

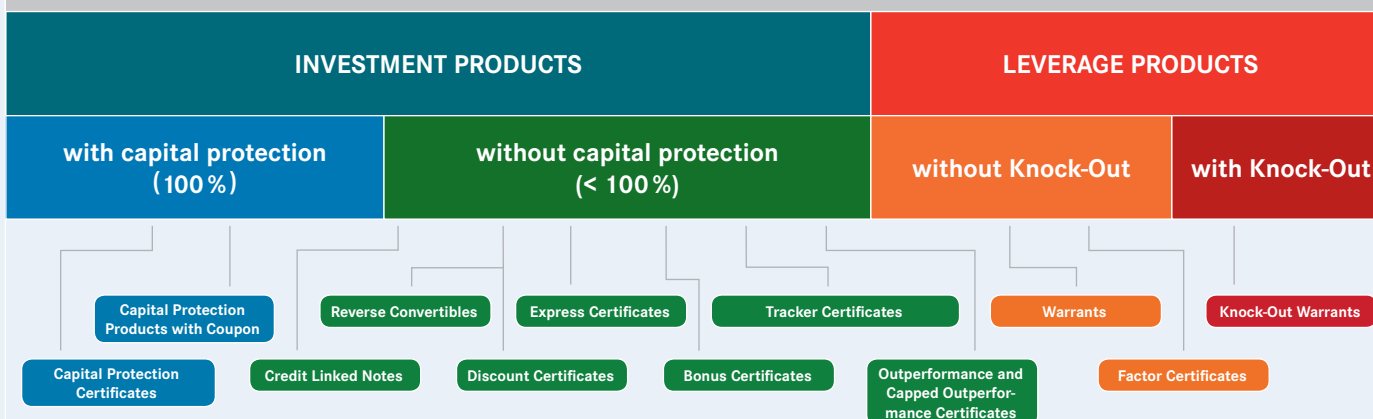
Market Volume

in Derivatives

Structured Products slightly weaker in March

Reverse Convertibles as Capped Capital Protection Products continue to be in high demand

STRUCTURED SECURITIES



DDV Classification System

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March | 2015

- At the end of the first quarter 2015, the total volume of the German Structured Products market was, due to seasonal factors, down at EUR 75.4 billion.
- Reverse Convertibles and Tracker Certificates recorded substantial volume increases despite the negative trend.
- Investment products accounted for 96.7 percent of the market volume, while leverage products made up 3.3 percent.
- Capital Protection Products remained the dominant investment category. More than half of investors' money was invested in Capital Protection Products with Coupon and Uncapped Capital Protection Certificates.

Structured Products slightly weaker in March

Reverse Convertibles as Capped Capital Protection Products continue to be in high demand

The outstanding volume of the German Structured Products market went down by the end of the first quarter, mainly due to the repayment dates of many Structured Products which traditionally expire in March. However, Reverse Convertibles and Tracker Certificates bucked the general economic trend and enjoyed growing interest from investors.

Overall, the market volume decreased by 4.2 percent or EUR 3 billion compared with the previous month. This trend is shown by the latest figures collected each month from 16 banks by the European Derivatives Group (EDG AG) on behalf of Deutscher Derivate Verband (DDV), the German Derivatives Association. Extrapolating these figures to all issuers puts the **total volume of the German Structured Products market at EUR 75.4 billion at the end of March 2015.**

Compared with the previous month, the **ratio of investment products to leverage products** changed in favour of leverage products. However, investment products continued to shape the trend to a large extent with a 96.7 percent share of the total market volume. Leverage products made up 3.3 percent.

Investment products by product category

The volume of **Capital Protection Products** fell in March. The market volume of Capital Protection Products with Coupon

amounted to EUR 26.7 billion and thus decreased substantially by 7.1 percent compared with the previous month. This corresponded to a 39.8 percent share of the investment products market. The volume of Uncapped Capital Protection Certificates also experienced a substantial loss of 6.2 percent to come in at EUR 9.8 billion. Their share was 14.6 percent. 54.4 percent of the market volume was invested in these two product categories in March.

The market volume of **Reverse Convertibles** rose by 0.6 percent to stand at EUR 7.8 billion. Their share within the investment products segment was 11.7 percent.

The volume for **Express Certificates** dropped by 1.4 percent to EUR 5.4 billion. This corresponded to a share of 8.0 percent.

Credit Linked Notes gained 0.2 percent to total EUR 5.3 billion. This took their share to 8.0 percent.

Discount Certificates lost 6.4 percent and stood at EUR 4.4 billion. They accounted for 6.5 percent of the volume.

Tracker Certificates rose by 3.1 percent to EUR 4.4 billion, taking their market share to 6.6 percent.

Bonus Certificates fell by 8.0 percent to come in at EUR 2.3 billion. Their volume share stood at 3.4 percent.

Outperformance and Capped Outperformance Certificates recorded a strong growth of 15.1 percent to EUR 102.7 million. However, as it 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 **further Yield Enhancement Products** fell by 0.4 percent to EUR 830.4 million. They accounted for 1.2 percent of the volume.

Leverage products by product category

The market volume of **leverage products** rose by 2.2 percent and stood at EUR 2.3 billion.

The volume invested in **Knock-Out Warrants** increased by 2.5 percent to EUR 1.1 billion. Their share of volume within the leverage products segment was 45.8 percent.

Warrants gained 1.0 percent to come in at EUR 884.9 million. Their share was 38.6 percent.



The volume for **Factor Certificates** recorded an increase of 4.4 percent, taking it to EUR 358.8 million. They made up a 15.6 percent share of the leverage products category.

Investment products by underlying

Structured securities with **interest rates as an underlying** remained the most popular category in March, despite a marked slump. Their volume was down 5.7 percent at EUR 33.3 billion due primarily to the decrease in Capital Protection Products with Coupon. However, they still made up nearly half of the total investment products volume, accounting for 49.7 percent.

With a share of 26.2 percent, investment products with **equities as an underlying** came in second. Their volume fell by 3.7 percent to EUR 17.6 billion.

Investment products with **indices as an underlying** were the third most popular type. With a volume of EUR 14.2 billion and loss of 2.1 percent, their market share came in at 21.2 percent.

Following at some distance behind the other classes were investment products with **commodities as an underlying**, which made up 1.6 percent. Their volume decreased by 1.3 percent in March to EUR 1.1 billion.

At 1.0 percent, the share of investment products with **investment funds as an underlying** was even lower. Their volume fell by 4.8 percent to EUR 685.4 million in March.

Investment products with **currencies as an underlying** were insignificant in relation to the general trend with a share of 0.2 percent. The volume invested in them fell by 0.7 percent to stand at EUR 137.9 million.

Leverage products by underlying

Leverage products with **equities as an underlying** recorded a loss of 2.3 percent and accounted for a market volume of EUR 1.1 billion. They made up 46.4 percent of the total leverage products volume.

Leverage products with **indices as an underlying** gained 7.7 percent, taking their market volume to EUR 850.5 million. This corresponded to a share of 37.1 percent.

Lagging some way behind leverage products based on equities and indices were those with **commodities as an underlying**. Their volume dropped by 3.1 percent to EUR 217.7 million. This took their share to 9.5 percent.

Leverage products with **currencies as an underlying** grew substantially by 15.8 percent, increasing their volume to EUR 145.5 million. Their share accounted for 6.3 percent of the overall volume.

The market volume of leverage products with **interest rates as an underlying** grew by 9.5 percent to EUR 15.4 million. They accounted for 0.7 percent of the volume. ■



Deutscher Derivate Verband (DDV)

Deutscher Derivate Verband (DDV), the German Derivatives Association, is the industry representative body for the 16 leading issuers of derivatives in Germany: Barclays, BayernLB, BNP Paribas, Citigroup, Commerzbank, DekaBank, Deutsche Bank, DZ BANK, Goldman Sachs, Helaba, HSBC Trinkaus, HypoVereinsbank, LBBW, Société Générale, UBS and Vontobel. The Association's work is supported by nine sponsoring members, which include the Stuttgart and Frankfurt am Main stock exchanges, finance portals and service providers.

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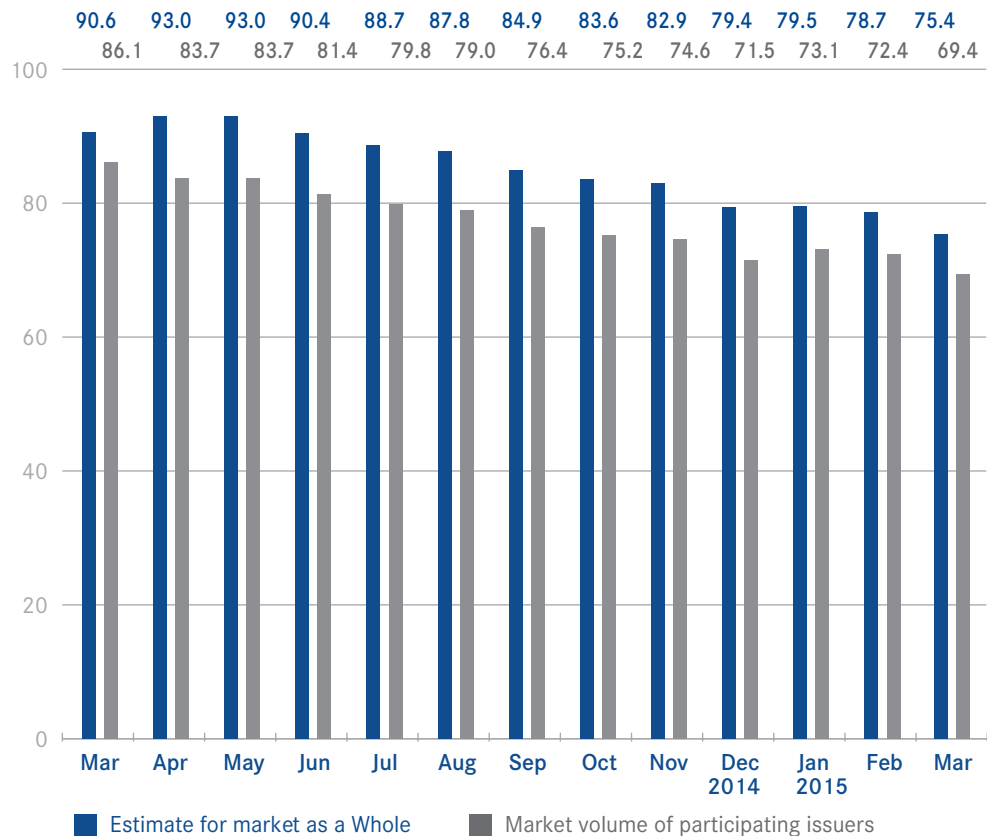
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Market volume since March 2014



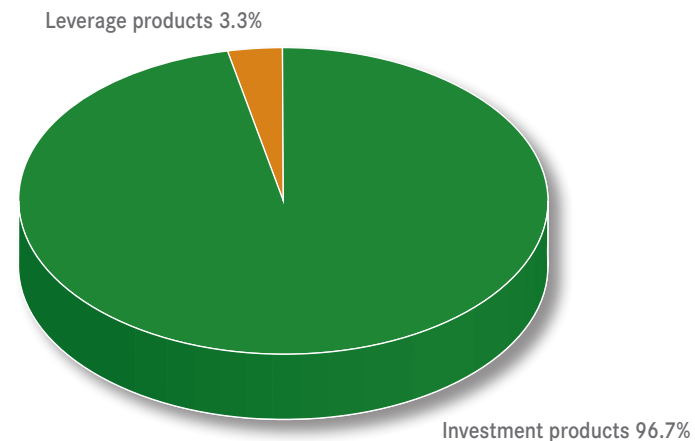
Product classes

Market volume as at 31 March 2015

Product classes	Market volume	Share
	T€	%
Investment products with capital protection	36,494,997	54.4%
Investment products without capital protection	30,596,501	45.6%
Total Investment products	67,091,497	100.0%
Leverage products without Knock-Out	1,243,719	54.2%
Leverage products with Knock-Out	1,051,162	45.8%
Total Leverage products	2,294,881	100.0%
Total Investment products	67,091,497	96.7%
Total Leverage products	2,294,881	3.3%
Total Derivatives	69,386,378	100.0%

Product classes

Market volume as at 31 March 2015

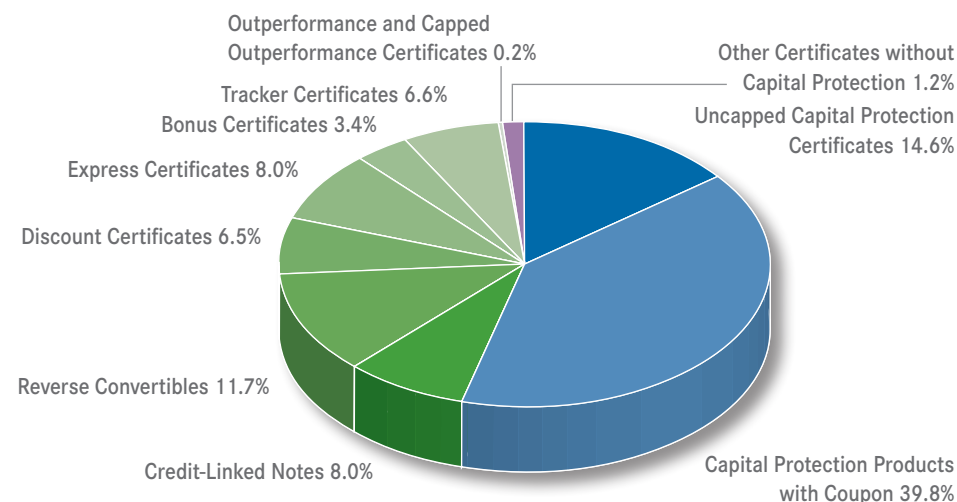


Market volume by product category as at 31 March 2015

Product categories	Market volume		Market volume price-adjusted		Number of Products	
	T€	in %	T€	in %	#	in %
■ Uncapped Capital Protection Certificates	9,764,595	14.6%	9,753,477	14.5%	2,476	0.5%
■ Capital Protection Products with Coupon	26,730,402	39.8%	26,745,181	39.9%	2,153	0.4%
■ Credit-Linked Notes	5,347,704	8.0%	5,356,223	8.0%	1,529	0.3%
■ Reverse Convertibles	7,817,005	11.7%	7,823,623	11.7%	95,892	18.3%
■ Discount Certificates	4,383,809	6.5%	4,370,081	6.5%	175,422	33.5%
■ Express Certificates	5,396,542	8.0%	5,390,399	8.0%	5,369	1.0%
■ Bonus Certificates	2,273,610	3.4%	2,285,002	3.4%	237,498	45.4%
■ Tracker Certificates	4,444,740	6.6%	4,399,799	6.6%	1,921	0.4%
■ Outperformance and Capped Outperformance Certificates	102,718	0.2%	100,939	0.2%	715	0.1%
■ Other Certificates without Capital Protection	830,374	1.2%	826,974	1.2%	476	0.1%
Investment products total	67,091,497	96.7%	67,051,698	96.7%	523,451	41.4%
■ Warrants	884,876	38.6%	867,830	38.0%	401,642	54.2%
■ Factor Certificates	358,843	15.6%	439,214	19.2%	2,415	0.3%
■ Knock-Out Warrants	1,051,162	45.8%	977,744	42.8%	337,297	45.5%
Leverage products total	2,294,881	3.3%	2,284,787	3.3%	741,354	58.6%
Total	69,386,378	100.0%	69,336,486	100.0%	1,264,805	100.0%

Investment products by product category

Market volume as at 30 March 2015

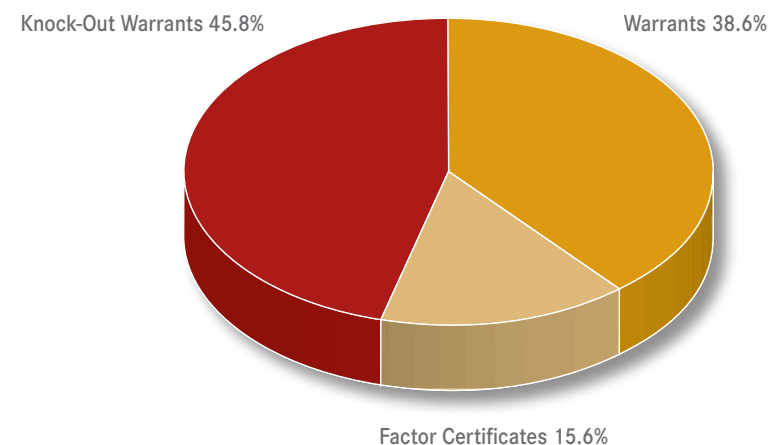


Change in market volume by product category in comparison with previous month

Product categories	Change		Change price-adjusted		Price effect	
	T€	in %	T€	in %	T€	in %
■ Uncapped Capital Protection Certificates	-646,860	-6.2%	-657,977	-6.3%	-111,117	-0.1%
■ Capital Protection Products with Coupon	-2,040,316	-7.1%	-2,025,538	-7.0%	-14,778	-0.1%
■ Credit-Linked Notes	10,028	0.2%	18,548	0.3%	8,520	-0.2%
■ Reverse Convertibles	48,027	0.6%	54,645	0.7%	6,618	-0.1%
■ Discount Certificates	-299,580	-6.4%	-313,308	-6.7%	-13,728	0.3%
■ Express Certificates	-77,995	-1.4%	-84,138	-1.5%	-6,143	0.1%
■ Bonus Certificates	-196,658	-8.0%	-185,266	-7.5%	11,392	-0.5%
■ Tracker Certificates	135,706	3.1%	90,766	2.1%	44,940	1.0%
■ Outperformance and Capped Outperformance Certificates	13,449	15.1%	11,670	13.1%	1,779	2.0%
■ Other Certificates without Capital Protection	-3,609	-0.4%	-7,009	-0.8%	-3,399	0.4%
Investment products total	-3,057,808	-4.4%	-3,097,607	-4.4%	-39,799	0.1%
■ Warrants	8,789	1.0%	-8,257	-0.9%	-16,046	1.9%
■ Factor Certificates	15,096	4.4%	95,466	27.8%	80,370	-23.4%
■ Knock-Out Warrants	26,078	2.5%	-47,340	-4.6%	-73,418	7.2%
Leverage products total	49,963	2.2%	39,869	1.8%	10,094	0.4%
Total	-3,007,845	-4.2%	-3,057,737	-4.2%	-30,705	0.1%

Leverage products by product category

Market volume as at 30 March 2015



Market volume by underlying asset as at 30 March 2015

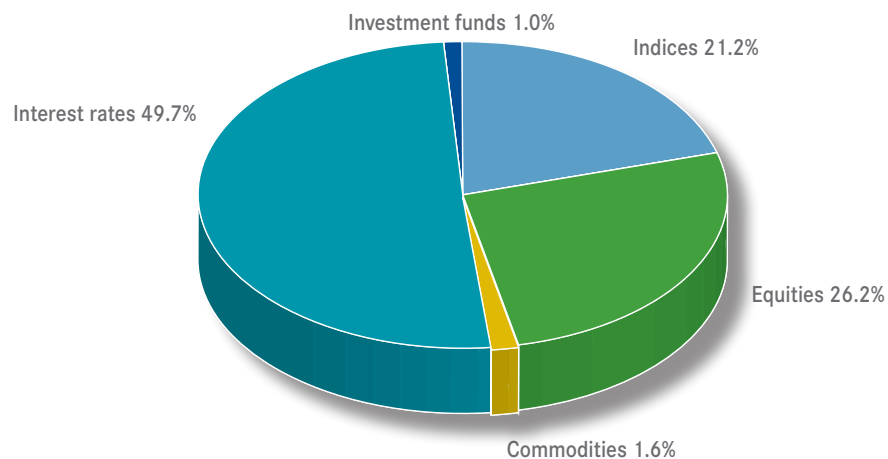
Underlying	Market volume		Market volume price-adjusted*		Number of Products	
	T€	%	T€	%	#	%
Investment products						
Indices	14,244,190	21.2%	14,157,093	21.1%	127,039	24.3%
Equities	17,581,090	26.2%	17,567,135	26.2%	390,185	74.5%
Commodities	1,103,389	1.6%	1,147,536	1.7%	2,212	0.4%
Currencies	137,947	0.2%	138,010	0.2%	48	0.0%
Interest rates	33,339,508	49.7%	33,363,605	49.8%	3,862	0.7%
Investment funds	685,374	1.0%	678,319	1.0%	105	0.0%
	67,091,497	96.7%	67,051,698	96.7%	523,451	41.4%
Leverage products						
Indices	850,457	37.1%	799,801	35.0%	179,782	24.3%
Equities	1,065,773	46.4%	1,052,701	46.1%	499,613	67.4%
Commodities	217,730	9.5%	295,284	12.9%	29,347	4.0%
Currencies	145,520	6.3%	120,461	5.3%	29,904	4.0%
Interest rates	15,370	0.7%	16,508	0.7%	2,697	0.4%
Investment funds	31	0.0%	31	0.0%	11	0.0%
	2,294,881	3.3%	2,284,787	3.3%	741,354	58.6%
Total	69,386,378	100.0%	69,336,486	100.0%	1,264,805	100.0%

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

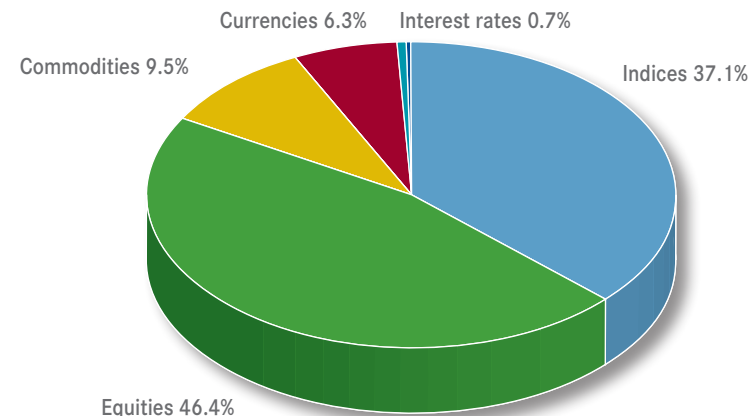
Change in the market volume by underlying asset in comparison with previous month

Underlying	Change		Change price-adjusted		Price effect
	T€	%	T€	%	
Investment products					
Indices	-308,355	-2.1%	-395,451	-2.7%	0.6%
Equities	-668,456	-3.7%	-682,410	-3.7%	0.1%
Commodities	-14,970	-1.3%	29,177	2.6%	-3.9%
Currencies	-938	-0.7%	-875	-0.6%	0.0%
Interest rates	-2,030,605	-5.7%	-2,006,508	-5.7%	-0.1%
Investment funds	-34,484	-4.8%	-41,539	-5.8%	1.0%
	-3,057,808	-4.4%	-3,097,607	-4.4%	0.1%
Leverage products					
Indices	61,073	7.7%	10,417	1.3%	6.4%
Equities	-25,245	-2.3%	-38,316	-3.5%	1.2%
Commodities	-7,048	-3.1%	70,506	31.4%	-34.5%
Currencies	19,860	15.8%	-5,198	-4.1%	19.9%
Interest rates	1,337	9.5%	2,475	17.6%	-8.1%
Investment funds	-14	-30.9%	-14	-30.9%	0.0%
	49,963	2.2%	39,869	1.8%	0.4%
Total	-3,007,845	-4.2%	-3,057,737	-4.2%	0.1%

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



Leverage products by underlying asset Market volume as at 31 March 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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