

ORIENTATION
IN CONFUSING
TIMES

Annual report 2011

Transparency and clear rules provide orientation

→ 2011 was a year marked by uncertainty and considerable disorientation. The signs are that this will remain the case for some time to come. This not only applies to the market's ups and downs. Nowadays we are also aware of the inherent risks of supposedly safe investments like European government bonds. The euro is under critical review and many people are worried about their future.

So politicians are faced with high expectations: they are supposed to resolve the financial market crisis and "rein in the beast". Nowadays deregulation has gone out of fashion and more regulation is called for. There can be no doubt that clear rules are indispensable for the financial markets; they provide the orientation that all market participants need. And a little more regulation here and there would certainly not come amiss. At the moment, however, there is an extreme tendency towards overregulation and many market economy principles threaten to fall by the wayside. This is where our association is called upon to intervene.

Following our maxim "Facts against Prejudice" we try to convince with verifiable facts and sound arguments. We want rules that are fair and transparent. We want regulation within reason that does not entirely abandon the model of the mature and responsible citizen. In an intensive and continuing dialogue with political decision-makers in Berlin and Brussels and with all other target groups, we advocate the interests of our sector, while never losing sight of the interests of investors.

Private investors also seek orientation. With our transparency initiative, product classifica-

tion, standardised terminology and the wealth of information we offer, in print and on our website, we help to provide clarity. At the same time, we encourage product ratings, an important benchmark for investors. From the huge number of certificates on offer they can then select the right product for themselves in line with their risk profile and the returns they are seeking to achieve.

For there can be no doubt that certificates show their special strengths in uncertain market phases. No other form of investment offers so many different ways of hedging against losses along with the opportunity to benefit from every market movement.

"We want to convince with verifiable facts and sound arguments in order to create fair conditions for certificates. This is the only way that private investors can continue to benefit from the special strengths of these innovative products."

DDV, the German Derivatives Association, is now four years old and we particularly owe the success of our work to the intensive input of our members and sponsoring members. I would like to take this opportunity to extend my sincere gratitude to them.

Berlin/Frankfurt, March 2012

Dr. Hartmut Knüppel
CEO and Member of the Board of Directors



Dr. Hartmut Knüppel



SHAPING OPINIONS

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DDV engages in an intensive dialogue with political decision-makers in Berlin and Brussels.



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The association's initiatives provide orientation for investors.



WORKING TOGETHER

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Issuers, politicians, journalists and academics exchange notes on current financial issues.

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Political communication: the core of the association's work

DDV serves as a political interest group for the certificates sector. The association's mission is to create clear and fair political framework conditions for certificates and warrants, no easy undertaking in view of the many legislative initiatives and regulatory measures.

→ In 2011 one crisis seemed to follow another. The pressure of expectations on politicians was consequently very high. So it came as no great surprise when some of the regulatory measures that followed were of a symbolic nature at best.

The certificates sector was admittedly not the main object of the regulatory proposals, but it was naturally affected as well in 2011, both directly and indirectly. This was the case on both a national and a European level, particularly as regards legislation concerning investor protection. However, we would like to ask one simple question: who are

the private investors that politicians wish to protect? We have investors who seek advice and self-directed investors who consciously dispense with advice. Investors also have different risk profiles, ranging from the conservative to the speculative. So who is intended to benefit from this protection?

Should equities, equity funds and exchange-traded funds be banned?

It should be clear to everyone that every investment involves the risk of loss. Strictly speaking, this is even true of a nor-

The key issues in 2011

The focus of the political work

Product information sheets

- German Investor Protection and Capital Markets Improvement Act (Anlegerschutz- und Funktionsverbesserungsgesetz – AnsFuG)
- Report on the results of an audit of the product information sheets carried out by the Federal Financial Supervisory Authority (BaFin)

Prospectus law

- Consultations of the European Securities and Markets Authority (ESMA) on the preparation of Level 2 guidance in relation to the Prospectus Directive
- Draft bill of the Federal Ministry of Finance (BMF) for an Act implementing Directive 2010/73/EU and amending the German Stock Exchange Act (Börsengesetz – BörsG)

MiFID II

- Consultation of the European Commission on the review

of the Markets in Financial Instruments Directive (MiFID)

- Consultation of the Federal Ministry of Finance (BMF) on the legislative proposals of the European Commission published on 20 October 2011 in connection with the review of the MiFID.
- Consultation of the European Parliament on the review of the MiFID

Tax

- The taxation of the financial sector/introduction of a financial transaction tax
- Treatment of futures contracts in the context of the revision of the rules for financial transactions in the VAT Directive

Further issues

- Moratorium of the Belgian Financial Services and Markets Authority (FSMA) concerning the sale of “unnecessarily complex structured products”
- Certificate savings plans for private retirement provision

“In a liberal democracy governed by the rule of law where citizens can make free and responsible choices, also in financial matters, there must be no patronising of investors who are willing to take greater risks in order to achieve better returns.”

Dr. Hartmut Knüppel



mal savings account if we take inflation into account. So the risk of loss plays a central role with all financial investments, not only in turbulent market situations. Although it is gradually being recognised that high returns are always associated with high risk, the amount of risk involved in individual financial products is completely misjudged in many cases. Many people, for instance, consider certificates to be particularly high-risk. This is a misconception. Academic studies prove that in most cases an investment in certificates will have less exposure to risk than a direct investment in equities. 95 percent of all certificates, for instance, carry less risk than equities. What are the political consequences to be drawn from this?

First of all, all those who are considering restricting the sale of financial products like certificates to private investors, as is the case in Belgium, should logically seek to place a ban on the sale of equities as well. But that's not all. Equity funds and exchange-traded funds (ETFs) would also have to be put on the black list. An absurd idea? Yes, but it shows how many misjudgements and prejudices certificates still have to contend with in comparison with other asset classes. Of course, this may be because this is still a very new form of investment. After all, certificates were only developed 20 years ago and are altogether a more recent phenomenon than German unification.

Certificates are also suitable for long-term investments

An important motivating factor in the development of certificates was to use these financial innovations to reduce the risk of a direct investment. And after the bursting of the New Economy bubble many investors used certificates with equities as the underlying in order to re-enter the equities market at a reduced risk.

Admittedly, some of those who invest in certificates are traders seeking high short-term gains with the riskier leverage products. But it is also true to say that almost 99 percent of the entire market volume is accounted for by investment products with a mid or long-term investment horizon. Certificates are therefore perfectly suitable for long-term investments, for building wealth and ultimately for private retirement planning as well. Certificates particularly allow investors to reduce risk and optimise returns. In addition, passive financial investments are usually more cost-effective than actively managed financial products.

Investor protection within reason

This is yet another reason why the political maxim should be: investor protection yes, but focused and within reason. When problems occur, this is almost always because of the advice investors have been given, namely when they have been recommended an unsuitable product. Mistakes made here have nothing to do with the quality of certificates or with their general benefits. Every product recommendation has to take account of the investor's risk profile, the returns they are seeking to achieve and their market expectations. A recent requirement is that all this has to be recorded in the minutes of the advice given to an investor.

DDV's demands are clear: in a liberal democracy governed by the rule of law where citizens can make free and responsible choices, also in financial matters, there must be no patronising of investors who are willing to take greater risks in order to achieve better returns.

Solutions or apparent solutions?

A government naturally has a duty of care, and there are still areas where more regulation is required in order to contain systemic risks. We need only take the example of the system of shadow banks or the transparency of credit

derivatives. But very often preference is given to symbolic measures. Nobody should be able to allege, for instance, that only taxpayers are being asked to foot the bill to rescue the banks. To refute the accusation of social injustice, many seem to see the only solution in a financial transaction tax. But is this practicable and will it achieve its declared primary purpose of alleviating social disparities and imposing a share of the costs on those who caused the financial crisis?

An old idea in a new guise

In numerous hearings and submissions DDV has raised this issue over and over again with unrelenting persistence in 2011. For a tax like this would mainly have an impact on life insurance products, pension funds, investment funds and certificates, and therefore all financial products used for private retirement provision. There can now be no doubt that the 'real economy' would be hit much harder than has been previously assumed. In addition, the association has

Handelsblatt

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Investors need orientation

Börse + Märkte Aktien Zertifikate Fonds + ETF Rohstoffe + Devisen

The market is shrinking, but investment houses specialising in certificates continue to bring new certificates onto the market. Hartmut Knüppel from the German Derivatives Association provides the ideal solution in view of the explosion of products and explains how many certificates investors need.

12 December 2011

Dr Knüppel, the certificates market is stagnating; assets invested have declined even to the level of summer 2009. Why don't your products appeal to investors?

Dr Knüppel: The volume of the German certificates market currently stands at a good EUR 100 billion. This is still a considerable sum for an asset class that is barely 20 years old. In view of the market turbulence and uncertain market outlook, investors are showing some restraint at the moment. But exactly the same thing can be said of other investments like equities and investment fund units.

Where is new growth supposed to come from? What story do issuers still have to sell?

The situation is ripe for consolidation at the moment. As soon as financial markets have sustainably calmed down and the outlook for growth improves, the certificates market will also pick up again. Issuers don't need any new stories. The broad range of products covers virtually the entire spectrum of investments.

Are there any product enhancements or improvements if investors don't want to buy the products presently on offer?

There is a clear trend towards simple products that investors can readily understand and whose performance can be easily followed by looking at the underlying. At the same time, the safety factor is of paramount importance; 68 percent of all products now have full capital protection. In future, innovations will tend to centre around service and the provision of information.

More than 840,000 derivatives are now listed on the stock exchange. Do we really need all those?

Probably not. But do we really need so many dif-

ferent types of yoghurt, bread or cheese? And wouldn't you say that we have too many different types of cars?

But we don't have 840,000 different sorts of yoghurt or 840,000 different sorts of cheese...

... but we do have more than a million feature variations in the German car market. Allow me to ask you a question in return. What products do private investors need in Germany and what products can they do without? And who's supposed to decide that if not investors themselves? By the way, I haven't heard a single investor complaining about the diversity of the products. On the contrary, I hear that investors are ringing up issuers and asking for special products that they don't yet have on offer. Another thing is that private investors are not disadvantaged by the huge number of products on offer. Investors can choose the most cost-effective product out of certificates with identical or similar features.

This year the number of issues has increased enormously. Why?

There are two reasons for this. First of all, markets are subject to huge volatility this year. Market forecasts are difficult to make. So issuers are trying to offer products for every market situation. Secondly, issuers only have a chance with self-directed investors who search for special tailor-made certificates on the Internet's financial portals, if these issuers can offer virtually the entire product range, just like a supermarket.

It doesn't have anything to do with the pricing policy of the Federal Financial Supervisory Authority (BaFin), with it now costing only EUR 1.55 instead of EUR 25 to put a certificate on the market?

First of all, BaFin doesn't have any pricing policy.

always drawn attention to the essential weak points of the draft Directive: the split tax rate, the unsuitable tax base, the cumulative effect of the tax on stock exchange trades and transactions to hedge derivatives as well as the involvement of financial institutions in countries outside the EU.

The idea of taxing financial transactions is not new and has already been put into practice in Germany, but without much success. The reasons why capital transaction taxes on a

national level were abolished in the past were essentially the same reasons that are still valid today. The prime intention was to make Germany more competitive as a financial centre. A financial transaction tax introduced only in the Eurozone, however, would not narrow the competition gap, but, on the contrary, make it even wider. And if the tax is not levied in London, Frankfurt's position as a financial centre would definitely be weakened.

That's simply not allowed. As BaFin is exclusively financed by banks and insurance companies, it has a legal obligation to charge its fees according to the actual amount of work involved. Last year BaFin carried out a very thorough and extensive measurement of workload in relation to all its fees and set the fees on this basis. There is only minimum effort involved in depositing derivatives. I hear from issuers that most of BaFin's fees play no role at all. On the other hand, it's vital for issuers to be able to offer a range of products that is equally broad as that of their competitors.

So the competition is to blame for the explosion of products? You have to consider that a good 300,000 more products are now listed on the stock exchange than at the end of last year.

Who else is to blame? It's only in a socialist planned economy that you get standardised products at uniform prices.

840,000 derivatives, that's a lot. How are investors supposed to cope with all those?

800,000 certificates are just as easy or just as difficult to come to terms with as 80,000 or 8,000 securities. Even if issuers were to stop offering nine out of ten products, this wouldn't be of any help to investors. But of course, you're right. Investors need orientation.

What form could this take?

There's an ideal solution here, namely product ratings, a thorough test of every financial product by independent institutions. EDG, Scope and IZA are three German rating agencies that rate investment certificates and leverage products. Scientifically sound ratings address the decisive factors: costs, trading quality, the creditworthiness of the issuer and the provision of information. So they provide an objective quality benchmark and allow investors to compare various products, to narrow down the range of products that come into question and to find the best financial product for their particular purpose. Unfortunately, these product ratings are still unknown to most investors, as a current survey shows.

How do investors benefit from the huge number of issues?

Competition means the battle for customers, whether it's fought with prices, terms and conditions, service or a mixture of all these. In the certificates market this beneficial effect is particularly evident to investors. With index certificates, for instance, the tough competition has meant that these simple products are usually offered without management fees and sometimes there is no longer even a difference between the buying and the selling prices. The fierce competition has a similarly positive effect on the terms for other product categories.

80 percent of certificates are not actively traded at all. Why don't issuers simply remove them from the market – or at least some of them – to make things a bit clearer?

For a simple reason: because issuers have no more idea than you or I what direction markets will take tomorrow and what investment trends, themes or investment ideas investors will be looking for the day after tomorrow.

Is it only self-directed investors that buy certificates? Do they remain shelf-huggers in the retail business?

Products with full capital protection, both Uncapped Capital Protection Certificates and Capital Protection Products with Coupon, sell like hot cakes in the retail business, because they offer safety while usually offering higher returns than ordinary money market investments.

You do a lot to create more transparency and a better image. Why isn't the message getting across?

What we do is something that you and your readers already know, I'm pleased to say. But, some people find positive news boring. So it hardly makes the headlines. Despite the Derivatives Code, standardised product information sheets, uniform terminology and a broad initiative to provide training and transparency, many people never tire of branding certificates as being intransparent products. All we can do is to counter prejudice with the hard facts, over and over again. This is why we actively seek to engage with politicians, journalists and investor protection associations. But it would be a good idea if someone were to report on it from time to time.

A strong voice for a strong sector

All important financial associations support this position advocated by DDV and, thanks to good cooperation at the outset, have adopted DDV's demands, sometimes word for word. The financial sector has spoken with one voice on the taxation of derivatives. This is another example that shows that the German Derivatives Association, as a political interest group, is a strong voice for a strong sector, but we still need an awful lot of staying power. And there is still much to do to educate the public so that certificates as a product and the sector as a whole do not come under unbearable pressure.

In a nutshell: it's a question of quality rather than quantity.

- Not more information, but better information
- Not more regulation, but better regulation
- Investor protection, yes – but focused and within reason

But it also remains true to say that knowledge and transparency are the best form of investor protection and will remain so in the future. Here we need to support investors and this is where we as the certificates sector have an obligation to live up to in the future.

INFORUM: THE KEY ISSUES IN 2011

DDV regularly issues a political newsletter by the name of INFORUM: In it we discuss current issues of interest to the certificates sector and make our position clear. The information service chiefly addresses political decision-makers in Berlin and Brussels.



→ self-regulation → product risks → financial transaction tax

With its quarterly newsletter, the association also participates in political discussions and in shaping opinions. Here DDV publishes important data and facts on the certificates sector and interviews with experts. Each issue, however, focuses on a different political topic.

The focus in 2011 was on subjects such as self-regulation, the risk of financial products and the financial transaction tax. Other topics were: current news from the association, information on the individual product categories as well as events and dates to take note of, presented to the reader in a succinct and easily understandable form.

The Pro und Contra section is particularly popular. Here members of the German Bundestag explain their party's position on various questions such as, 'Are investors adequately protected by the law?' or 'Do we need Eurobonds?'

INFORUM has now turned into an important vehicle of political communication. With this information service complicated issues can be brought straight to the attention of political decision-makers in a clear form.

“Not every motorist needs to be an engineer”

The revised Markets in Financial Instruments Directive, MiFID II, is to bring even stricter regulation to the sale of financial products like certificates. It is even conceivable that certain products might be banned. DDV Managing Director Christian Vollmuth advocates information and transparency as an alternative.

Mr Vollmuth, is the derivatives sector faced with bans on certain products? Belgium is the first country to restrict the sale of certificates and wants to enforce this on a European level.

Vollmuth: Politicians only really want to punish those who triggered the financial crisis. But now there's a danger that they'll tar all financial products with the same brush. Hardly anyone distinguishes between exchange-traded, transparent investment products on the one hand and unregulated credit derivatives that are traded over the counter and only between institutional investors. So far the Financial Services Regulatory Authority of Belgium (FSRAB) has not imposed any official product ban that has any legal basis, but retail banks have been urged to 'voluntarily' refrain from selling private investors particularly or excessively complex financial products, within the framework of a moratorium. This is a completely misguided approach to regulation.

“Only regulation through transparency achieves its purpose.” Christian Vollmuth

What do you mean by “excessively complex”?

For the Belgian Financial Services Authority this is the case when the underlying is not accessible or the calculation formula is excessively complex or when the costs are not transparent. This not only affects certificates, but many investment funds and life insurance products. In practice it is not possible to realistically distinguish between 'complex', 'particularly complex' and 'excessively complex'.

So on what basis do the Belgians make their decisions?

It varies. There is no generally accepted definition of the term complexity. Complexity is always a subjective concept and depends on the knowledge at an investor's disposal. In addition, it isn't dangerous, but often serves to reduce risk. It's absurd for banks in Belgium to have to deprive their pri-



DDV Managing Director Christian Vollmuth talking to financial journalist Antonie Klotz.

vate clients of the more complex, low-risk Uncapped Capital Protection Certificates, while still being allowed to sell ordinary Knock-Out Warrants with the biggest risk of a total loss. How nonsensical and arbitrary the Belgian approach is can be seen by taking an example: financial products linked on gold are not regarded as being excessively complex, but they are in relation to those based on silver.

But politicians have to react in order to protect poorly informed investors.

Good regulation makes it easier for investors and advisors to understand a product. But not everyone needs to master all mathematical formulae. It's like driving a motor car. Motorists aren't familiar with all the technical details, but they should be able to drive safely and steer the vehicle. Do they have to be an engineer to do that? The German approach is better. We have a product information sheet containing all important information that investors need to know. Independent product ratings also help investors to take a decision. At any event, regulation through transparency is more likely to achieve its purpose than rather awkward product bans.

European umbrella association: speaking with one voice

It is not only in Germany that DDV is active. It now has a representation in Brussels and, in conjunction with its partner associations in the European umbrella association, represents the interests of the sector in dealings with the European Parliament, the European Commission and the European Securities and Markets Authority (ESMA).



→ The European Structured Investment Products Association (eusipa) is the voice of the certificates sector in Europe. The focal point of its activities are derivative securities such as certificates and warrants. eusipa advocates a fair and attractive regulatory framework for these financial products.

The umbrella association acts as a contact for politicians and the European Securities and Markets Authority in all questions concerning certificates. The association makes its expertise available whenever requested. It follows parliamentary initiatives and the regulatory proposals of the Commission, providing opinions on all matters of relevance for the European certificates sector.

Keeping an eye on regulation

In conjunction with DDV, eusipa cultivates close contact with members of the European Commission and the European Parliament. In 2011 the main issues were prospectus law and the review of the Markets in Financial Instruments Directive (MiFID II). Depending on the form that the new Directive takes, banks would be faced



with enormous costs without any noticeable improvement in product transparency or investor protection. eusipa has also followed the discussion concerning the taxation of the financial sector. In its proposed form, the financial transaction tax being advocated by the European Commission would have serious effects on the entire certificates sector throughout Europe.

Better investor protection as well as more easily understandable and transparent products are important concerns of the association. Together with its member associations, eusipa promotes European-wide standards throughout the sector. These range from clear product classification and standardised technical terms to a broad voluntary self-commitment to a code of conduct for the sector.



Reorganisation

Since the beginning of 2012 eusipa has undergone a reorganisation. With an office high above the rooftops of Brussels and a new General Secretary, eusipa is now in an even better position to meet the increased challenges and take on additional tasks in the field of political communication.

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→ Thomas Wulf, the new Secretary General

Thomas Wulf, 38, took over the office of eusipa Secretary General at the beginning of 2012. Prior to that, he spent seven years with the international law firm Linklaters where in his last position he was responsible for business development and marketing in western Europe and based in Brussels. From 2002 to 2005 he worked as a lawyer for the EU Liaison Office of Commerzbank AG. While completing his professional training with the Federation of German Industry in Brussels, he already had the opportunity to familiarise himself with European institutions and the legislative process at close quarters. He is now dedicating his energies to positioning the European umbrella association among the financial service providers represented in Brussels. The representation of political interests will focus on the central issues of investor protection and transparency for certificates and warrants. Together with the President, Thomas Wulf as General Secretary will be the future voice of the certificates sector in Europe.

Projects in 2011: more knowledge, more protection, more benefits

Facts by themselves are not yet useful knowledge. Information has to be relevant, easily understandable and clearly presented – as in DDV’s new publications for 2011. All those presented here can be downloaded from DDV’s website and most of them are also available free of charge in printed form.



“An investment in knowledge
always pays the best interest.”

Benjamin Franklin

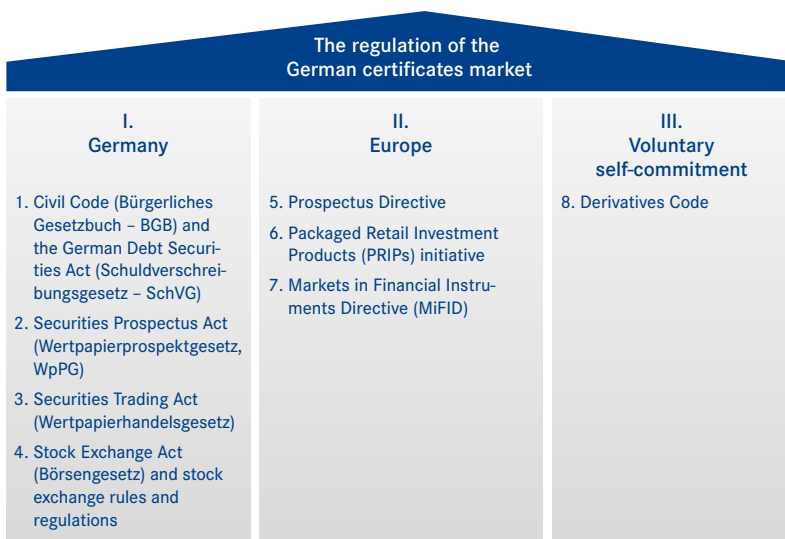


NEW PUBLICATIONS AND PROJECTS IN 2011

- Investor protection facts: brochure on the legal requirements
- Derivatives Code: final report on the review
- The factbook (Buch der Fakten): the certificates sector in figures
- In print or as a video: the 'Popular Underlyings' series
- The Derivatives League: now available as a brochure (in German)
- Certificate savings plan calculator: calculator with new features



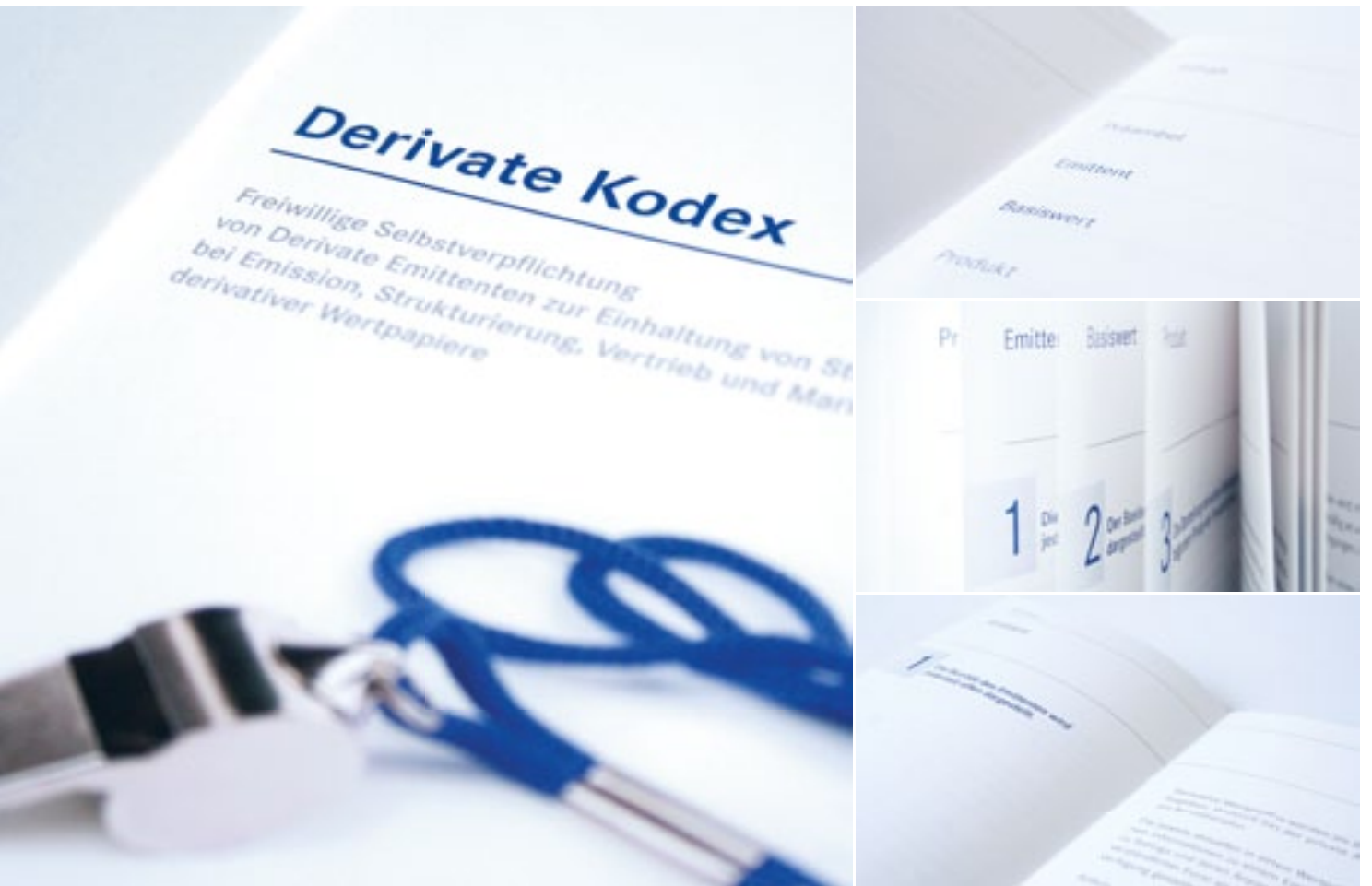
The three regulation pillars of the German certificates market



A well regulated industry: investor protection in practice

Even if the opposite is occasionally asserted, the certificates sector is heavily regulated. The copious legislation bears witness to this. DDV has put together the most important legislation in a handy brochure entitled ‘Anlegerschutz konkret – Der rechtliche Rahmen für Zertifikate in Deutschland’ (Investor protection in practice – the legal framework for certificates in Germany). This sets out the civil law requirements for certificates and warrants as well as the stipulations regarding the contents of securities prospectuses or customer information sheets. Furthermore, the Federal Financial Supervisory Authority (BaFin) lays down specific requirements and conditions for issuers of certificates. In addition to the German statutory provisions, the brochure also refers to current regulatory proposals in Europe.

Together with the voluntary commitments explicitly undertaken by all DDV members in the Derivatives Code (see page 17), this takes



ample account of the principle of investor protection in the certificates sector.

On the whole the DDV brochure shows that, even today, we already have comprehensive legislation, from both German and European sources, governing all derivative securities such as certificates, reverse convertibles and warrants.

Audit report on the Derivatives Code

The Derivatives Code represents a voluntary undertaking on the part of DDV's member banks who together represent around 95 percent of the German market for certificates. The Code sets out guidelines for the structuring, issue, sale, marketing and trading of derivative securities. How strictly issuers abide by the Code's rules in practice was audited in 2011 by an Academic Advisory Board. It was found that 98.3 percent now adhere to the Code. The figure has improved by around eight percent since the first audit was conducted in April 2010. The

Advisory Board examined aspects such as the quality and completeness of the information provided, the continuing tradability of the certificates, price quality and the disclosure of fees and commission.

For DDV and its members the Derivatives Code is of paramount importance. This 'etiquette manual' on certificates and its academic review by independent experts are important measures of active self-regulation and largely dispense with the need for governmental regulation.

The Academic Advisory Board for the Derivatives Code is headed by Professor Dirk Schiereck of Technische Universität Darmstadt. Further members are Professor Dr Sigrid Müller of Humboldt Universität zu Berlin and Professor Dr Lutz Johanning, of WHU – Otto Beisheim School of Management.

The audit report can be downloaded as a PDF from the 'Policy' section of the DDV website (German version).

The 'etiquette manual' for certificates lays down guidelines for issuers regarding the responsible handling of investors' assets and honouring their trust.



The factbook

Reliable information is the best basis for making an informed opinion. For many political decision-makers, journalists and other interested parties the certificates market in Germany is still a closed book. To help change this situation DDV has prepared a factbook (available in German as 'Buch der Fakten') on the certificates market in Germany – compact and clearly structured for easy reference.

Here readers will find answers to questions such as 'Who are the most important issuers of certificates?' 'How many derivative investment products are there in Germany?' 'What proportion of the total market is accounted for by Uncapped Capital Protection Certificates?' The publication provides precise figures and data at a glance on these and many more questions. First published in the middle of 2011, the factbook will be updated and reprinted every year from now on.



The “Popular underlyings“ series

In 2011 DDV created a new series that introduces the most popular underlyings of certificates each month. For it is certainly worthwhile knowing about the various underlyings – the most important aspect of every certificate. The series kicked off with by far the most common underlying: the German bluechip index, DAX. Since then the spectrum has ranged from equities and other indices to commodities. So far the following underlyings have been discussed:

the DAX and the EURO STOXX 50, crude oil, gold and silver, and the equities of BASF, Daimler, Deutsche Telekom and Siemens.

Private investors can choose between viewing the information in the form of a short video or whether they prefer the written version. The print versions can be downloaded from the ‘Knowing the facts’ section of DDV’s website and the accompanying films can be found at our video centre.

Useful information on the most important feature of a certificate



The Derivatives League clearly explained

The Derivatives League, which classifies derivatives into eleven different product categories, has been available as a brochure since November 2011. It gives investors an outline of the most important types of certificate – from the safe Uncapped Capital Protection Certificate to the speculative Knock-Out Product.

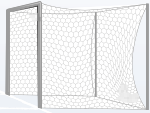
tages and disadvantages, opportunities and risks, the way they work and market expectations. In this way the key product features can be easily compared.

Eleven product categories for successful investing



The Derivatives League compares the eleven product categories with the eleven player positions of a football team. Depending on the investor’s risk /reward profile, there are both defensive and offensive positions. The brochure introduces each product category in detail and describes their essential characteristics: advan-

This makes it straightforward for private investors to quickly find the types of product most appropriate to their risk appetite, the returns they are seeking to achieve and their market expectations. The Derivatives League therefore serves as an initial introduction to the huge universe of these financial instruments. In addition, the DDV website has a video explaining each of the eleven types of product.



Certificate savings plan calculator

Many people are not aware that certificates are also suitable for long-term wealth creation and that certificate savings plans are available as a realistic alternative for private retirement provision. In order to support advisors and private investors in the choice of suitable certificates, DDV has developed a new version of the certificate savings plan calculator with improved features. Investors can use this tool to calculate, for example, how their own wealth would have grown by making regular payments. Furthermore, payoffs are not presented as a lump-sum payment, but also in monthly instalments.

We have updated all information on certificates suitable for savings plans, their issuers and direct banks. The certificate savings plan calculator is therefore a very useful tool for advisors and private investors. However it is naturally no substitute for qualified personal advice on private retirement provision.

Investors can go straight to the certificate savings plan calculator on DDV's website and enter their data there, or they can order the free CD from our order centre (in German: Bestell-Center).

Certificates are suitable for savings plans.

The German Derivatives Day: the industry's get-together



Once a year members of the certificates sector assemble for the German Derivatives Day to discuss current political issues of relevance for financial markets at this important forum.

In October the German Derivatives Day, which has now become an established tradition, was held at Villa Kennedy in Frankfurt am Main, bringing together issuers, politicians and journalists from Germany and Europe. In addition to talks by renowned experts, this year's meeting once again centred around the intensive debate of current financial market related issues, the regulation of financial markets and the development of the certificates sector. Participants also had the opportunity to discuss new trends and social developments.

In his opening address, Dr Thomas Schäfer, Finance Minister of the German Federal State of Hesse, discussed the confidence-building effect of transparency and sound policies, advocating regulation within reason. Turning to the subject of the financial transaction tax, he warned of the damage that this tax would wreak on Frankfurt as a financial centre if it

is not levied in London as well. In addition, he stressed the importance of cooperation between financial experts from banks and schools to lay the groundwork for financial literacy at an early age.

DDV CEO and Member of the Board of Directors Dr Hartmut Knüppel also made the point that many people are even ignorant of the most fundamental economic facts, particularly the essential features of various financial products and the way they work. So it comes no surprise, he said, that so many fairytales and myths, misconceptions and prejudices abound when it comes to the subject of certificates. He contrasted these with some hard facts and figures, while emphasising that both the association and its members need to keep up the pressure with their information and transparency initiative.



Top left: Dr Thomas Schäfer, Finance Minister of the German Federal State of Hesse // bottom left: Blogger Sascha Lobo // centre: tax law expert Professor Paul Kirchhof with DDV CEO Dr Hartmut Knüppel

The comments made by tax expert Professor Paul Kirchhof, former judge at the German Federal Constitutional Court, regarding the simplification of German tax law met with great approval. He clearly explained the basic principles underlying a fair and liberal tax system and made concrete suggestions for the shape it could take.

Completely new for many was the approach taken by author and blogger Sascha Lobo. His talk on social media in the financial industry and how the Internet is changing the world evoked a lively response during the ensuing discussion with the audience. This was seamlessly followed in terms of subject matter by the contribution from Matthias Vollbracht who presented new insights from the field of media research, showing how the climate of opinion also influences financial markets.



MPs and delegates fiercely debated the issue of investor protection. (left to right) Arno Gottschalk, SPD member of Bremen's city parliament, Mechthild Heil MP (CDU), Nicole Maisch MP (Bündnis90/Die Grünen), Björn Sänger MP (FDP) and moderator Henning Krummy (WirtschaftsWoche magazine)

The event was brought to a close by an animated plenary discussion with politicians on the subject of investor protection. Members of the German Bundestag Mechthild Heil (CDU), Björn Sänger (FDP) and Nicole Maisch (Bündnis 90 / Die Grünen) along with Arno Gottschalk, SPD member of Bremen's city parliament, delivered arguments that were as trenchant as they were controversial.



More knowledge: certificate breakfast sessions

In 2011 DDV launched a new event format for political communication in Berlin. The association now organises regular breakfast sessions for staff of political decision-makers and experts from the certificates sector.

Good political communication not only puts across relevant facts in a succinct form, but also addresses all major players in the political process. These certainly include political decision-makers such as the members of the German Bundestag and Bundesrat, as well as civil servants from the German Federal Ministries, not to forget the many staff who generally make a valuable contribution to the success of parliamentary work.

With the certificate breakfast sessions DDV has created a special kind of event for precisely these staff. In the weeks when no sittings are scheduled they can digest the latest news and views from the world of finance over a delicious breakfast before starting their working day. This gives them access to important facts and figures at first hand from the experts of the financial sector. They also have the opportunity to ask questions about practical details and discuss issues that receive inadequate attention in the public debate.

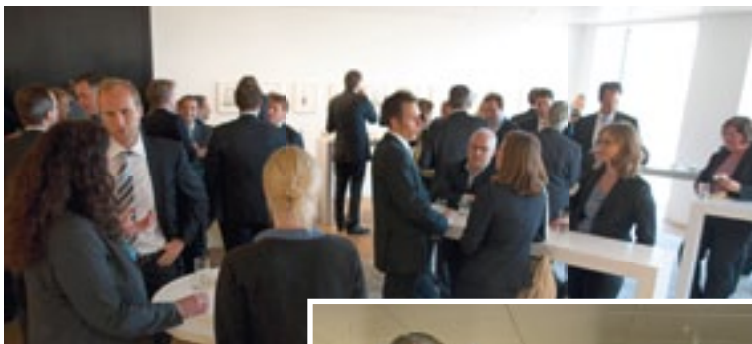
The first session was kicked off in the offices of Deutsche Bank in Berlin in May. Mathias Schoelzel from the bank's Certificates Team held a talk entitled "What are certificates and warrants?" December's session was devoted to the financial transaction tax. Rolfjosef Hamacher, tax law lawyer and one of the experts on DDV's Tax Committee, gave some important insights into the special tax status of derivatives and warned about the unintended collateral damage that would be caused by the proposed tax.





Well informed: the Belgian moratorium

In September DDV hosted a special event where participants were given the latest information at first hand on the moratorium of the Belgian Financial Services and Markets Authority (FSMA) concerning the sale of “unnecessarily complex structured products”.



The participants had an animated discussion about the Belgian regulatory proposals. // Photo (left to right): DDV CEO Dr Hartmut Knüppel, DDV Managing Director Christian Vollmuth, Tom van Dyck, Partner at the Belgian law firm Liedekerke



High above the rooftops of Frankfurt in the UBS OpernTurm, Tom van Dyck, Partner at the Belgian law firm Liedekerke, gave a detailed presentation entitled ‘The new Belgian restrictions on retail distribution of structured products – an

experiment to be followed by Europe?’ Among the more than 80 participants were numerous legal experts from DDV’s member institutions along with delegates from the Supervisory Authority. Some were very concerned about the possible effects of the Belgian regulatory proposals at European level. So there were many questions regarding the details of the moratorium.

Most were in agreement that this moratorium signals a certain political helplessness. In addition, it was noted that the Belgian efforts are in contradiction with European consumer protection law, which has always been based on the concept of the mature and responsible consumer and prefers information and enlightenment over the imposition of bans.

In this context DDV CEO Dr Hartmut Knüppel drew attention to the fact that the sector can make an important contribution towards the avoidance of unnecessary and nonsensical regulations. The association will therefore doggedly push ahead with its transparency initiative, he said. According to Dr Knüppel, product transparency is and remains the only alternative to imposing outright bans on certain products.



The DDV Media Award

Good journalism is worthy of distinction. This is why the association offers the DDV Media Award each year for well researched, clearly formulated and lucidly argued pieces of journalism. In addition to the Journalist of the Year there are also winners in four further categories.

Antonie Klotz is Journalist of the Year

On the evening before the INVEST trade show for investors, DDV presented the 'Journalist of the Year' prize to business journalist Antonie Klotz. She was honoured for her consistently competent reporting in the Financial Times Deutschland, Börse Online and Thomson Reuters. In explaining their decision, the panel of experts pointed out that Antonie Klotz has followed the development of the certificates market for many years with profound personal dedication and superb professionalism. They praised the fact that she addresses current certificate-related topics with an eye for the relevant issues, thoroughness and clarity, thus bringing them closer to a broad public.

This event was held for the fourth time in a festive atmosphere at the Stuttgart Art Museum, organised with the close cooperation and support of Boerse Stuttgart and Scoach. Four further DDV media prizes were also awarded. The panel of experts honoured the best journalistic achievements in the categories: daily newspapers, magazines, online media and audio/video. The criteria for assessment were a well substantiated argument, linguistic quality, an original approach and particularly intelligibility for the reader.



It is not only in the interests of the certificates sector, but particularly in the interests of investors if as many journalists as possible are prepared to tackle complex issues involving certificates, to write about them in a way that is of interest to investors and to adopt a clear position on the subject.

The prize-winners with DDV Managing Director: Matthias Schmitt, Antonie Klotz, Melanie Kösser, Lars Brandau (DDV), Petra Maier, Georgios Kokologiannis (left to right)



On the ball: women, football and finance

Football is also a women’s game. This was spectacularly demonstrated by the Women’s World Cup in June 2011. Is this true of finance as well? It was at least a good opportunity to discuss women’s prospects of a career in finance with some of the experts.

In the run-up to the Women’s World Cup, six finance and media experts got together to discuss the subject of ‘women, football and finance’ on the premises of the Regional Sports Association of Hesse (Landessportbund Hessen). According to Juliane Bürger, Managing Director and Head of Structured Investment Solutions at HypoVereinsbank, women should really show much more interest in financial issues due to their comparatively lower income and smaller pensions. As in football, she says, it is important to achieve the right balance between offensive and defensive positions when constructing a portfolio. ‘Certificates particularly allow women to combine an investment strategy built around safety with opportunities for better returns,’ she advises.

Sabine Traub, Head of the Primary Market Group at Boerse Stuttgart, thinks that there is still plenty of upside potential when it comes to women’s career opportunities. ‘Women are

at least as competent as men in financial matters, but unfortunately too few of them have the self-confidence to enter the sector,’ says Sabine Traub with regret. When asked whether women can upstage men in the future, Stefanie Burgmaier, Editor-in-Chief of the investment magazine Börse Online, had a clear answer. ‘Of course women can upstage men in matters of finance. They only need to get the right information and then have the confidence to take decisions.’

Important input was also provided by business journalist Antonie Klotz, financial advisor Andrea Sauter and Melanie Kösser, former stadium announcer of VfL Wolfsburg football club and presenter for DAF, the German TV channel for investors.



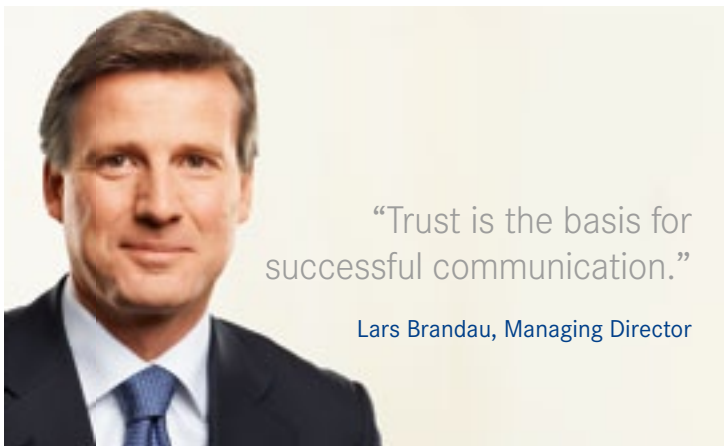
Photo right: Financial advisor Andrea Sauter and Melanie Kösser, presenter for DAF, the German TV channel for investors



Photo left: (left to right): Stefanie Burgmaier, Editor-in-Chief of Börse Online, and business journalist Antonie Klotz // Photo centre: Sabine Traub from Boerse Stuttgart, DDV Managing Director Lars Brandau and Juliane Bürger of HypoVereinsbank

DDV's public relations work: both traditional and modern

Whether from person to person or through modern media, communication can only create trust if it is credible and the messages are convincing, especially where complex financial issues are involved. It is this insight that inspires the media and public relations work of the German Derivatives Association, which relies on both traditional virtues and the communication channels and possibilities of the twenty-first century.



→ Despite the rapid pace of change in the media world, there has been only little change in people's expectations of communication. Top priority is still given to the reliability of the information and that of the communication partner. What people want is a partner who is willing to engage in dialogue and the personal exchange of information, not only through interactive, online channels, but also face to face in a personal encounter. The various events organised by DDV also centre around the personal exchange of information. This is where all major players get together: political decision-makers, journalists, consumer protection associations, scientists, academics and delegates from our member organisations. Whether it is the Ger-

man Derivatives Day, the presentation of the Media Award, the Certificate Breakfast Sessions in Berlin or a Jour Fixe in Frankfurt, our prime concern is always to bring together people and opinions, positions and perspectives. DDV organises these gatherings with the aim of promoting mutual understanding between the parties involved. One successful outcome of our association's work can be described as promoting understanding even where opinions differ very strongly at the outset and especially in such cases.

The right media offer for all requirements

In addition to the events already mentioned, DDV's public relations work involves a broad spectrum of media. One of these is our website which is turning into a central platform offering its visitors various information in diverse forms. Investors who wish to keep up to date can read the INFORUM newsletter published on the website; those who like 'watching TV' will find what



From the traditional media release to the podcast on the Internet – DDV communicates in virtually all media formats.

they are looking for at our video centre; visitors who want to research a particular subject can request books and brochures free of charge from our order centre ('Bestell-Center'). The website's clear structure gives all fast readers direct access to current data, facts, surveys and many other items. All media releases and market statistics are available here at any time, for everyone and not just for journalists.

So for an increasing number of users www.derivateverband.de is establishing itself as the first port of call for all questions in relation to the certificates market. DDV's website is many things at the same time: a library, a TV channel, a calendar of events, a programme for continuing professional development, an archive and much more. As is generally known, an Internet presence is easier to update and develop than a book. From feedback and analyses of the number of page views we know which elements meet with the greatest interest. The figures speak for themselves. Online orders

for our print publications run into thousands and around 1,800 participants have completed the online training course on certificates. This shows that the information offered as part of our public relations work meets with a positive response and broad acceptance.

Since the spring of 2012 we now have an English version of our website online. This extends the reach of our Internet presence quite considerably. The introduction of an English version of our website at the same time reflects the sector's efforts to overcome national boundaries and establish cross-border cooperation.

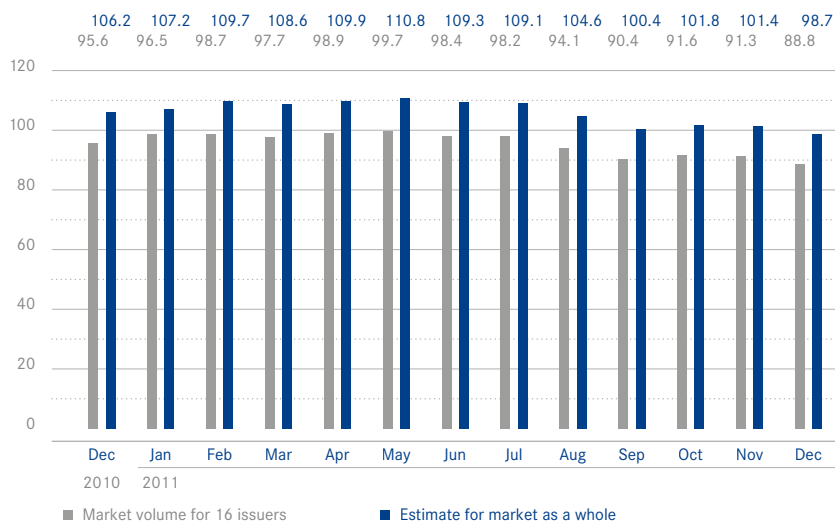
In general, our media and public relations work will continue to follow three basic principles: firstly, to address all issues of relevance for our sector, secondly to keep all our contacts up to date on current publications and thirdly to promote dialogue in which we participate with verifiable facts and sound arguments.

The certificates market in 2011: facts and figures

2011 remained in the grip of the financial market crisis. The German blue-chip index, DAX, shed around 15 percent. Safety was therefore of paramount importance for most private investors. In particular, this benefited Uncapped Capital Protection Certificates.

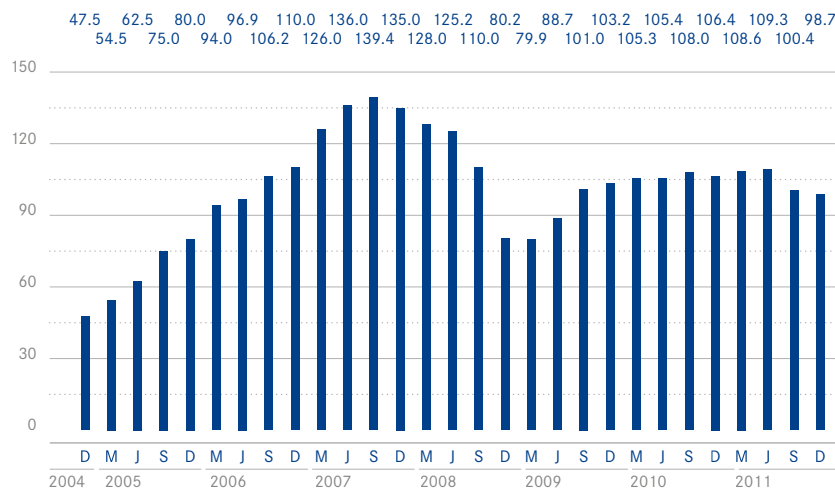
Market volume

Development of the certificate volume in Germany since December 2010 (in EUR billion)



In 2011 the volume invested in investment certificates and leverage products was almost always in excess of EUR 100 billion. At the end of the year almost EUR 98.7 billion was invested in investment certificates and leverage products.

Development of the certificate volume in Germany since December 2004 (in EUR billion)



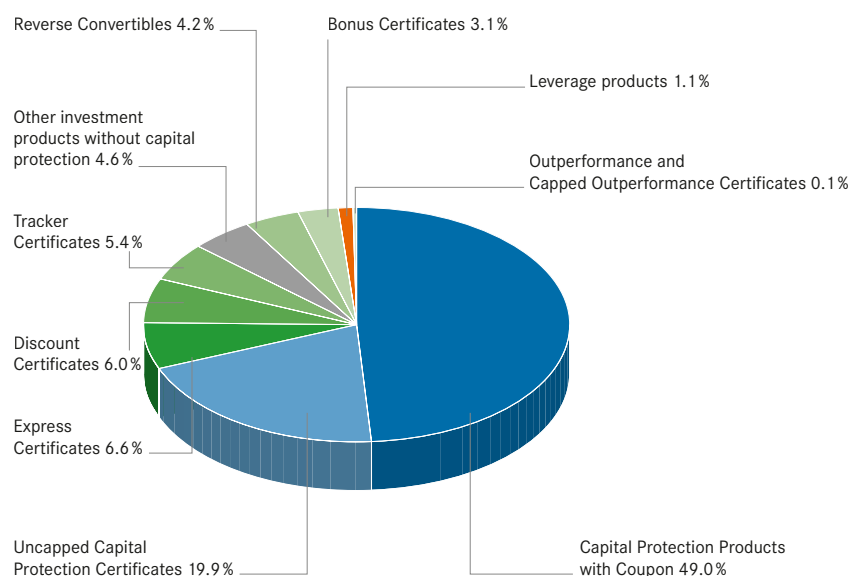
While market volume fell to below EUR 80 billion in the spring of 2009, in the wake of the financial market crisis, private investors later invested more again in certificates and warrants. In the meantime market volume has stabilised at around EUR 100 billion.

Market volume by product category

Category	Market volume December 2011		Market volume adjusted for price changes		Number of products		Change since December 2010	
	€ '000	percent	€ '000	percent	#	percent	€ '000	percent
Investment products								
Uncapped Capital Protection Certificates	17,638,846	19.9	17,542,856	19.8	3,638	0.6	-2,237,509	-11.3
Capital Protection Products with Coupon	43,513,924	49.0	43,205,078	48.8	1,952	0.3	3,970,206	10.0
Reverse Convertibles	3,720,412	4.2	3,683,314	4.2	35,079	6.0	-367,343	-9.0
Discount Certificates	5,279,799	5.9	5,245,255	5.9	132,098	22.7	-859,721	-14.0
Express Certificates	5,883,578	6.6	5,900,466	6.7	2,135	0.4	-3,117,891	-34.6
Bonus Certificates	2,713,879	3.1	2,675,846	3.0	89,885	15.4	-2,132,875	-44.0
Tracker Certificates	4,800,319	5.4	4,878,339	5.5	2,277	0.4	-1,240,710	-20.5
Outperformance/ Capped Outperformance Certificates	103,220	0.1	104,699	0.1	1,203	0.2	-118,763	-53.5
Other investment products without capital protectio	4,111,906	4.6	4,060,649	4.6	962	0.2	-468,758	-10.2
Total investment products	87,765,883	98.9	87,296,502	98.6	269,229	46.2	-6,573,365	-7.0
Leverage products								
Warrants	546,112	0.6	725,547	0.8	216,621	37.2	-231,356	-29.8
Knock-Out Products	444,178	0.5	519,969	0.6	96,605	16.6	-283,744	-39.0
Total leverage products	990,290	1.1	1,245,516	1.4	313,226	53.8	-515,101	-34.2
Total	88,756,173	100.0	88,542,019	100.0	582,455	100.0	-7,088,466	-7.4

The ratio between investment certificates and leverage products largely remained constant throughout the entire year. In December investment products accounted for almost 99 percent. Leverage products made up around 1 percent.

Investment products with full capital protection were particularly popular among investors. At the end of the year this category, at almost 70 percent, accounted for significantly more than two thirds of the total volume. Capital protection products with coupon were the absolute frontrunner at 49 percent, while Uncapped Capital Protection Certificates made up 20 percent.



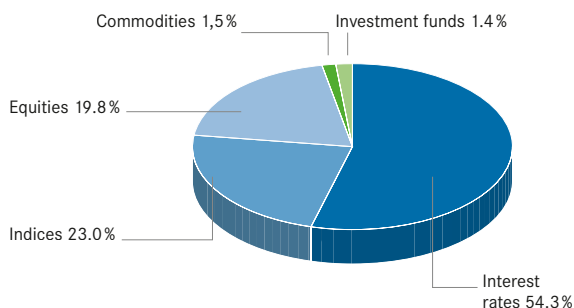
Market volume by underlying

Category	Market volume December 2011		Market volume adjusted for price changes		Number of products		Change since December 2010	
	€ '000	percent	€ '000	percent	#	percent	€ '000	percent
Investment products								
Indices	20,194,045	23.0	20,109,905	23.0	63,720	23.7	-4,031,142	-16.6
Equities	17,351,486	19.8	17,283,304	19.8	200,261	74.4	-6,355,070	-26.8
Commodities	1,286,329	1.5	1,340,317	1.5	2,556	0.9	-323,943	-20.1
Currencies	43,167	0.0	42,661	0.0	65	0.0	11,625	36.9
Interest rates	47,670,548	54.3	47,301,889	54.2	2,473	0.9	4,463,845	10.3
Investment funds	1,220,308	1.4	1,218,427	1.4	154	0.1	-338,680	-21.7
Total investment products	87,765,883	98.9	87,296,502	98.6	269,229	46.2	-6,573,365	-7.0
Leverage products								
Indices	379,240	38.3	474,142	38.1	84,665	27.0	-21,847	-5.4
Equities	366,171	37.0	422,767	33.9	174,500	55.7	-323,668	-46.9
Commodities	176,753	17.8	249,272	20.0	27,668	8.8	-158,111	-47.2
Currencies	44,747	4.5	55,719	4.5	24,717	7.9	-17,525	-28.1
Interest rates	22,832	2.3	43,075	3.5	1,615	0.5	6,140	36.8
Investment funds	546	0.1	542	0.0	61	0.0	-90	-14.2
Total leverage products	990,290	1.1	1,245,516	1.4	313,226	53.8	-515,101	-34.2
Total	88,756,173	100.0	88,542,019	100.0	582,455	100.0	-7,088,466	-7.4

In a similar way to the development of Capital Protection Products with Coupon, investment products with interest rates as an underlying increased their share of the total volume as the year 2011 progressed.

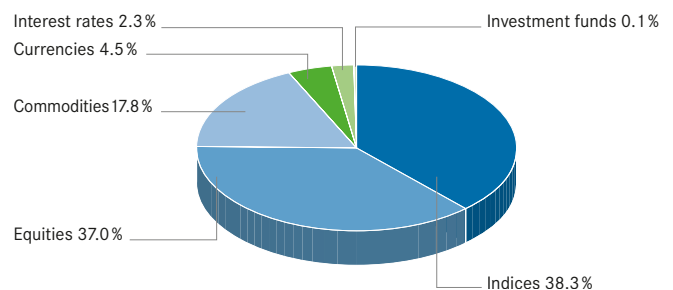
The market volume accounted for by leverage products decreased in the case of almost all underlyings. All certificates with interest rates as an underlying rose by 37 percent.

Investment products by underlying



With a share of 54 percent, more than half of the volume invested was accounted for by investment certificates with interest rates as an underlying. Indices made up 23 percent with equities taking third place at 19.8 percent.

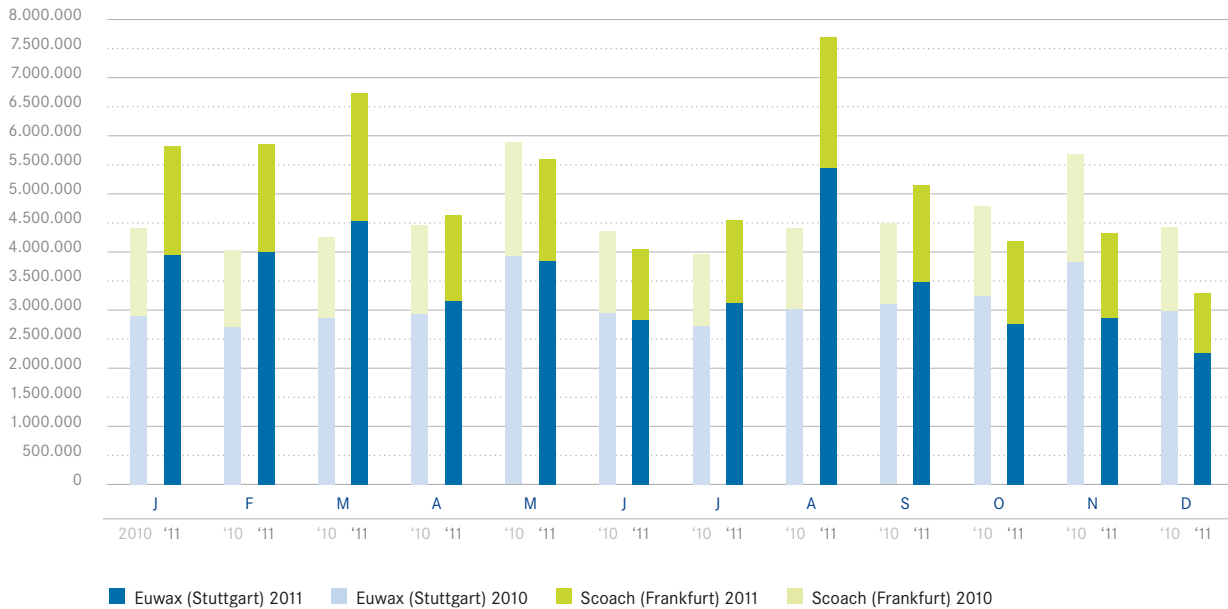
Leverage products by underlying



In the case of leverage products indices occupied first place in December, accounting for 38 percent, closely followed by equities at 37 percent. Commodities were in third place at 18 percent.

Stock exchange turnover

Stock exchange turnover during the course of the year



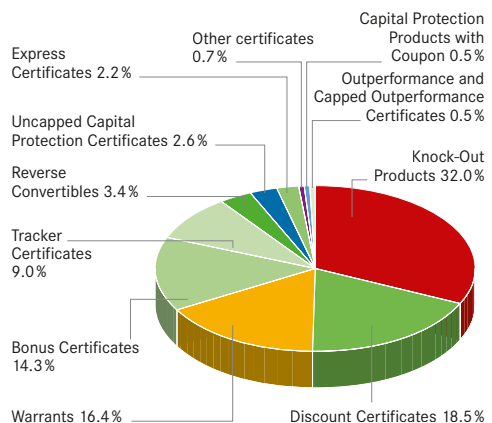
A look at stock exchange turnovers for 2011 shows that the heavy volatility in the financial markets had a stimulating effect on stock exchange trading. August was the month with the highest turnover (EUR 7.7 billion) in the case of both

investment and leverage products. All in all, stock exchange trading volumes in 2011 grew by 11 percent to around EUR 62 billion. The figure stood at around EUR 55 billion in the previous year.

Stock exchange turnover by product category, January to December 2011

Product categories	Volume of customer orders executed in '000	Share in percent	Turnover Stuttgart (Euwax)	Turnover Frankfurt (Scoach)
Investment products				
Uncapped Capital Protection Certificates	1,585,475	2.6	732,074	853,401
Capital Protection Products with Coupon	299,110	0.5	155,391	143,718
Reverse Convertibles	2,098,640	3.4	1,551,018	547,622
Discount Certificates	11,464,119	18.5	8,778,284	2,685,835
Express Certificates	1,363,129	2.2	865,768	497,361
Bonus Certificates	8,851,174	14.3	6,446,388	2,404,785
Tracker Certificates	5,541,631	9.0	3,496,891	2,044,740
Outperformance/Capped Outperformance Certificates	294,900	0.5	118,692	176,208
Other investment products without capital protection	418,429	0.7	75,781	342,648
Total investment products	31,916,606	51.6	22,220,287	9,696,318
Leverage products				
Warrants	10,134,950	16.4	6,700,056	3,434,893
Knock-Out Products	19,805,241	32.0	13,310,193	6,495,048
Total leverage products	29,940,190	48.4	20,010,250	9,929,941
Total	61,856,796	100.0	42,230,537	19,626,259

While leverage products accounted for only 1 percent of market volume, they made up almost half of stock exchange turnover (48.44 percent).

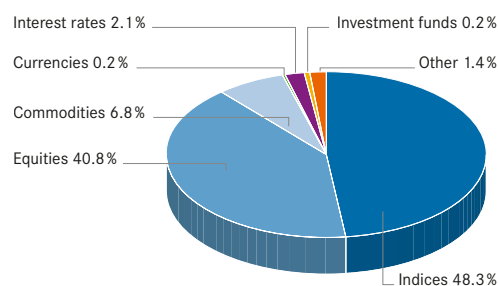


Stock exchange turnover by underlying, January to December 2011

Product categories	Volume of customer orders executed in '000	Share of total volume	Share of investment and leverage products	Turnover Stuttgart (Euwax) in '000	Turnover Frankfurt (Scoach) in '000
Investment products					
Indices	15,422,146	24.9	48.3	10,720,691	4,701,456
Equities	13,017,513	21.0	40.8	9,836,592	3,180,921
Commodities	2,180,476	3.5	6.8	1,313,832	866,644
Currencies	48,826	0.1	0.2	29,320	19,506
Interest rates	679,531	1.1	2.1	220,374	459,157
Investment funds	116,513	0.2	0.4	55,522	60,991
Other	451,600	0.7	1.4	43,956	407,644
Total investment products	31,916,606	52.0	100.0	22,220,287	9,696,318
Leverage products					
Indices	17,341,901	28.0	57.9	12,095,453	5,246,448
Equities	6,671,349	10.8	22.3	4,040,516	2,630,833
Commodities	4,399,441	7.1	14.7	2,849,803	1,549,637
Currencies	1,215,175	2.0	4.1	812,947	402,228
Interest rates	310,139	0.5	1.0	210,040	100,100
Investment funds	2,011	0.0	0.0	1,384	627
Other	174	0.0	0.0	106	68
Total leverage products	29,940,190	48.0	100.0	20,010,250	9,929,941
Total	61,856,796	100.0		42,230,537	19,626,259

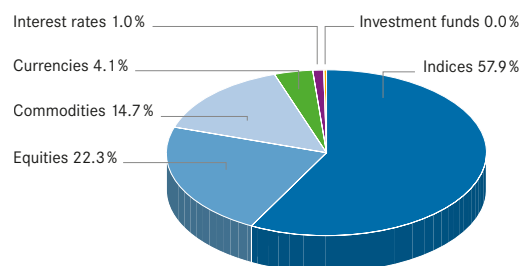
In the case of both investment and leverage products stock exchange trading was similarly spread over the most popular underlyings: indices, followed by equities, commodities, currencies and interest.

Investment products by underlying



Indices as an underlying accounted for almost half (48 percent) of turnover in investment certificates in 2011. Equities accounted for 41 percent of underlyings, followed by commodities at 7 percent.

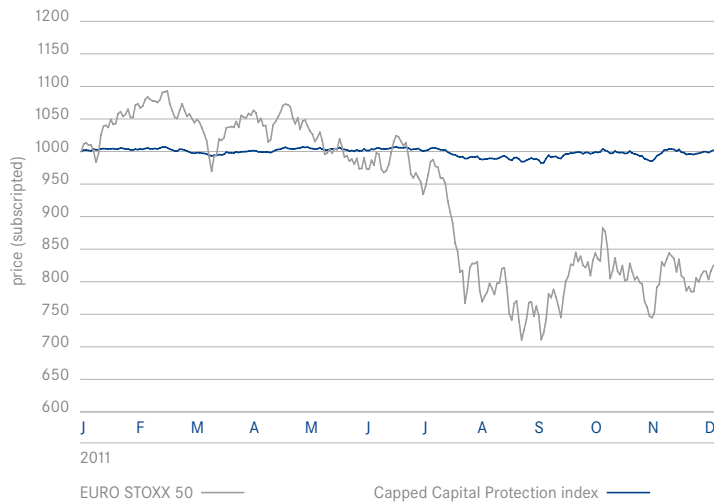
Leverage products by underlying



In the case of Warrants and Knock-Out Products 60 percent of the volume traded was accounted for by indices, led by the German blue-chip index, DAX. The second most popular underlyings were equities making up 22 percent. Investors' interest in leverage products with commodities as an underlying had risen again, to 15 percent, the most popular commodities being precious metals.

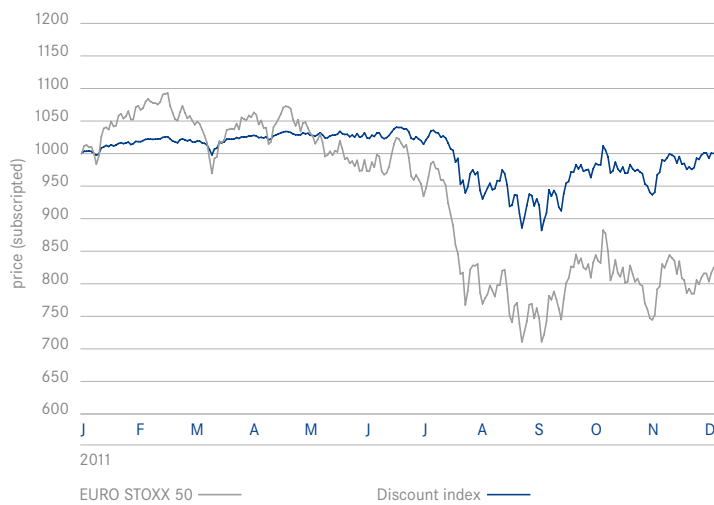
Certificate indices: a performance comparison

DDV supports the initiative of Scoach, the Frankfurt Stock Exchange’s trading platform for structured products, and of the European Derivatives Group to publish indices for various categories of certificate. These show the average performance of certificates and allow a direct comparison to be made between this and the performance of other financial products.



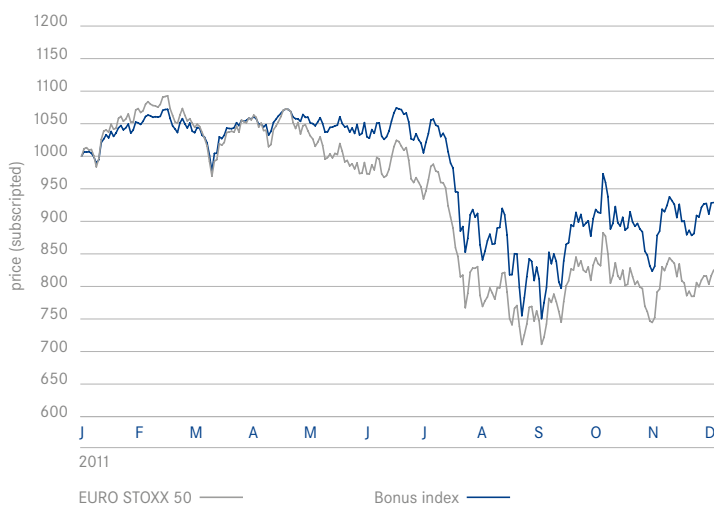
Capped Capital Protection index

The advantages of Capped Capital Protection Certificates became apparent in the second half of 2011. While the EURO STOXX 50 declined sharply as a result of the debt crisis in the euro area, Capped Capital Protection Certificates almost maintained their price level. On the whole, the Uncapped Capital Protection index outperformed the underlying and ended the year with a slight gain of 0.22 percent. In comparison with the underlying, the EURO STOXX 50, which lost around 17.5 percent over the course of the year, those who invested in Uncapped Capital Protection Certificates suffered no losses. The popularity of this type of certificate grew accordingly.



Discount index

At the beginning of the year the bullish performance of the EURO STOXX 50 initially caused discount certificates to slightly underperform the comparative index due to the cap. However, with the onset of strong market turbulence in March the merits of discount certificates became clear. The price reversals in these securities were considerably less severe. After that, the discount index significantly outperformed the EURO STOXX 50 as it benefited from its sideways movement. Overall, the discount index with a minimum gain of 0.02 percent significantly outperformed the comparative index, which shed 17.5 percent.



Bonus index

Bonus Certificates are particularly suitable for rising markets and markets that are moving sideways. During the first quarter the development of the bonus index more or less mirrored that of the underlying, which is typical of certificates with longer maturities. In the second quarter, Bonus Certificates benefited from the sideways movement of the underlying. So they outperformed the EURO STOXX 50. But when heavy price reversals set in, as at the time of the credit crisis in August, the barriers were increasingly breached. In 2011 the bonus index showed a decline of 7.11 percent while the EURO STOXX 50 lost around 17.5 percent in the same period.

DDV at work: organisation, committees and executives

The association's boards and committees, including the Board of Directors, all deal with specific issues. Nearly every week the responsible parties meet in various groups. A look at the schedule for 2011 shows as many as eight meetings of the Board of Directors, fifteen meetings of the three committees and numerous task force and project group meetings. In addition, there are general meetings, meetings of the Academic Advisory Board and meetings of the European umbrella association, eusipa.



→ General meetings

Eighth General Meeting on 1 March 2011
Ninth General Meeting on 4 October 2011

→ Meetings of the Board of Directors

4 February 2011
17 March 2011
10 May 2011
17 June 2011
12 August 2011
6 September 2011
2 November 2011
15 December 2011

→ Academic Advisory Board

Third meeting on 27 June 2011
Fourth meeting on 5 December 2011

→ Jour Fixe

Fifth Jour Fixe on 14 September 2011

→ eusipa Board Meeting

Seventh meeting on 19 January 2011 in Berlin

→ Committee meetings

Regulation and Investor Protection Committee

Thirteenth meeting on 3 February 2011
Fourteenth meeting on 14 April 2011
Fifteenth meeting on 21 June 2011
Sixteenth meeting on 15 September 2011
Seventeenth meeting on 17 November 2011

Prospectus Law Committee

Fourteenth meeting on 3 February 2011
Special meeting on 17 February 2011
Fifteenth meeting on 14 April 2011
Sixteenth meeting on 21 June 2011
Special meeting on 1 July 2011
Seventeenth meeting on 15 September 2011
Eighteenth meeting on 17 November 2011
Special meeting on 20 December 2011

Tax Committee

Thirteenth meeting on 28 January 2011
Fourteenth meeting on 21 November 2011

→ Board of Directors



Stefan Armbruster

Managing Director at Deutsche Bank AG, responsible for the distribution and marketing of certificates and warrants.



Jan Krüger

Head of Equity Derivatives Sales at Landesbank Baden-Württemberg AG where he is responsible for the distribution and marketing of structured retail products as well as for supporting institutional customers in the equities derivatives business.



Klaus Oppermann

Head of Public Distribution in the central Corporates & Markets business division at Commerzbank AG and responsible for the public distribution of securitised derivatives in Germany and the other European countries.



Rupertus Rothenhäuser

Managing Director of Macquarie Capital (Europe) Limited where he is Head of Sales and Marketing for structured products and certificates in Europe.



Dr Hartmut Knüppel

CEO and Member of the Board of Directors at Deutscher Derivate Verband (DDV). He has previously served in various roles in politics and industry.

→ Strategic Board

Frank Burkhardt
Société Générale S. A.
Managing Director



Joachim von Schorlemer
BNP Paribas S. A.
Country Head Germany



Lars Hille
DZ BANK AG
Member of the Board of Managing Directors



Patrick Sollinger
UniCredit Bank AG
Managing Director



Philip Holzer
Goldman Sachs International
Partner



Hans-Joachim Strüder
Landesbank Baden-Württemberg AG
Member of the Board of Managing Directors



Michael Reuther
Commerzbank AG
Member of the Board of Managing Directors



Roger Studer
Bank Vontobel AG
Head of Investment Banking



Carola Gräfin von Schmettow
HSBC Trinkaus & Burkhardt AG
Member of the Management Board



Werner Taiber
WestLB AG
Member of the Managing Board



Dirk Schmitz
Deutsche Bank AG
Managing Director
Head of Coverage Germany & Austria



Stefan Winter
UBS Deutschland AG
Member of the Executive Board



As of February 2012

→ Academic Advisory Board



Professor Dr Sigrid Müller (Chairperson)
Humboldt Universität zu Berlin, Germany



Professor Dr Lutz Johanning
WHU – Otto Beisheim School of Management,
Germany



Professor Dr Christian Koziol
Universität Hohenheim,
Germany



Professor Dr Bernd Rudolph
Ludwig-Maximilians-Universität, Munich,
Germany



Professor Dr Dirk Schiereck
Technische Universität Darmstadt, Germany

As of February 2012

→ Regulation and Investor Protection Committee



(left to right) Wohlfarth, Neundörfer, Höfer

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→ Tax Committee



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LB BW
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RBS
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SOCIETE GENERALE



UBS Investment Bank



VONTOBEL
Private Banking
Investment Banking
Asset Management
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HSBC  Trinkaus

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