage products** recorded above-average growth of 26.2 percent to stand at EUR 1.9 billion in October.

The volume invested in **Knock-Out Warrants** increased by 31.1 percent in comparison with the previous month, ►

taking it to EUR 739.2 million. The share of Knock-Out Warrants in the leverage products market was 39.1 percent.

Warrants rose by 19.5 percent to come in at EUR 767.0 million. Their market share stood at 40.6 percent.

The volume invested in **Factor Certificates** also experienced substantial growth. It increased by 31.4 percent to EUR 383.0 million, which accounted for 20.3 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. Their volume went down by 2.6 percent to EUR 27.4 billion mainly due to the decrease in Capital Protection Products with Coupon. This took their share to 43.8 percent.

Investment products with **equities as an underlying** followed in second place. Their volume grew by 4.7 percent to EUR 18.1 billion. This corresponded to 28.9 percent of the total volume.

Investment products with **indices as an underlying** were the third most popular investment category. Their share of the total volume grew by 4.2 percent to EUR 15.5 billion. This corresponded to a 24.8 percent share.

Following at a considerable distance behind the other asset classes were investment products with **commodities as an underlying**. Their outstanding volume grew by 0.4 percent to stand at EUR 927.7 million in October. Commodities accounted for a 1.5 percent share of the total volume.

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 605.7 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 fell by 1.5 percent to EUR 39.7 million in the reporting month.

Leverage products by underlying

The market volume of leverage products with **equities as an underlying** climbed 39.7 percent and amounted to EUR 1.0 billion. These instruments made up 53.5 percent of the total leverage products volume.

Leverage products with **indices as an underlying** gained 17.9 percent to come in at EUR 626.6 million. This corresponded to a 33.2 percent share of the total volume.

Lagging some way behind, leverage products with **commodities as an underlying** stood at EUR 154.7 million, an increase of 8.8 percent compared with the previous month. Their market share was 8.2 percent.

Leverage products with **currencies as an underlying** recorded a drop of 5.8 percent to EUR 70.3 million. This corresponded to a 3.7 percent share of the total volume.

The market volume of leverage products with **interest rates as an underlying** rose by 2.8 percent in October and increased to EUR 26.6 million. Because they accounted for only 1.4 percent of the total volume, their impact on the general trend was not significant, however. ■



Deutscher Derivate Verband (DDV)

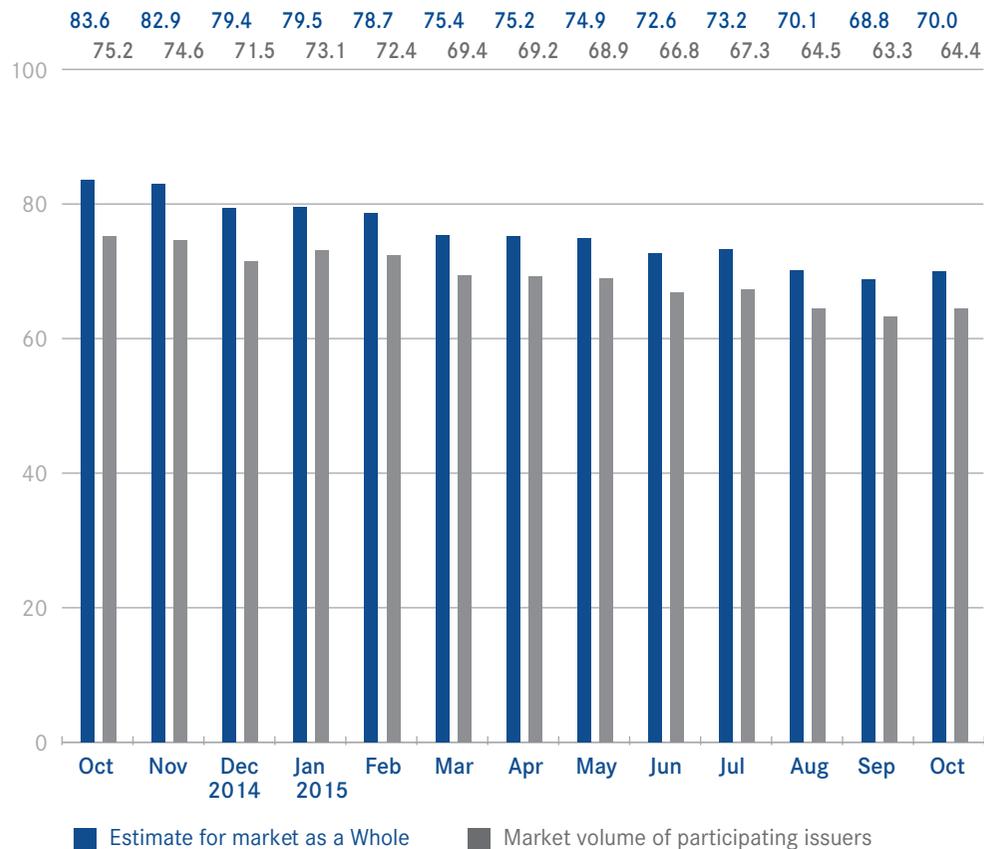
Deutscher Derivate Verband (DDV), the German Derivatives Association, is the industry representative body for the 16 leading issuers of derivatives in Germany: Barclays, BayernLB, BNP Paribas, Citigroup, Commerzbank, DekaBank, Deutsche Bank, DZ BANK, Goldman Sachs, Helaba, HSBC Trinkaus, HypoVereinsbank, 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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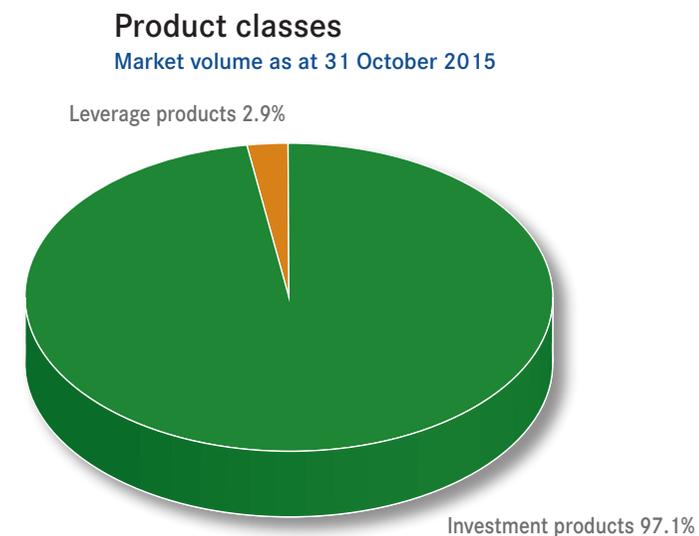
Market volume since October 2014



Product classes

Market volume as at 31 October 2015

Product classes	Market volume	Share
	T€	%
Investment products with capital protection	30,224,642	48.4%
Investment products without capital protection	32,270,975	51.6%
Total Investment products	62,495,616	100.0%
Leverage products without Knock-Out	1,149,990	60.9%
Leverage products with Knock-Out	739,166	39.1%
Total Leverage products	1,889,156	100.0%
Total Investment products	62,495,616	97.1%
Total Leverage products	1,889,156	2.9%
Total Derivatives	64,384,772	100.0%

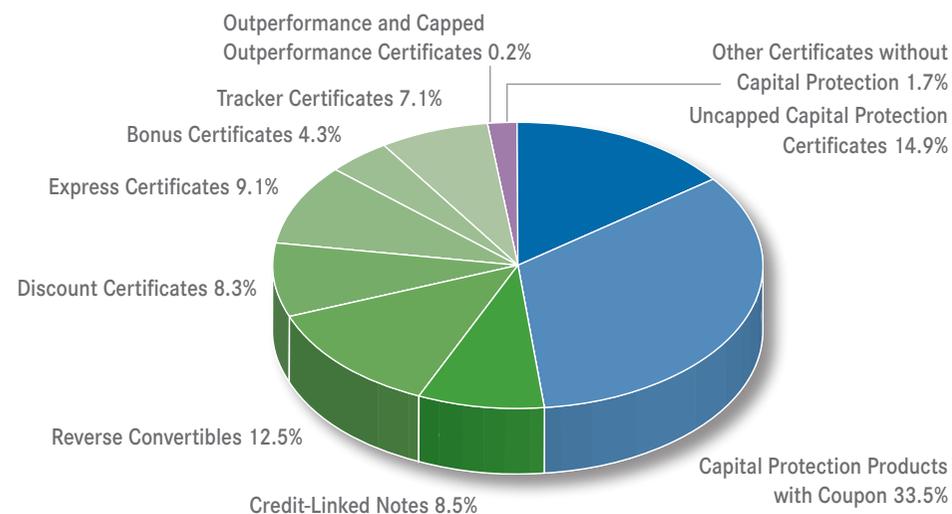


Market volume by product category as at 31 October 2015

Product categories	Market volume		Market volume price-adjusted		Number of Products	
	T€	in %	T€	in %	#	in %
■ Uncapped Capital Protection Certificates	9,316,289	14.9%	9,265,548	15.2%	2,556	0.5%
■ Capital Protection Products with Coupon	20,908,353	33.5%	20,905,847	34.3%	2,073	0.4%
■ Credit-Linked Notes	5,282,311	8.5%	5,232,775	8.6%	1,764	0.3%
■ Reverse Convertibles	7,797,290	12.5%	7,431,884	12.2%	100,663	18.9%
■ Discount Certificates	5,172,242	8.3%	4,927,582	8.1%	175,971	33.0%
■ Express Certificates	5,689,084	9.1%	5,326,668	8.7%	6,664	1.2%
■ Bonus Certificates	2,665,190	4.3%	2,517,312	4.1%	238,599	44.7%
■ Tracker Certificates	4,454,183	7.1%	4,180,262	6.9%	1,935	0.4%
■ Outperformance and Capped Outperformance Certificates	118,487	0.2%	107,719	0.2%	1,034	0.2%
■ Other Certificates without Capital Protection	1,092,188	1.7%	1,056,229	1.7%	2,119	0.4%
Investment products total	62,495,616	97.1%	60,951,826	97.3%	533,378	42.5%
■ Warrants	767,022	40.6%	693,189	40.8%	372,134	51.6%
■ Factor Certificates	382,968	20.3%	382,984	22.6%	3,969	0.6%
■ Knock-Out Warrants	739,166	39.1%	622,167	36.6%	345,114	47.9%
Leverage products total	1,889,156	2.9%	1,698,340	2.7%	721,217	57.5%
Total	64,384,772	100.0%	62,650,166	100.0%	1,254,595	100.0%

Investment products by product category

Market volume as at 31 October 2015

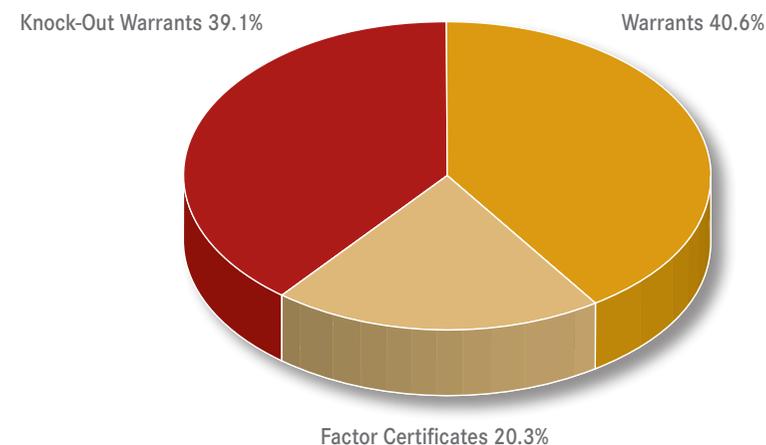


Change in market volume by product category in comparison with previous month

Product categories	Change		Change price-adjusted		Price effect	
	T€	in %	T€	in %	T€	in %
■ Uncapped Capital Protection Certificates	9,507	0.1%	-41,233	-0.4%		0.5%
■ Capital Protection Products with Coupon	-7,12,657	-3.3%	-7,15,163	-3.3%		0.0%
■ Credit-Linked Notes	-24,636	-0.5%	-74,172	-1.4%		0.9%
■ Reverse Convertibles	415,000	5.6%	49,594	0.7%		4.9%
■ Discount Certificates	276,035	5.6%	31,374	0.6%		5.0%
■ Express Certificates	130,317	2.3%	-232,098	-4.2%		6.5%
■ Bonus Certificates	254,321	10.5%	106,444	4.4%		6.1%
■ Tracker Certificates	310,111	7.5%	36,190	0.9%		6.6%
■ Outperformance and Capped Outperformance Certificates	-6,411	-5.1%	-17,179	-13.8%		8.6%
■ Other Certificates without Capital Protection	53,295	5.1%	17,336	1.7%		3.5%
Investment products total	704,884	1.1%	-838,906	-1.4%		2.5%
■ Warrants	125,002	19.5%	51,169	8.0%		11.5%
■ Factor Certificates	91,524	31.4%	91,540	31.4%		0.0%
■ Knock-Out Warrants	175,174	31.1%	58,175	10.3%		20.7%
Leverage products total	391,700	26.2%	200,884	13.4%		12.7%
Total	1,096,584	1.7%	-638,022	-1.0%		2.7%

Leverage products by product category

Market volume as at 31 October 2015



Market volume by underlying asset as at 31 October 2015

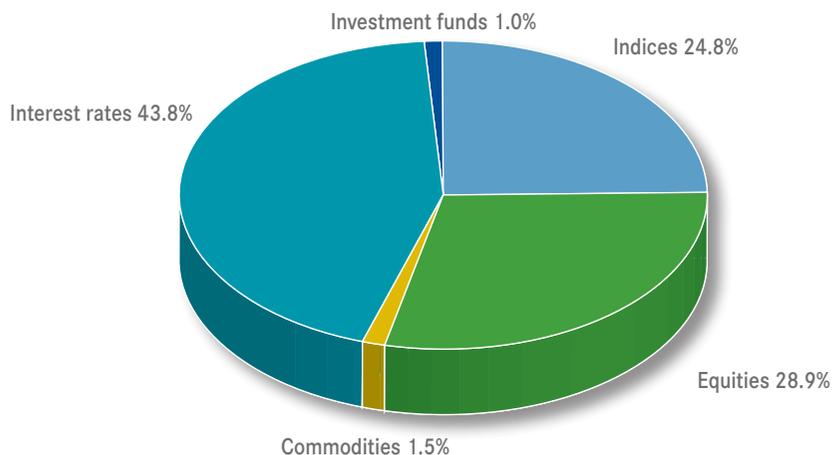
Underlying	Market volume		Market volume price-adjusted*		Number of Products	
	T€	%	T€	%	#	%
Investment products						
Indices	15,471,539	24.8%	14,843,861	24.4%	124,431	23.3%
Equities	18,058,659	28.9%	17,220,280	28.3%	402,758	75.5%
Commodities	927,691	1.5%	907,508	1.5%	1,976	0.4%
Currencies	39,708	0.1%	39,128	0.1%	35	0.0%
Interest rates	27,392,296	43.8%	27,342,624	44.9%	4,074	0.8%
Investment funds	605,724	1.0%	598,425	1.0%	104	0.0%
	62,495,616	97.1%	60,951,826	97.3%	533,378	42.5%
Leverage products						
Indices	626,620	33.2%	588,998	34.7%	192,501	26.7%
Equities	1,010,928	53.5%	858,308	50.5%	461,332	64.0%
Commodities	154,690	8.2%	154,055	9.1%	33,149	4.6%
Currencies	70,262	3.7%	67,890	4.0%	31,283	4.3%
Interest rates	26,630	1.4%	29,064	1.7%	2,942	0.4%
Investment funds	26	0.0%	26	0.0%	10	0.0%
	1,889,156	2.9%	1,698,340	2.7%	721,217	57.5%
Total	64,384,772	100.0%	62,650,166	100.0%	1,254,595	100.0%

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

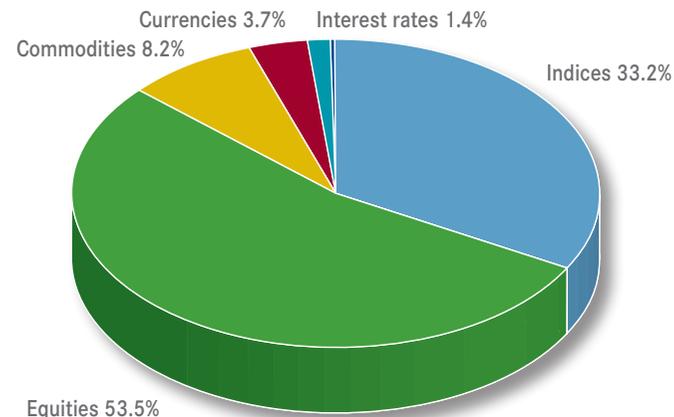
Change in the market volume by underlying asset in comparison with previous month

Underlying	Change		Change price-adjusted		Price effect
	T€	%	T€	%	
Investment products					
Indices	622,021	4.2%	-5,657	0.0%	4.2%
Equities	806,040	4.7%	-32,339	-0.2%	4.9%
Commodities	3,835	0.4%	-16,348	-1.8%	2.2%
Currencies	-606	-1.5%	-1,186	-2.9%	1.4%
Interest rates	-742,439	-2.6%	-792,111	-2.8%	0.2%
Investment funds	16,034	2.7%	8,734	1.5%	1.2%
	704,884	1.1%	-838,906	-1.4%	2.5%
Leverage products					
Indices	95,335	17.9%	57,713	10.9%	7.1%
Equities	287,445	39.7%	134,825	18.6%	21.1%
Commodities	12,495	8.8%	11,860	8.3%	0.4%
Currencies	-4,291	-5.8%	-6,663	-8.9%	3.2%
Interest rates	715	2.8%	3,149	12.2%	-9.4%
Investment funds	0	0.0%	0	0.0%	0.0%
	391,700	26.2%	200,884	13.4%	12.7%
Total	1,096,584	1.7%	-638,022	-1.0%	2.7%

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



Leverage products by underlying asset Market volume as at 31 October 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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