

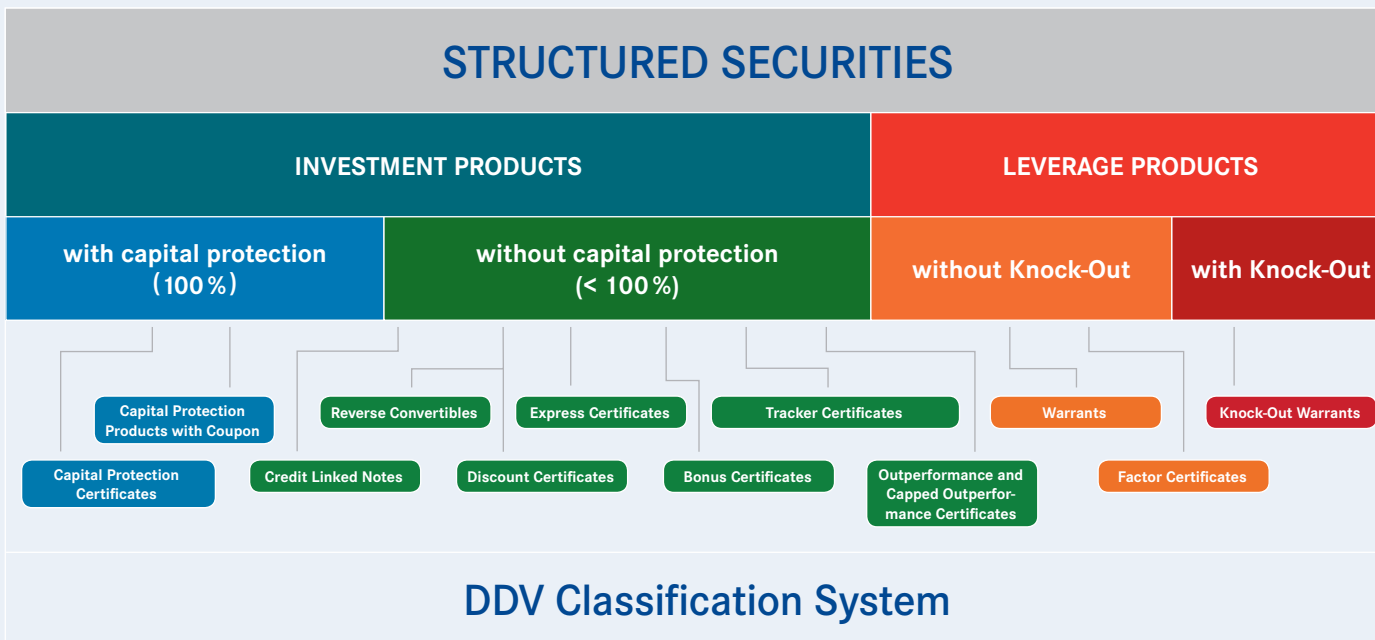
Market Volume

in Derivatives

Across-the-board demand for Capped Capital Protection Products

Overall market somewhat weaker

STRUCTURED SECURITIES



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May | 2015

- In May, the total volume of the German structured products market was EUR 74.9 billion.
- Discount and Bonus Certificates continued to grow, taking their volume to EUR 7.5 billion.
- The volume of Capital Protection Products was down. Nevertheless, Uncapped Capital Protection Certificates and Capital Protection Products with Coupon together accounted for 51.5 percent.
- Leverage products with equities as an underlying experienced above-average growth of 4.4 percent in May, taking them to EUR 1.0 billion.

Across-the-board demand for Capped Capital Protection Products

Overall market somewhat weaker

The outstanding volume of the German structured products market fell slightly in May 2015. This decrease was due to maturities on Capital Protection Products with Coupon and Uncapped Capital Protection Certificates. With the exception of Warrants, all other product classes recorded growth – some of it substantial. The positive trend seen in previous months among classic products such as Discount and Bonus Certificates was consolidated.

Overall, the market volume shrank by 0.4 percent or EUR 287.1 million compared with the previous month. These trends are shown by the latest figures collected each month from 16 banks by the European Derivatives Group (EDG AG) on behalf of Deutscher Derivate Verband (DDV), the German Derivatives Association. Extrapolating these figures to all issuers puts the **total volume of the German structured products market at EUR 74.9 billion at the end of May 2015.**

Compared with the previous month, the **ratio of investment products to leverage products** shifted in favour of leverage products. However, investment products continued to shape the trend to a large extent with a 96.8 percent share of the total market volume, while leverage products made up 3.2 percent.

Investment products by product category

The volume of **Capital Protection Products** fell further in the month under review. The market volume relating to Capital

Protection Products with Coupon dropped sharply compared with the previous month, down 3.8 percent at EUR 24.6 billion. This corresponded to a 36.9 percent share of the investment products market. At 0.6 percent, the decline in Uncapped Capital Protection Certificates was moderate. Their volume stood at EUR 9.8 billion, corresponding to a 14.6 percent share. 51.5 percent of the market volume was invested in these two product categories in May.

The volume of **Reverse Convertibles** rose by 2.3 percent to EUR 8.2 billion. This corresponded to a share of 12.3 percent.

Express Certificates gained 2.2 percent to come in at EUR 5.7 billion. Their share stood at 8.5 percent.

The market volume for **Credit Linked Notes** edged up 0.3 percent to EUR 5.3 billion. They accounted for 7.9 percent of the volume in May.

Discount Certificates gained 2.4 percent to come in at EUR 5.0 billion. This corresponded to a share of 7.4 percent.

The volume for **Tracker Certificates** was also up in May, climbing 2.8 percent to EUR 4.5 billion. Their share of the investment products segment was 6.8 percent.

As in the previous month, **Bonus Certificates** also performed well, gaining 2.7 percent to come in at EUR 2.5 billion. This corresponded to 3.7 percent of the volume.

Outperformance and Capped Outperformance Certificates upped their volume substantially, with growth of 4.9 percent taking the figure to EUR 105.5 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 **other Yield Enhancement Products** rose by 3.8 percent to EUR 1.1 billion. They accounted for 1.6 percent of the volume.

Leverage products by product category

The market volume of **leverage products** increased by 3.5 percent and stood at EUR 2.2 billion in May.

The volume invested in **Knock-Out Warrants** climbed by 7.6 percent in comparison with the previous month, taking it to EUR 977.6 million. Their share of the leverage products segment was 44.7 percent.

Warrants lost 1.4 percent to come in at EUR 806.8 million. Their share stood at 36.9 percent. ►►

The volume invested in **Factor Certificates** rose by 4.0 percent to EUR 400.5 million. This category accounted for an 18.3 percent share of the leverage products market.

Investment products by underlying

Despite registering some losses, structured products with **interest rates as an underlying** remained the most popular category. Their volume was down 2.8 percent at EUR 31.2 billion due in particular to the decrease in Capital Protection Products with Coupon. This took their share to 46.7 percent.

Investment products with **equities as an underlying** followed in second place. Their volume rose by 1.6 percent to EUR 19.0 billion. This corresponded to 28.4 percent of the total volume.

Investment products with **indices as an underlying** were the third most popular category, accounting for a volume of EUR 14.8 billion. They charted gains of 2.0 percent on the previous month and accounted for 22.1 percent of the total volume.

Following at a considerable distance behind the other classes were investment products with **commodities as an underlying**. Their outstanding volume fell by 2.5 percent to EUR 1.1 billion. Commodities therefore accounted for an unchanged share of 1.7 percent.

As in the previous month, investment products with **investment funds as an underlying** made up a 1.0 percent share. Their volume came in at EUR 663.9 million.

Investment products with **currencies as an underlying** were fairly insignificant in relation to the general trend with a share of 0.1 percent. The volume invested in them dropped by 5.4 percent to EUR 64.7 million in the reporting month.

Leverage products by underlying

Leverage products with **equities as an underlying** experienced growth of 4.4 percent and accounted for a market volume of EUR 1.0 billion. They made up 47.8 percent of the total leverage products volume.

The market volume of leverage products with **indices as an underlying** was up 2.5 percent at EUR 771.8 million. This corresponded to a 35.3 percent share.

Lagging some way behind leverage products based on equities and indices were those with **commodities as an underlying**. Their volume rose slightly by 1.0 percent month on month to EUR 236.0 million. Their share was 10.8 percent.

Leverage products with **currencies as an underlying** also gained ground. They recorded growth of 5.1 percent to stand at EUR 113.1 million – a share of 5.2 percent.

The market volume of leverage products with **interest rates as an underlying** rose by 14.3 percent in May to EUR 19.3 million. Because they accounted for only 0.9 percent of the volume, their impact on the general trend was not significant, however. ■



Deutscher Derivate Verband (DDV)

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

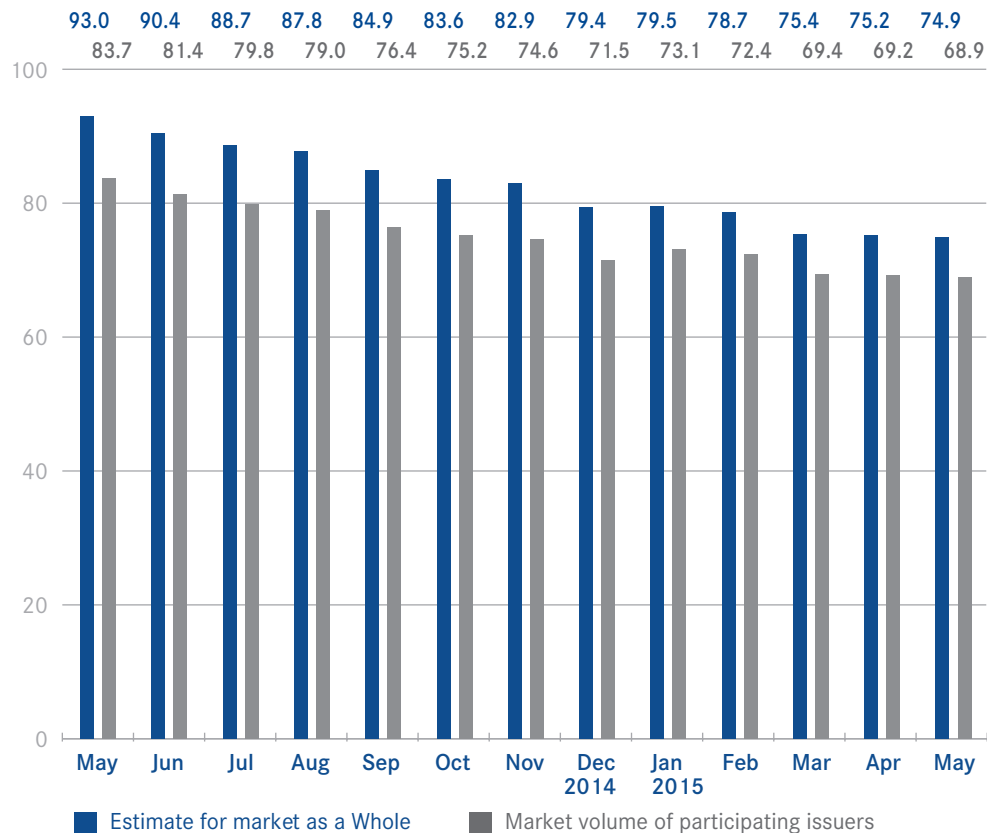
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Market volume since May 2014



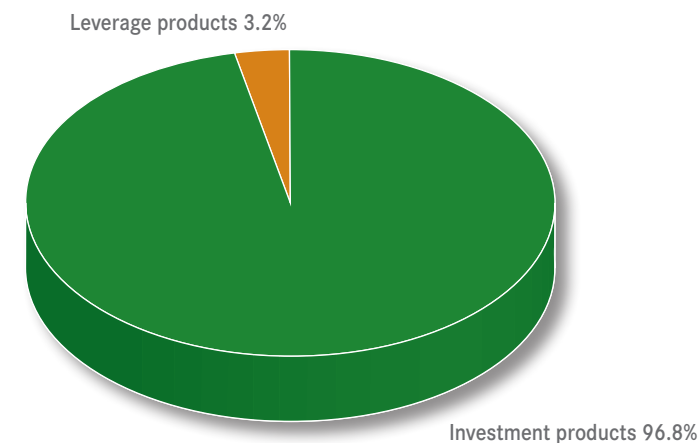
Product classes

Market volume as at 31 May 2015

Product classes	Market volume	Share
	T€	%
Investment products with capital protection	34,362,380	51.5%
Investment products without capital protection	32,323,853	48.5%
Total Investment products	66,686,233	100.0%
Leverage products without Knock-Out	1,207,309	55.3%
Leverage products with Knock-Out	977,555	44.7%
Total Leverage products	2,184,864	100.0%
Total Investment products	66,686,233	96.8%
Total Leverage products	2,184,864	3.2%
Total Derivatives	68,871,097	100.0%

Product classes

Market volume as at 31 May 2015

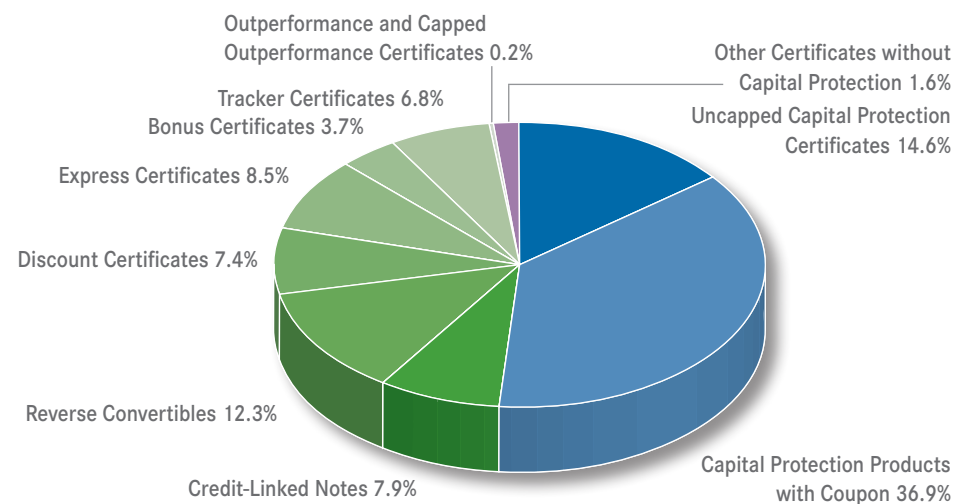


Market volume by product category as at 31 May 2015

Product categories	Market volume		Market volume price-adjusted		Number of Products	
	T€	in %	T€	in %	#	in %
■ Uncapped Capital Protection Certificates	9,758,918	14.6%	9,775,934	14.7%	2,653	0.5%
■ Capital Protection Products with Coupon	24,603,463	36.9%	24,654,518	37.0%	2,097	0.4%
■ Credit-Linked Notes	5,294,829	7.9%	5,317,037	8.0%	1,584	0.3%
■ Reverse Convertibles	8,190,512	12.3%	8,186,098	12.3%	93,521	17.1%
■ Discount Certificates	4,952,122	7.4%	4,923,561	7.4%	179,498	32.8%
■ Express Certificates	5,695,790	8.5%	5,676,174	8.5%	5,727	1.0%
■ Bonus Certificates	2,494,370	3.7%	2,472,146	3.7%	258,208	47.2%
■ Tracker Certificates	4,536,468	6.8%	4,505,340	6.8%	1,959	0.4%
■ Outperformance and Capped Outperformance Certificates	105,526	0.2%	104,749	0.2%	870	0.2%
■ Other Certificates without Capital Protection	1,054,236	1.6%	1,051,659	1.6%	646	0.1%
Investment products total	66,686,233	96.8%	66,667,217	96.8%	546,763	41.8%
■ Warrants	806,787	36.9%	858,475	38.8%	400,823	52.8%
■ Factor Certificates	400,522	18.3%	421,855	19.1%	2,505	0.3%
■ Knock-Out Warrants	977,555	44.7%	933,868	42.2%	356,507	46.9%
Leverage products total	2,184,864	3.2%	2,214,198	3.2%	759,835	58.2%
Total	68,871,097	100.0%	68,881,414	100.0%	1,306,598	100.0%

Investment products by product category

Market volume as at 31 May 2015

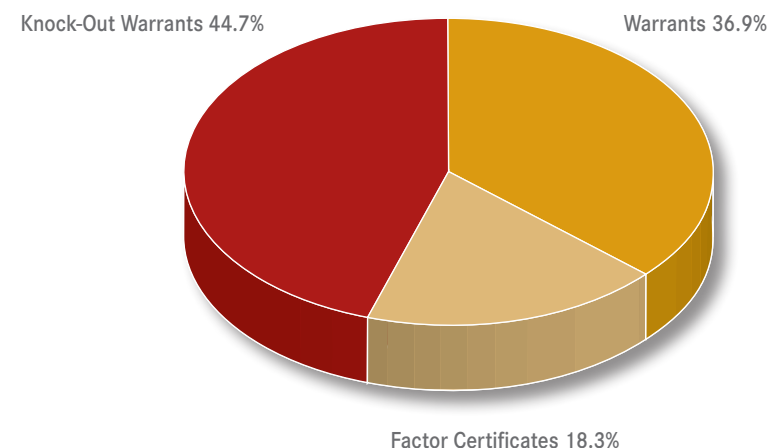


Change in market volume by product category in comparison with previous month

Product categories	Change		Change price-adjusted		Price effect
	T€	in %	T€	in %	
■ Uncapped Capital Protection Certificates	-55,579	-0.6%	-38,563	-0.4%	-0.2%
■ Capital Protection Products with Coupon	-978,058	-3.8%	-927,003	-3.6%	-0.2%
■ Credit-Linked Notes	16,072	0.3%	38,280	0.7%	-0.4%
■ Reverse Convertibles	182,343	2.3%	177,930	2.2%	0.1%
■ Discount Certificates	115,441	2.4%	86,880	1.8%	0.6%
■ Express Certificates	124,498	2.2%	104,881	1.9%	0.4%
■ Bonus Certificates	65,701	2.7%	43,477	1.8%	0.9%
■ Tracker Certificates	125,525	2.8%	94,398	2.1%	0.7%
■ Outperformance and Capped Outperformance Certificates	4,939	4.9%	4,162	4.1%	0.8%
■ Other Certificates without Capital Protection	38,977	3.8%	36,401	3.6%	0.3%
Investment products total	-360,141	-0.5%	-379,157	-0.6%	0.0%
■ Warrants	-11,550	-1.4%	40,138	4.9%	-6.3%
■ Factor Certificates	15,241	4.0%	36,574	9.5%	-5.5%
■ Knock-Out Warrants	69,367	7.6%	25,680	2.8%	4.8%
Leverage products total	73,059	3.5%	102,392	4.8%	-1.4%
Total	-287,082	-0.4%	-276,765	-0.4%	0.0%

Leverage products by product category

Market volume as at 31 May 2015



Market volume by underlying asset as at 31 May 2015

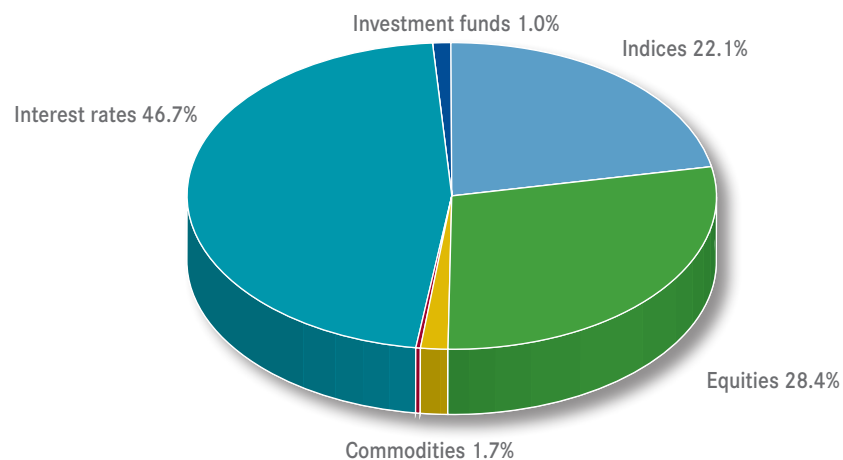
Underlying	Market volume		Market volume price-adjusted*		Number of Products	
	T€	%	T€	%	#	%
Investment products						
Indices	14,759,895	22.1%	14,695,030	22.0%	135,342	24.8%
Equities	18,940,850	28.4%	18,913,581	28.4%	405,163	74.1%
Commodities	1,103,716	1.7%	1,101,543	1.7%	2,245	0.4%
Currencies	64,739	0.1%	64,992	0.1%	45	0.0%
Interest rates	31,153,115	46.7%	31,227,838	46.8%	3,861	0.7%
Investment funds	663,918	1.0%	664,232	1.0%	107	0.0%
	66,686,233	96.8%	66,667,217	96.8%	546,763	41.8%
Leverage products						
Indices	771,800	35.3%	811,274	36.6%	206,235	27.1%
Equities	1,044,605	47.8%	1,033,170	46.7%	487,400	64.1%
Commodities	236,010	10.8%	254,169	11.5%	31,732	4.2%
Currencies	113,128	5.2%	97,384	4.4%	31,250	4.1%
Interest rates	19,290	0.9%	18,171	0.8%	3,207	0.4%
Investment funds	30	0.0%	30	0.0%	11	0.0%
	2,184,864	3.2%	2,214,198	3.2%	759,835	58.2%
Total	68,871,097	100.0%	68,881,414	100.0%	1,306,598	100.0%

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

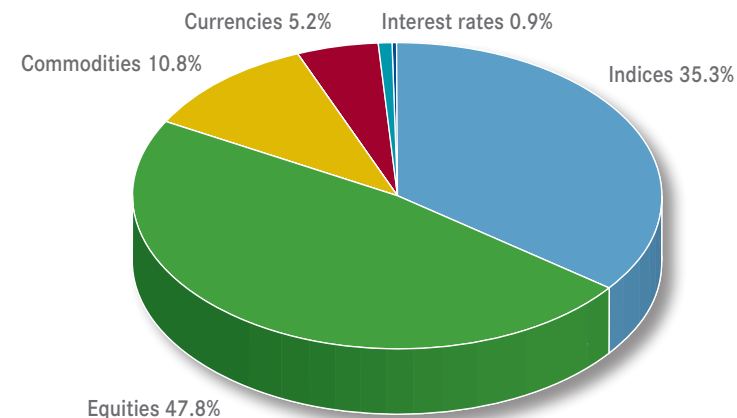
Change in the market volume by underlying asset in comparison with previous month

Underlying	Change		Change price-adjusted		Price effect
	T€	%	T€	%	
Investment products					
Indices	285,786	2.0%	220,921	1.5%	0.4%
Equities	300,207	1.6%	272,939	1.5%	0.1%
Commodities	-28,104	-2.5%	-30,276	-2.7%	0.2%
Currencies	-3,730	-5.4%	-3,477	-5.1%	-0.4%
Interest rates	-897,894	-2.8%	-823,171	-2.6%	-0.2%
Investment funds	-16,407	-2.4%	-16,093	-2.4%	0.0%
	-360,141	-0.5%	-379,157	-0.6%	0.0%
Leverage products					
Indices	18,672	2.5%	58,145	7.7%	-5.2%
Equities	44,197	4.4%	32,761	3.3%	1.1%
Commodities	2,305	1.0%	20,465	8.8%	-7.8%
Currencies	5,476	5.1%	-10,268	-9.5%	14.6%
Interest rates	2,410	14.3%	1,290	7.6%	6.6%
Investment funds	0	-0.6%	0	-0.6%	0.0%
	73,059	3.5%	102,392	4.8%	-1.4%
Total	-287,082	-0.4%	-276,765	-0.4%	0.0%

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



Leverage products by underlying asset Market volume as at 31 May 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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