

Strong turnover growth on the European structured products market

Europe's structured products exchanges generate turnover of EUR 39.2 billion / Market volume of leverage products almost twice as high as a year earlier

Exchange turnover in investment products and leverage products grew markedly again in the first three months of 2015 on Europe's financial markets. Compared with the last quarter of 2014, the volume rose by 30.0 percent to EUR 39.2 billion. This represented a year-on-year increase of 17.0 percent. That is one of the outcomes of an analysis by Derivative Partners Research AG of the latest market data collected by the European Structured Investment Products Association (EUSIPA) from its members.

The members of EUSIPA include: Zertifikate Forum Austria (ZFA), Association Française des Produits Dérivés de Bourse (afpdb), Deutscher Derivate Verband (DDV), Associazione Italiana Certificati e Prodotti di Investimento (ACEPI), the Swedish Exchange Traded Investment Products Association (SETIPA), the Swiss Structured Products Association (SSPA) and the Netherlands Structured Investment Products Association (NEDSIPA).

The trading volume of investment products on the European exchanges stood at EUR 13.7 billion in the first quarter – 34.9 percent of the total turnover. Exchange turnover was up 42.0 percent compared with the previous quarter and increased by 7.0 percent on the same period of the preceding year.

The trading volume of leverage products such as Warrants, Knock-Out Warrants and Factor Certificates totalled EUR 25.5 billion in the first quarter. They therefore accounted for 65.1 percent of the total turnover. Exchange turnover was up 25.0 percent compared with the final quarter of 2014. This represented a year-on-year increase of 24.0 percent.

At the end of March, the exchanges of EUSIPA member countries were offering 562,601 investment products and 822,803 leverage products. The number of products listed grew by 15.0 percent overall in comparison with both the preceding quarter and the previous year.

Banks released a total of 984,401 new investment products and leverage products in the first three months of the year. This was an increase of 30.0 percent in the number of new products in comparison with the last quarter of 2014 and a rise of 46.0 percent compared with the first three months of the prior year. A total of 235,282 new investment products were launched, accounting for 23.9 percent of all new issues. All in all, 749,119 new leverage products were listed. They therefore accounted for 76.1 percent of new issues.

At the end of the first quarter, the **market volume of investment and leverage products** in Austria, Germany and Switzerland stood at EUR 261.4 billion – down 2.0 percent on the final quarter of 2014. However, the volume rose by 4.0 percent compared with the first quarter of the previous year.

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At the end of the first three months of 2015, the market volume of investment products was approximately EUR 238.0 billion. This was roughly on a par with the figure from one year earlier. The market volume shrank by 2.0 percent in comparison with the fourth quarter of 2014.

At EUR 23.4 billion, the outstanding volume of leverage products was up 89 percent on the figure recorded at the end of March 2014. It dipped slightly, by 1.0 percent, compared with the final quarter of 2014, however.

About EUSIPA

EUSIPA represents the interests of the European structured investment products business. The focal point of our activities are derivative instruments such as structured investment products and warrants. EUSIPA makes efforts to create an attractive and fair regulatory framework for these financial products.

The umbrella association acts as a contact for politicians and the European Securities and Markets Authority (ESMA) in all questions concerning structured products. Whenever the need arises, the association is at hand to provide expert advice and opinions, thus playing an active role in the opinion process on the political level.

Greater protection for investors as well as more comprehensible and transparent products are important concerns for the association. Together with its members, it is actively engaged in promoting Europe-wide standards throughout the sector. These include clear product classification, standardised technical terms and a broad commitment among the member associations to abide by a code of practice for the sector.

The members of EUSIPA are:



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EUSIPA Market Report on structured investment products

Q1/2015



Contents

Highlights	2
Quarterly overview	3
Exchange turnover	5
Outstanding volume	6
Number of new listings on exchange	7
Number of exchanged listed products	8
Appendix	9

1. Highlights

Exchange Turnover: Increasing Turnover (Year-to-Year)

In the first quarter of 2015 the overall exchange turnover increased to 39.22 bn EUR which is a plus of 30% compared to the previous quarter (where it was 30.01 bn EUR) and a plus of 17% on a year-to-year basis. Leverage Products accounted in Q1 2015 for a turnover of 25.50 bn EUR with an increase of 24% on a year-to-year basis and investment products for 13.72 bn EUR which is a plus of 7% compared to the equivalent last year quarter.

Outstanding Volume: Increasing Volume

The Q1 2015 figures for the Austrian, German¹ and Swiss² markets show volumes rising by 4% to 261 bn EUR, measured on a year-to-year basis, but a decline of 2% compared to the preceding quarter Q4 2014. The volume in leverage products, which is rather small compared to the volume of investment products, is 89% higher than the equivalent quarter Q1 2014 and almost stable when being compared to the preceding quarter Q4 2014.

Number of New Listings: Increasing Numbers

Compared to the fourth quarter of 2014 the number of new listings between January and March 2015 increased by 30% to a total of 984'401 products. Whereas 76% of all new listed products were issued in the leveraged product segment, investment products obtain a share of 24%. For leverage products the number of new listings increased by 47% on a year-to-year basis and by 28% compared to the previous quarter. As for investment products the number of new listings also increased strongly with a level of 46% on a year-to-year basis and 38% compared to the previous quarter.

Number of Products: Increasing Numbers

At the end of March 2015 a total of 1'385'404 products were listed in EUSIPA member countries (excluding The Netherlands). This is a plus of 15% compared to the fourth quarter of 2014 (1'205'376). Measured on a year-to-year basis the number of listed investment products accounted for an increase of 12%. Leverage products saw an increase of 17% for the same quarter comparison.

¹ The German figures are sourced in from the 16 issuers assembled under the roof of Deutsche Derivate Verband (DDV) and entail assets from the sales of listed note-based structured retail products to customers based in Germany. The 16 issuers cover more than 90% of the German market in these products.

² The Swiss figures are sourced in from the Swiss National Bank and represent all assets in listed note-based structured retail products held in Swiss depots of issuers domiciled in Switzerland. The figures include therefore, to a small extent, also assets from product sales of these issuers outside Switzerland.

2. Quarterly overview (Q1/2015)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Exchange Turnover (Mio. EUR)								
1 Investment Products	172	84	7'236	1'818	28	78	4'306	13'721
11 Capital Protected	n/a	0	406	n/a	n/a	n/a	274	n/a
12 Yield-Enhancement	n/a	43	3'599	n/a	22	n/a	1'010	n/a
13 Participation	n/a	41	3'126	n/a	6	n/a	2'887	n/a
199 Various	n/a	0	106	n/a	n/a	n/a	135	n/a
2 Leverage Products	14	1'956	8'600	6'412	2'566	2'956	2'992	25'496
21 Without Knock-Out	5	519	2'678	n/a	n/a	80	n/a	n/a
22 With Knock-Out	9	746	4'138	n/a	2'566	610	n/a	n/a
23 Constant Leverage	n/a	691	1'784	n/a	1	2'131	n/a	n/a
Various	n/a	n/a	n/a	n/a	n/a	135	n/a	n/a
Total	186	2'040	15'836	8'230	2'594	3'034	7'299	39'217
Total change - Δ in % to Q1/14**	176	17	24	30	-4	20	0	17
Total change - Δ in % to Q4/14***	166	8	35	40	14	28	24	30
Outstanding Volume (Mio. EUR)								
1 Investment Products	11'730	n/a	67'091	n/a	n/a	n/a	159'169	237'990
11 Capital Protected	n/a	n/a	36'495	n/a	n/a	n/a	41'052	n/a
12 Yield-Enhancement	n/a	n/a	6'821	n/a	n/a	n/a	47'710	n/a
13 Participation	n/a	n/a	17'597	n/a	n/a	n/a	67'620	n/a
199 Various	n/a	n/a	6'178	n/a	n/a	n/a	2'787	n/a
2 Leverage Products	71	n/a	2'295	n/a	n/a	n/a	20'999	23'365
21 Without Knock-Out	n/a	n/a	885	n/a	n/a	n/a	n/a	n/a
22 With Knock-Out	n/a	n/a	1'051	n/a	n/a	n/a	n/a	n/a
23 Constant Leverage	n/a	n/a	359	n/a	n/a	n/a	n/a	n/a
Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	11'801	n/a	69'386	n/a	n/a	n/a	180'169	261'355
Total change - Δ in % to Q1/14**	-5	n/a	-19	n/a	n/a	n/a	4	4
Total change - Δ in % to Q4/14***	-1	n/a	-3	n/a	n/a	n/a	-13	-2

* Please note that the product category 'Investment Products with Reference Entities' exists only in Switzerland. Values for this category are therefore shown as 'Various Investment Products'.

Source: Country Associations, Derivative Partners

** Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2015.

*** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

¹ The German figures are sourced in from the 16 issuers assembled under the roof of Deutsche Derivate Verband (DDV) and entail assets from the sales of listed note-based structured retail products to customers based in Germany. The 16 issuers cover more than 90% of the German market in these products.

² The Swiss figures are sourced in from the Swiss National Bank and represent all assets in listed note-based structured retail products held in Swiss depots of issuers domiciled in Switzerland. The figures include therefore, to a small extent, also assets from product sales of these issuers outside Switzerland. The Swiss National Bank has extended the circle of the reportable institutions for the statistics of the securities held in bank's client deposits. The survey group consists now also of institutions with a special field of business. In case of such institutions with a special field of business and especially for deposits which are stored centrally there are only securities included that are not already stored at another reportable bank and reported by it.

2. Quarterly overview (Q1/2015)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Number of New Listings on Exchange								
1 Investment Products	462	528	231'564	331	n/a	146	2'251	235'282
11 Capital Protected	n/a	0	32	n/a	n/a	n/a	60	n/a
12 Yield-Enhancement	n/a	523	122'789	n/a	n/a	n/a	1'976	n/a
13 Participation	n/a	5	108'651	n/a	n/a	n/a	178	n/a
199 Various	n/a	0	92	n/a	n/a	n/a	37	n/a
2 Leverage Products	1'742	39'424	689'068	1'918	n/a	5'552	11'415	749'119
21 Without Knock-Out	529	7'688	196'565	n/a	n/a	2'224	n/a	n/a
22 With Knock-Out	1'213	31'727	492'408	n/a	n/a	2'851	n/a	n/a
23 Constant Leverage	n/a	9	95	n/a	n/a	462	n/a	n/a
Various	n/a	0	n/a	n/a	n/a	15	n/a	n/a
Total	2'204	39'952	920'632	2'249	n/a	5'698	13'666	984'401
Total change - Δ in % to Q1/14**	-7	75	46	113	n/a	47	29	46
Total change - Δ in % to Q4/14***	29	17	30	131	n/a	31	33	30
Number of Exchange Listed Products								
1 Investment Products	2'232	1'400	540'990	1'063	n/a	4'776	12'140	562'601
11 Capital Protected	n/a	0	2'735	n/a	n/a	n/a	960	n/a
12 Yield-Enhancement	n/a	1'202	254'551	n/a	n/a	n/a	8'363	n/a
13 Participation	n/a	198	282'659	n/a	n/a	n/a	2'360	n/a
199 Various	n/a	0	1'045	n/a	n/a	n/a	457	n/a
2 Leverage Products	4'448	29'120	753'805	4'314	n/a	7'922	23'194	822'803
21 Without Knock-Out	1'845	12'017	409'904	n/a	n/a	3'741	n/a	n/a
22 With Knock-Out	2'603	16'788	340'516	n/a	n/a	3'115	n/a	n/a
23 Constant Leverage	n/a	315	3'385	n/a	n/a	829	n/a	n/a
Various	n/a	0	n/a	n/a	n/a	237	n/a	n/a
Total	6'680	30'520	1'294'795	5'377	n/a	12'698	35'334	1'385'404
Total change - Δ in % to Q1/14**	3	6	16	3	n/a	-14	1	15
Total change - Δ in % to Q4/14***	16	4	15	28	n/a	0	10	15

* Please note that the product category 'Investment Products with Reference Entities' exists only in Switzerland. Values for this category are therefore shown as 'Various Investment Products'.

** Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2014.

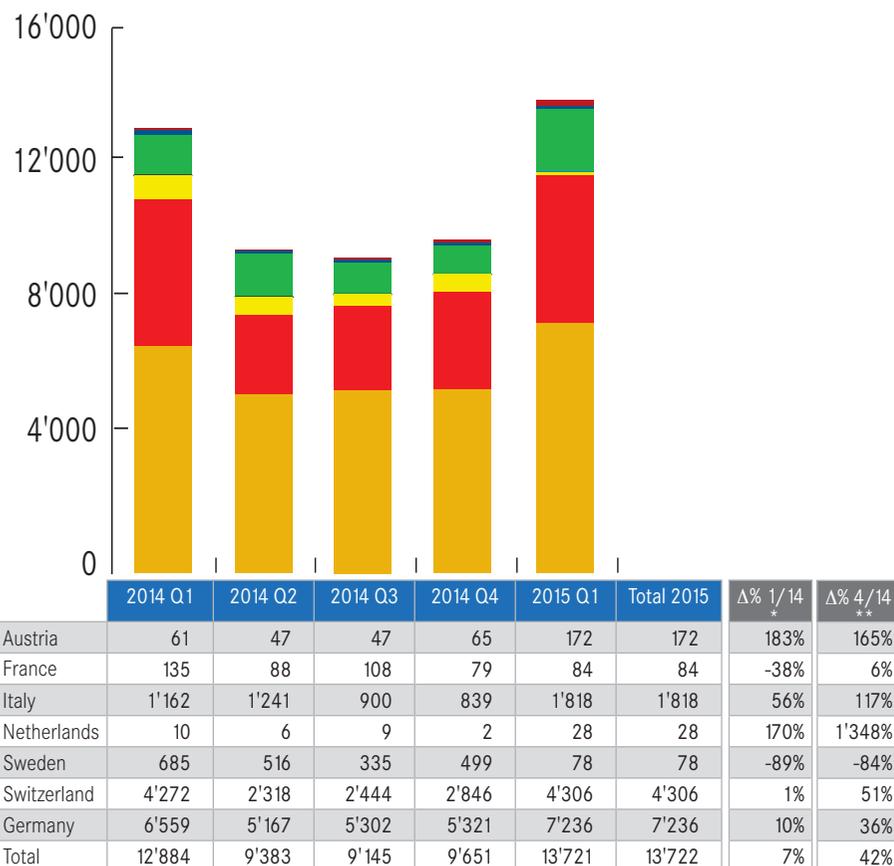
*** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

Source: Country Associations, Derivative Partners

3. Exchange turnover

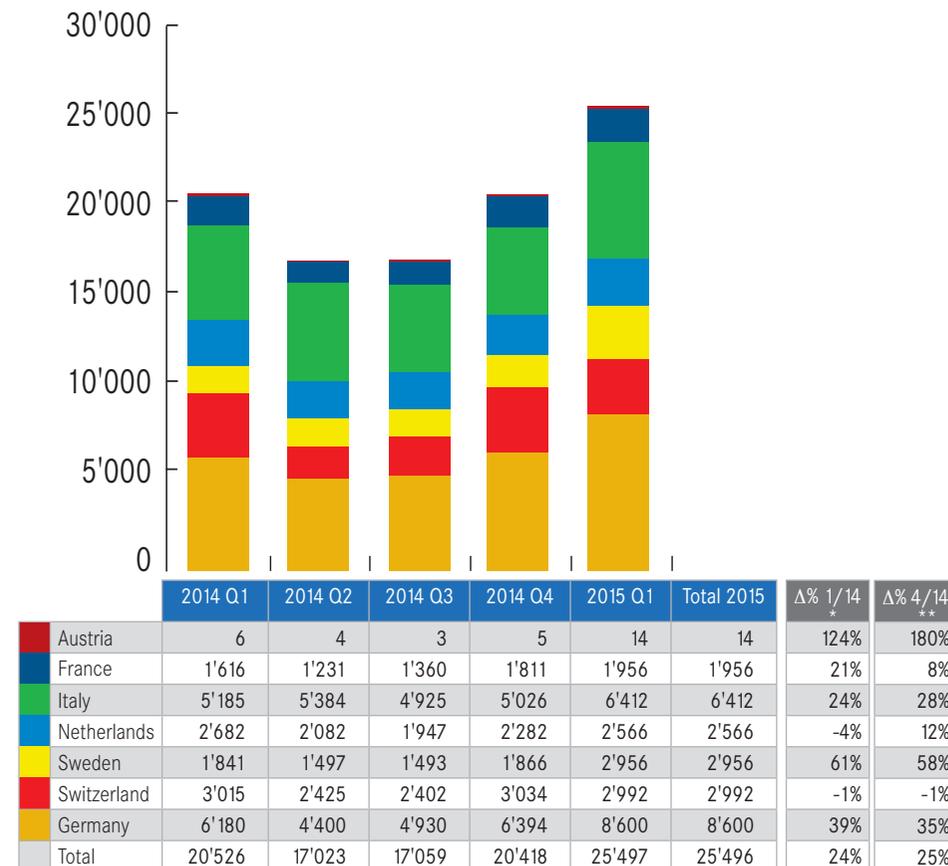
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

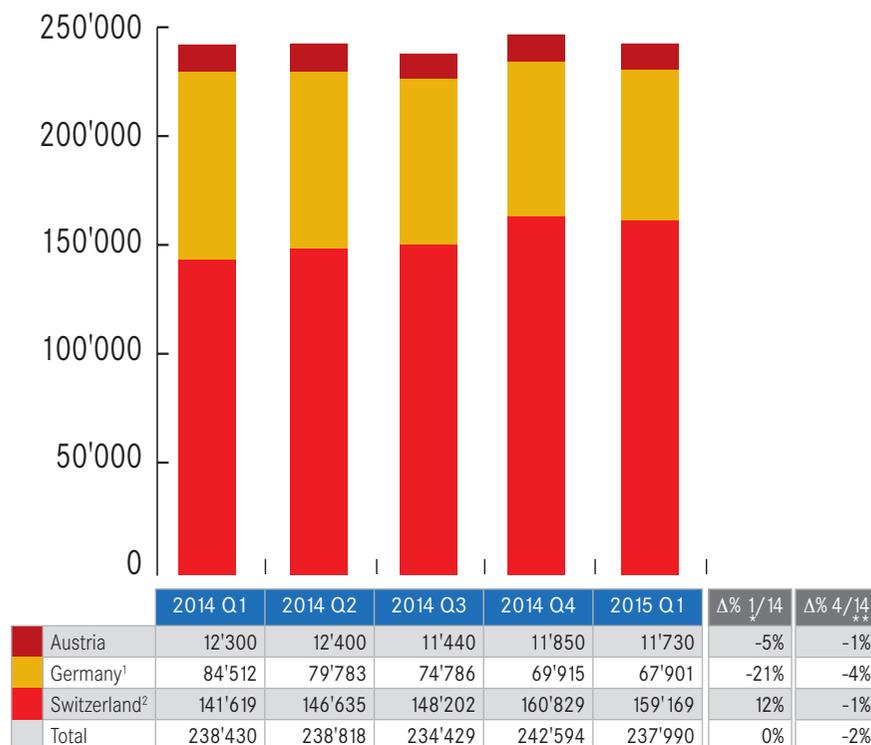
* Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2014.
 ** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

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 ** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

4. Outstanding volume

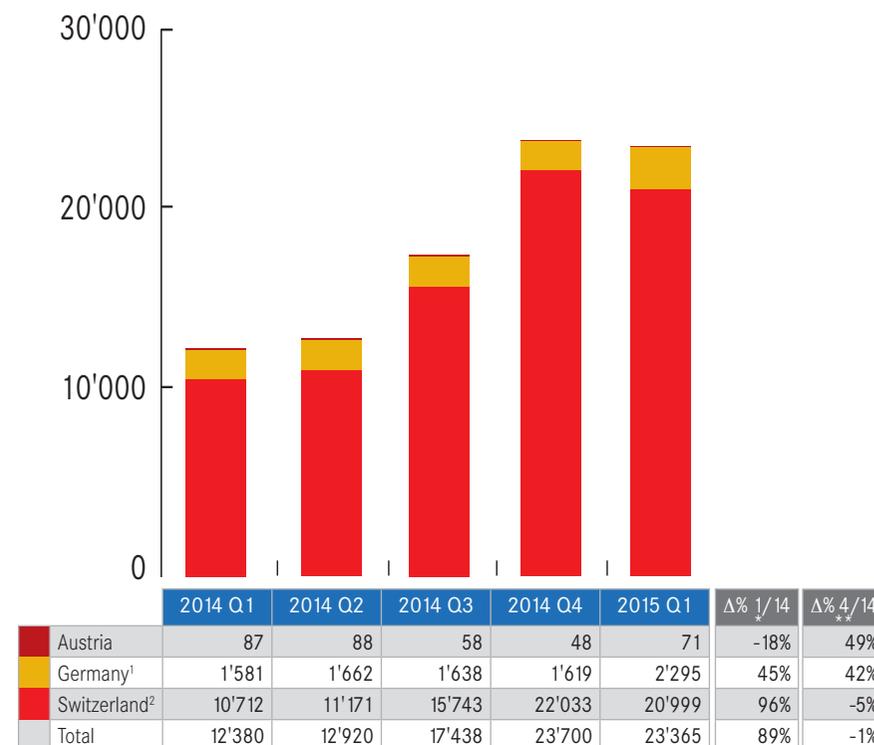
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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* Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2014.

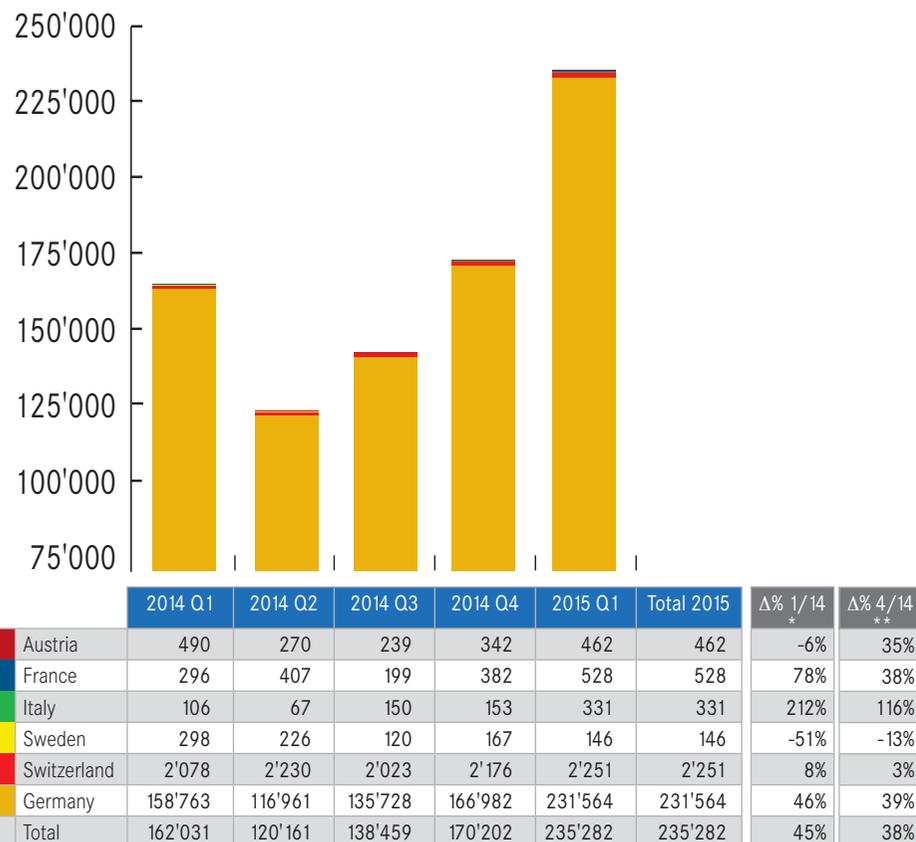
** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

* Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2014.

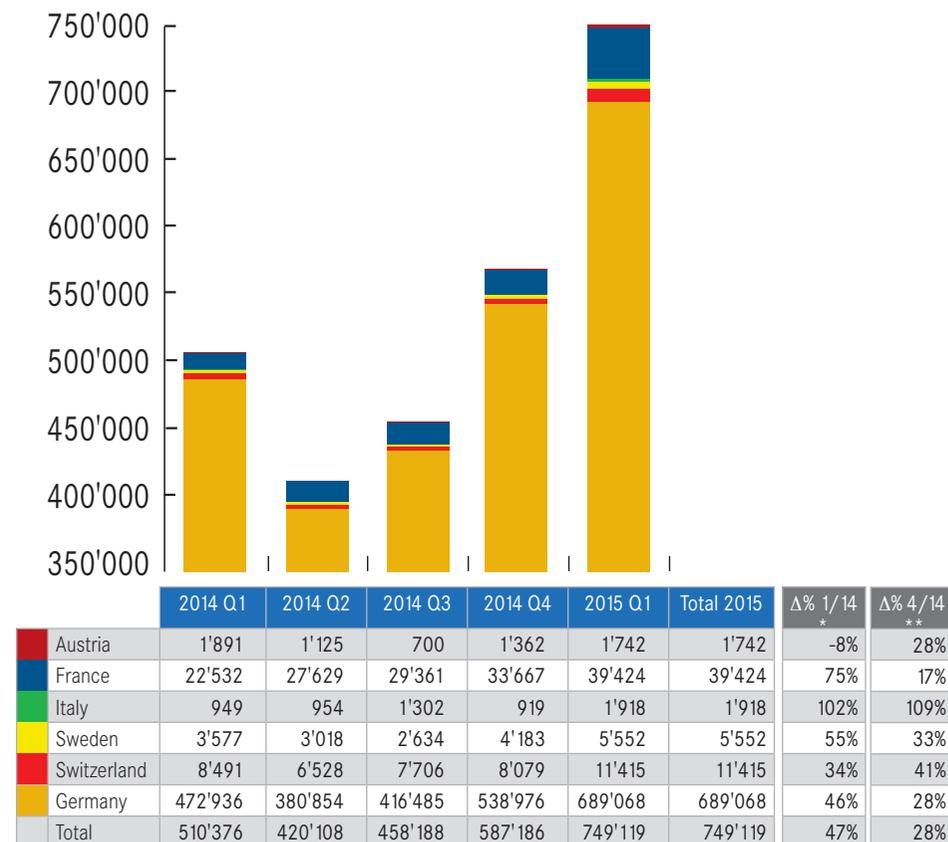
** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

5. Number of new listings on exchange

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2014.

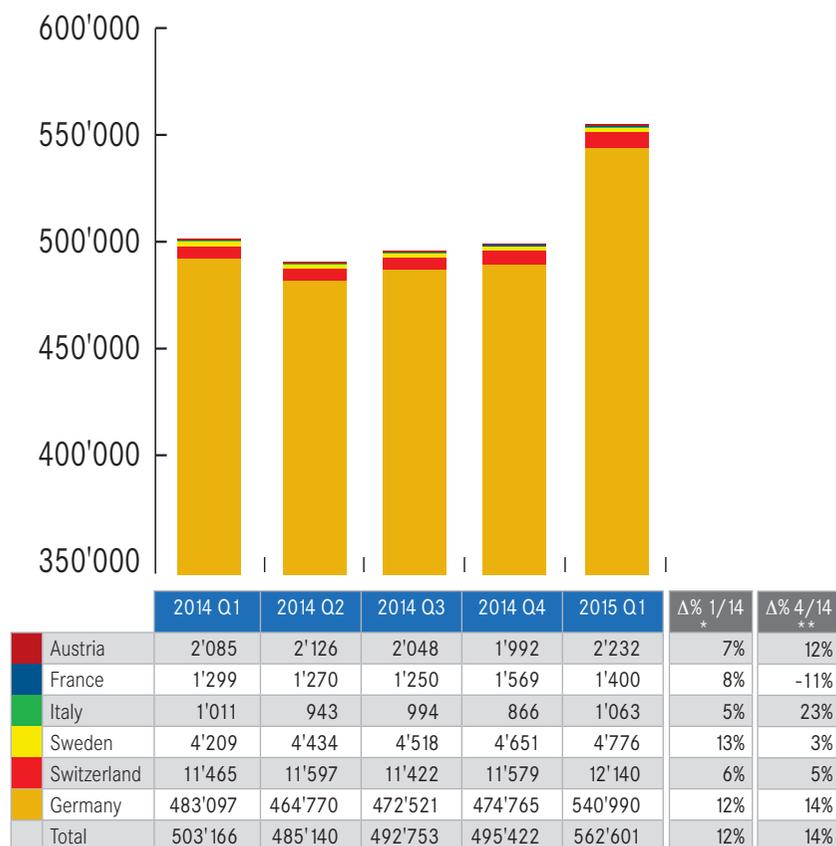
** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

* Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2014.

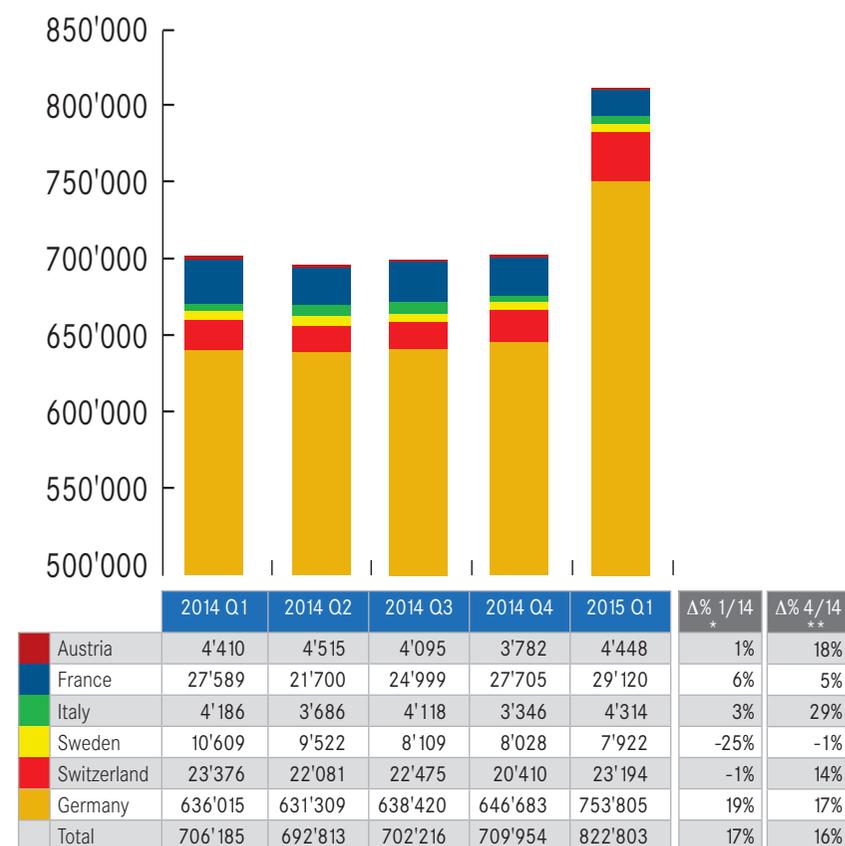
** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2014.
 ** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

* Field indicates per cent change between Q1/2015 and equivalent last year quarter Q1/2014.
 ** Field indicates per cent change between reporting quarter Q1/2015 and previous quarter Q4/2014.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 30th December 2014. The exchange rates for CHF/EUR and SEK/EUR are defined at the last trading day of each quarter.

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Further information about Structured Investment Products is provided by the country associations on their websites:

Austria

Zertifikate Forum Austria (ZFA)

www.zertifikateforum.at



France

Association Française des Produits Dérivés de Bourse (AFPDB)

www.afpdb.fr



Germany

Deutscher Derivate Verband (DDV)

www.derivateverband.de



Italy

Associazione Italiana Certificati e prodotti di Investimento (ACEPI)

www.acepi.it



Netherlands

Netherlands Structured Investment Products Association (NEDSIPA)

www.nedsipa.nl



Sweden

Swedish exchange-traded investment products association (SETIPA)

www.setipa.se



Switzerland

Swiss Structured Products Association (SSPA)

www.svsp-verband.ch

