

Strong growth in turnover on the European structured products market

Trading up by 25.8 percent in the first quarter of 2014

Trading in investment certificates and leverage products on the European financial markets continued to rise appreciably in the first three months of 2014. At EUR 33.4 billion, the trading volume was up 25.4 percent compared with the previous quarter and 24.4 percent in comparison with the first quarter of 2013. This is one of the findings 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 in the first quarter of 2014 was EUR 12.9 billion. This represents an increase of 7.1 percent in comparison with the same quarter of 2013. Investment products accounted for 38.6 percent of the total turnover.

Trading in leverage products in the first three months of the year was also lively. At EUR 20.5 billion, the trading volume of products such as Warrants and Knock-out Securities was up as much as 38.4 percent year on year. Leverage products accounted for 61.4 percent of the total turnover.

At the end of the first quarter, the exchanges of EUSIPA member countries were offering a range of 503,166 investment certificates and 706,185 leverage products. The number of listed products was up 7.9 percent in comparison with the fourth quarter of 2013. The number of investment products listed was up 12.0 percent year on year, while the number of leverage products was up 15.2 percent.

Banks issued 672,407 new investment certificates and leverage products between January and March 2014. This represents an increase of 15.4 percent in the number of new issues in comparison with the previous quarter. Leverage products accounted for 75.9 percent of the new issues, with 510,376 new securities. Investment certificates accounted for 24.1 percent, with 162,031 new securities.

The market volume in Austria, Germany, and Switzerland at the end of March was EUR 250.8 billion. The outstanding volume was up 1.1 percent in comparison with the end of December 2013, and by 1.5 percent in comparison with the first quarter of 2013. At the end of the first quarter of 2014, the market volume of investment certificates was

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EUR 238.4 billion – an increase of 1.6 percent in comparison with the end of December 2013. The outstanding volume of leverage products fell by 7.7 percent to EUR 12.4 billion.

About EUSIPA

EUSIPA represents the interests of the European structured investment products business. The focal point of our activities are structured securities such as certificates 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.

Members are:



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EUSIPA Market Report on structured investment products

Q1/2014



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

In the first quarter 2014 the overall exchange turnover increased sharply to 33.41 bn EUR which is a plus of 25.38% compared to the last quarter (26.65 bn EUR) and a plus of 24.38% on a year-to-year basis. Leverage Products accounted in Q1 2014 for 20.53 bn EUR with a strong increase of 38.36% on a year-to-year basis in turnover and investment products for 12.88 bn EUR (+7.14%) compared to the equivalent last year quarter.

Outstanding Volume: Slightly Increasing Volume

The Q1 2014 figures for the Austrian, German¹ and Swiss² market show a rising volume in investment products with 1.52%, measured on a year-to-year basis, and 1.61% compared to the preceding quarter Q4 2013. The volume in leverage products, which is rather small compared to the volume of investment products, is 2.65% higher than the equivalent quarter Q1 2013 and 7.65% smaller when being compared to the preceding quarter Q4 2013.

Number of New Listings: Increasing Numbers

Compared to the previous quarter the number of new listings increased by 15.43% to 672'407 products. Whereas 75.90% of all new listed products were issued in the leveraged segment, investment products obtain a share of 24.10%. For leverage products the number of new listings increased by 24.67% on a year-to-year basis and by 19.90% compared to the previous quarter and also for investment products the number of new listings increased with a great degree of 12.15% on a year-to-year basis and 3.32% compared to the previous quarter.

Number of Products: Increasing Numbers

At the end of March 2014 a total of 1'209'351 products were listed in EUSIPA member countries (excluding The Netherlands). This is a plus of 7.87% compared to the fourth quarter of 2013 (1'121'106). Measured on a year-to-year basis the number of listed investment products accounted for an increase of 12.01%. Leverage products saw an increase of 15.21% in the same time period.

NEW: Note that, starting with this report, we will indicate the **percentage changes of investment and leverage products combined**, both per country and for the EUSIPA markets in total. These figures can be taken from the light blue lines below each segment of the summary tables on pages 3 and 4.

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 about 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 (Q1/2014)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Exchange Turnover (Mio. EUR)								
1 Investment Products	61	135	6'559	1'162	10	685	4'272	12'884
11 Capital Protected	n/a	28	489	n/a	n/a	n/a	386	n/a
12 Yield-Enhancement	n/a	58	n/a	n/a	n/a	n/a	919	n/a
13 Participation	n/a	49	6'010	n/a	10	n/a	2'892	n/a
199 Various	n/a	0	61	n/a	n/a	n/a	74	n/a
2 Leverage Products	6	1'616	6'180	5'185	2'682	1'841	3'015	20'526
21 Without Knock-Out	2	403	1'872	n/a	0	63	n/a	n/a
22 With Knock-Out	5	698	3'503	n/a	2'654	425	n/a	n/a
23 Constant Leverage	n/a	515	805	n/a	27	1'322	n/a	n/a
299 Various	n/a	0	n/a	n/a	1	31	n/a	n/a
Total	67	1'751	12'739	6'347	2'692	2'526	7'287	33'409
Total change - Δ in % to Q1/13**	3.41%	10.86%	11.42%	80.69%	36.24%	35.23%	13.61%	24.44%
Total change - Δ in % to Q4/13***	21.02%	11.22%	15.98%	33.85%	37.65%	26.51%	36.52%	25.38%
Outstanding Volume (Mio. EUR)								
1 Investment Products	12'300	n/a	84'512	n/a	n/a	n/a	141'619	238'430
11 Capital Protected	n/a	n/a	55'781	n/a	n/a	n/a	41'521	n/a
12 Yield-Enhancement	n/a	n/a	7'354	n/a	n/a	n/a	54'910	n/a
13 Participation	n/a	n/a	15'579	n/a	n/a	n/a	42'222	n/a
199 Various	n/a	n/a	5'798	n/a	n/a	n/a	2'965	n/a
2 Leverage Products	87	n/a	1'581	n/a	n/a	n/a	10'712	12'380
21 Without Knock-Out	n/a	n/a	643	n/a	n/a	n/a	n/a	n/a
22 With Knock-Out	n/a	n/a	692	n/a	n/a	n/a	n/a	n/a
23 Constant Leverage	n/a	n/a	246	n/a	n/a	n/a	n/a	n/a
299 Various	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total	12'387	n/a	86'093¹	n/a	n/a	n/a	152'330²	250'810
Total change - Δ in % to Q1/13**	-7.43%	n/a	-5.54%	n/a	n/a	n/a	6.98%	1.58%
Total change - Δ in % to Q4/13***	-1.60%	n/a	0.47%	n/a	n/a	n/a	1.70%	1.10%

* 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 Q1/2014 and equivalent last year quarter Q1/2013.

*** Field indicates per cent change between reporting quarter Q1/2014 and previous quarter Q4/2013.

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2. Quarterly overview (Q1/2014)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Number of New Listings on Exchange								
1 Investment Products	490	296	158'763	106	n/a	298	2'078	162'031
11 Capital Protected	n/a	2	98	n/a	n/a	n/a	37	n/a
12 Yield-Enhancement	n/a	280	83'677	n/a	n/a	n/a	1'809	n/a
13 Participation	n/a	14	74'888	n/a	n/a	n/a	195	n/a
199 Various	n/a	0	100	n/a	n/a	n/a	37	n/a
2 Leverage Products	1'891	22'532	472'936	949	n/a	3'577	8'491	510'376
21 Without Knock-Out	647	5'877	133'188	n/a	n/a	1'350	n/a	n/a
22 With Knock-Out	1'244	16'653	339'489	n/a	n/a	2'205	n/a	n/a
23 Constant Leverage	n/a	2	259	n/a	n/a	18	n/a	n/a
299 Various	n/a	0	n/a	n/a	n/a	4	n/a	n/a
Total	2'381	22'828	631'699	1'055	n/a	3'875	10'569	672'407
Total change - Δ in % to Q1/13**	28.56%	83.52%	21.06%	-45.05%	n/a	-14.52%	-9.05%	21.33%
Total change - Δ in % to Q4/13***	18.28%	43.19%	15.13%	39.74%	n/a	-14.78%	-0.20%	15.43%
Number of Exchange Listed Products								
1 Investment Products	2'085	1'299	483'097	1'011	n/a	4'209	11'465	503'166
11 Capital Protected	n/a	2	3'399	n/a	n/a	n/a	1'064	n/a
12 Yield-Enhancement	n/a	1'078	231'334	n/a	n/a	n/a	7'442	n/a
13 Participation	n/a	219	247'603	n/a	n/a	n/a	2'616	n/a
199 Various	n/a	0	761	n/a	n/a	n/a	343	n/a
2 Leverage Products	4'410	27'589	636'015	4'186	n/a	10'609	23'376	706'185
21 Without Knock-Out	1'966	12'190	359'687	n/a	n/a	5'720	n/a	n/a
22 With Knock-Out	2'444	15'198	274'643	n/a	n/a	4'006	n/a	n/a
23 Constant Leverage	n/a	201	1'685	n/a	n/a	666	n/a	n/a
299 Various	n/a	n/a	n/a	n/a	n/a	217	n/a	n/a
Total	6'495	28'888	1'119'112	5'197	n/a	14'818	34'841	1'209'351
Total change - Δ in % to Q1/13**	16.36%	70.36%	13.20%	-9.32%	n/a	35.07%	1.54%	13.86%
Total change - Δ in % to Q4/13***	9.69%	55.52%	7.30%	1.11%	n/a	4.33%	1.56%	7.87%

* 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

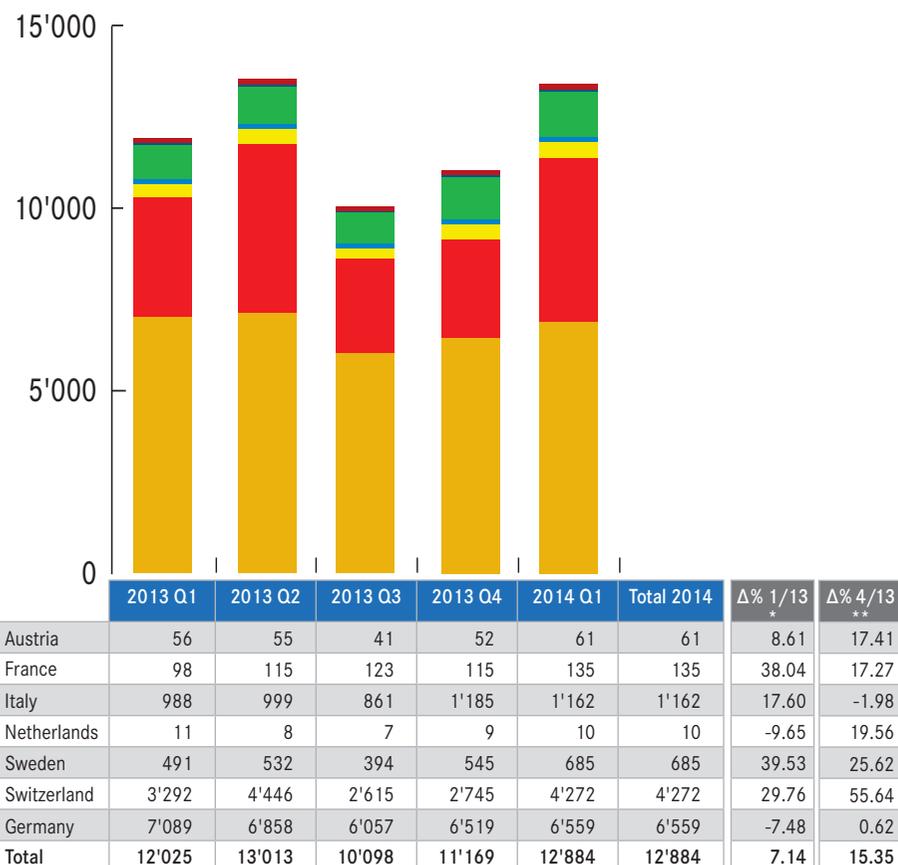
** Field indicates per cent change between Q1/2014 and equivalent last year quarter Q1/2013.

*** Field indicates per cent change between reporting quarter Q1/2014 and previous quarter Q4/2013.

3. Exchange turnover

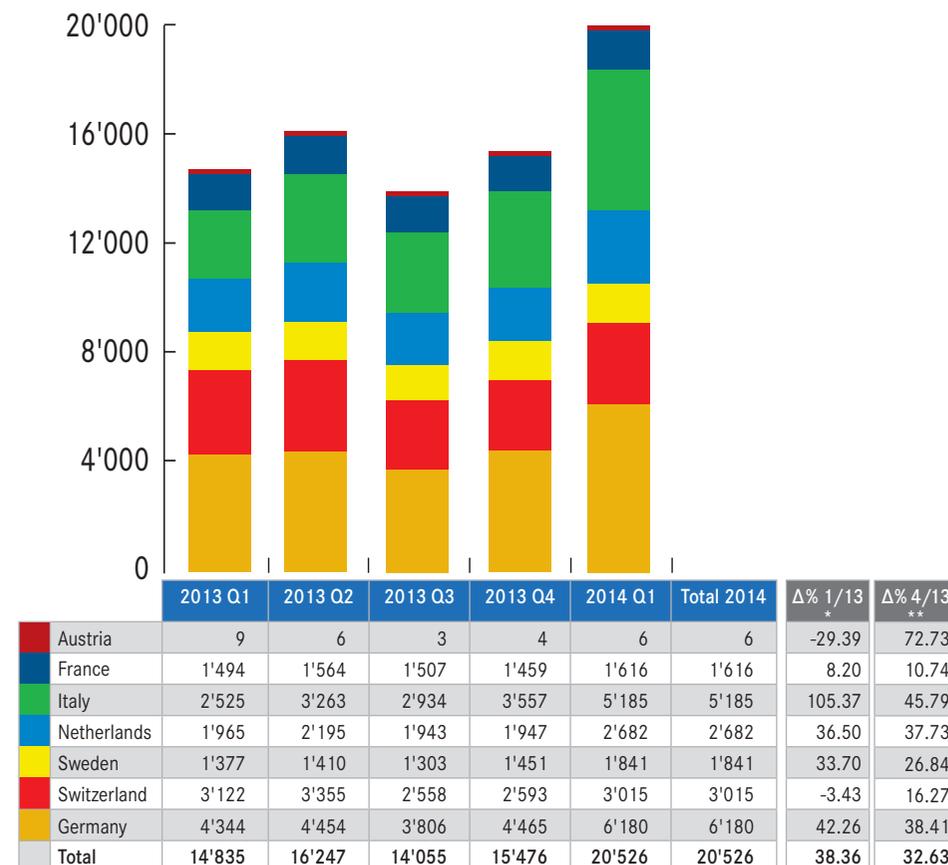
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

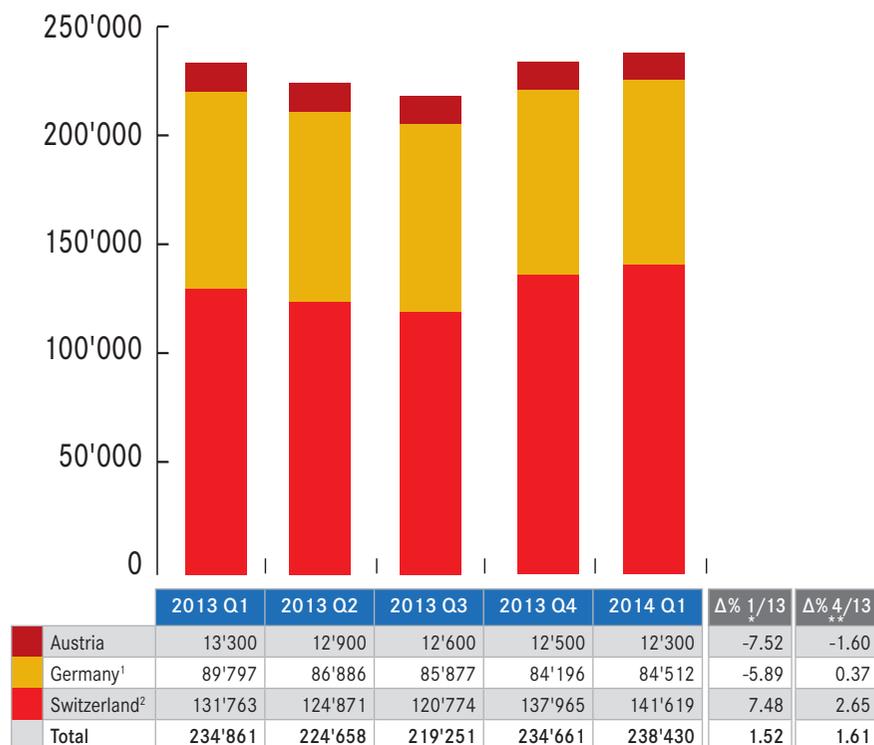
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** Field indicates per cent change between reporting quarter Q1 /2014 and previous quarter Q4 /2013.

4. Outstanding volume

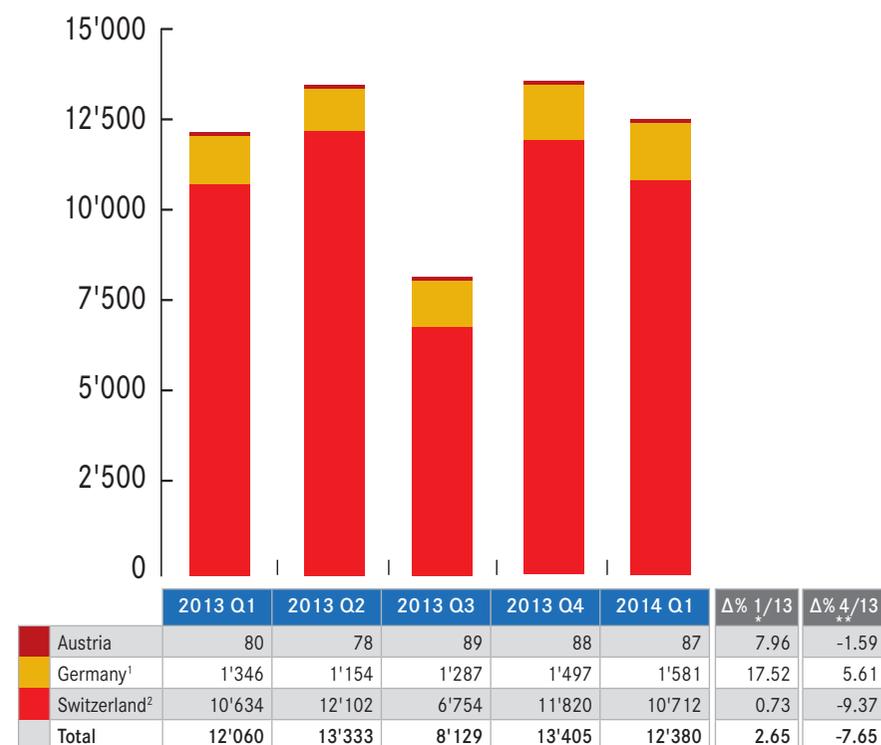
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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* Field indicates per cent change between Q1 /2014 and equivalent last year quarter Q1 /2013.

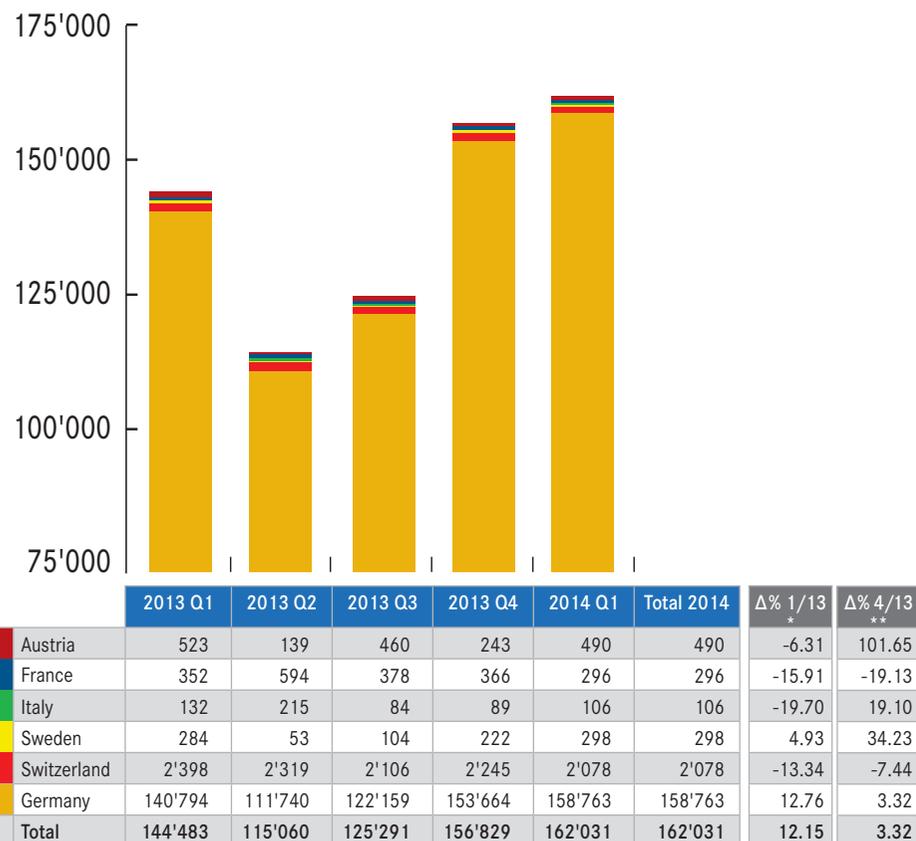
** Field indicates per cent change between reporting quarter Q1/2014 and previous quarter Q4/2013.

* Field indicates per cent change between Q1 /2014 and equivalent last year quarter Q1 /2013.

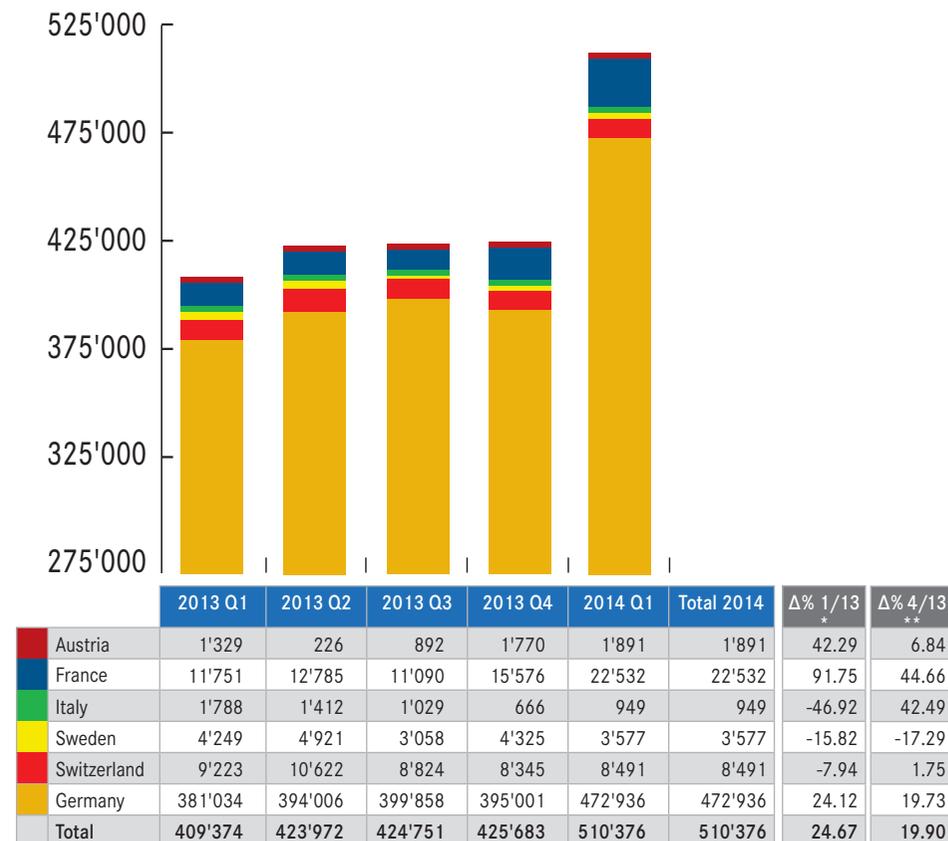
** Field indicates per cent change between reporting quarter Q1/2014 and previous quarter Q4/2013.

5. Number of new listings on exchange

Investment Products



Leverage Products



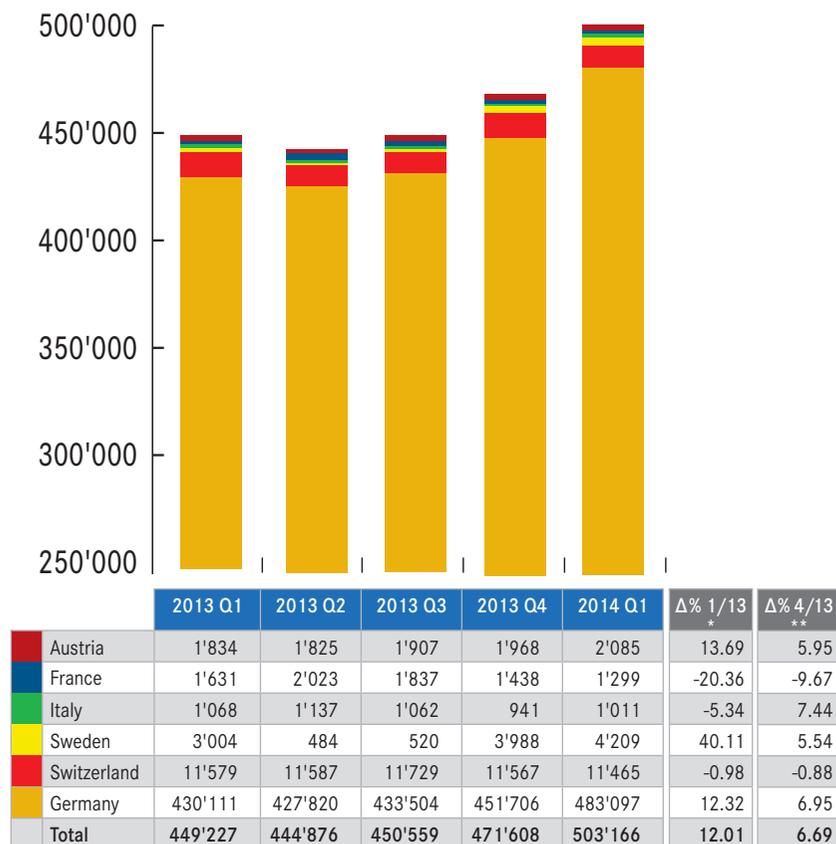
Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q1 /2014 and equivalent last year quarter Q1 /2013.
 ** Field indicates per cent change between reporting quarter Q1 /2014 and previous quarter Q4 /2013.

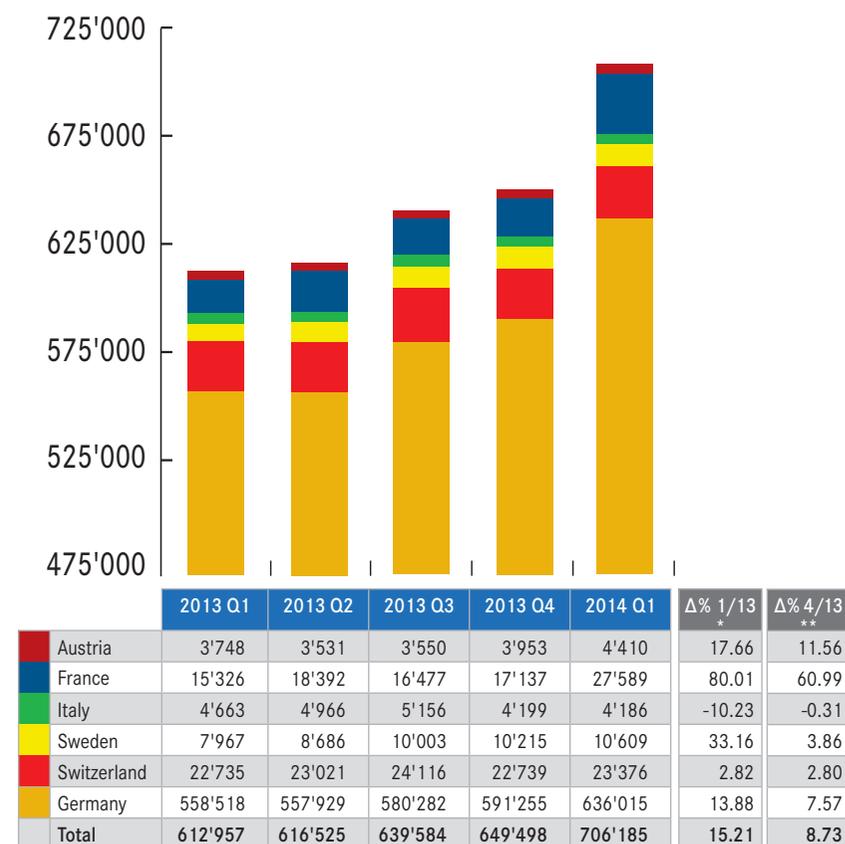
* Field indicates per cent change between Q1 /2014 and equivalent last year quarter Q1 /2013.
 ** Field indicates per cent change between reporting quarter Q1 /2014 and previous quarter Q4 /2013.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q1 /2014 and equivalent last year quarter Q1 /2013.

** Field indicates per cent change between reporting quarter Q1/2014 and previous quarter Q4/2013.

* Field indicates per cent change between Q1 /2014 and equivalent last year quarter Q1 /2013.

** Field indicates per cent change between reporting quarter Q1/2014 and previous quarter Q4/2013.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners Research AG

Key date is 28th March 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

Nedsipa

Sweden

Swedish exchange-traded investment products association (SETIPA)

www.setipa.se



Switzerland

Swiss Structured Products Association (SSPA)

www.svsp-verband.ch

