

European structured products market in upwards trend

Exchange turnover significantly up in fourth quarter / Dutch association NEDSIPA included for the first time

Turnover in investment certificates and leverage products on the European exchanges was significantly up in the fourth quarter of 2013. In comparison with the previous quarter, the trading volume gained 10.3 percent at EUR 26.7 billion. Year on year, European exchange turnover was up 17.9 percent. 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 turnover data of the Dutch market provided by the Netherlands Structured Investment Products Association (NEDSIPA) were also included in the statistics for the first time.

In the period from October to December 2013, the exchanges of member countries with investment products transacted EUR 11.2 billion. This meant a rise of 11.2 percent in comparison with the same period of 2012. Investment certificates accounted for 41.9 percent of the trading volume of the exchanges of member countries at the end of December.

Leverage products recorded active trading. The trading volume in products such as Warrants and Knock-Out Securities substantially increased by 23.3 percent to EUR 15.5 billion in comparison with the comparable period of last year. Turnover in leverage products accounted for 58.1 percent of the total turnover.

The range of products offered on the exchanges of EUSIPA member countries at the end of the fourth quarter comprised 471,608 investment certificates and 649,498 leverage products. The total of the listed products offered grew by 2.8 percent in comparison with the third quarter of 2013. The number of investment certificates listed was up 12.2 percent in comparison with the same quarter of 2012, and the number of leverage products was up by 15.2 percent.

Between October and December 2013, banks launched 582,512 new investment certificates and leverage products. The number of new issues of structured securities was thereby up 5.9 percent on a quarter by quarter basis. Leverage products accounted for 425,683, or 73.1 percent, of the new issues. Investment products accounted for 156,829, or 26.9 percent.

The market volume – or open interest – in Austria, Germany and Switzerland at the end of 2013 was EUR 248.1 billion. The total numbers are influenced by a statistical effect

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due to the Swiss National Bank having , as of Q4 2013, enlarged their reporting basis. Trends can thus be reported as a whole starting again as for Q1 2014 onwards. Single country changes other than the Swiss market can be taken from the statistics.

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 comprehensible and transparent products are important concerns for the association. Together with its members, it is also 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

Q4/2013



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 fourth quarter 2013 the overall exchange turnover increased to 26.65 bn EUR which is a plus of 10.32% compared to the last quarter (24.15 bn EUR) and a plus of 17.92% on a year-to-year basis. Leverage Products accounted in Q4 2013 for 15.48 bn EUR with a strong increase of 23.32% on a year-to-year basis in turnover and investment products for 11.17 bn EUR (+11.17% compared to the equivalent last year quarter). For the first time the Netherlands Structured Investment Products Association (NEDSIPA) provided their national turnover data for this report, which are integrated as of Q4 2012.

Outstanding Volume: Increasing Volume

The Q4 2013 figures for Austrian, German¹ and Swiss² market show a rising volume in investment products with 1.39%, measured on a year-to-year basis, and 7.03% compared to the preceding quarter Q3 2013. The volume in leverage products, which is rather small compared to the volume of investment products, is 7.99% higher than the equivalent quarter Q4 2012 and even 64.82% higher when being compared to the preceding quarter Q3 2013. This increase is mainly due to the Swiss National Bank (SNB) having enlarged the circle of reportable institutions for the Swiss statistics by adding now also institutions with a special field of business.

Number of New Listings: Increasing Numbers

Compared to the previous quarter the number of new listings increased by 5.90% to 582'512 products. Whereas 73.08% of all new listed products were issued in the leveraged segment, investment products obtain a share of 26.92%. For leverage products the number of new listings increased by 15.87% on a year-to-year basis and slightly increased by 0.22% compared to the previous quarter and also for investment products the number of new listings increased sharply by 41.02% on a year-to-year basis and 25.17% compared to the previous quarter.









Number of Products: Increasing Numbers

At the end of December 2013 a total of 1'121'106 products were listed in EUSIPA member countries (excluding the Netherlands). This is a plus of 2.84% compared to the third quarter of 2013 (1'090'143). Measured on a year-to-year basis the number of listed investment products accounted for an increase of 12.22%. Leverage products saw an increase of 15.21% in the same time period.

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 95% 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 (Q4/2013)









| |  Austria |  France |  Germany |  Italy |  Netherlands |  Sweden |  Switzerland* |  EUSIPA |
|--------------------------------------|---|--|--|---|---|--|--|--|
| Exchange Turnover (Mio. EUR) | | | | | | | | |
| 1 Investment Products | 52 | 115 | 6'519 | 1'185 | 9 | 545 | 2'745 | 11'169 |
| 11 Capital Protected | n/a | 0 | 385 | n/a | n/a | n/a | 293 | n/a |
| 12 Yield-Enhancement | n/a | 80 | n/a | n/a | 9 | n/a | 829 | n/a |
| 13 Participation | n/a | 35 | 6'133 | n/a | n/a | n/a | 1'558 | n/a |
| 199 Various | n/a | 0 | n/a | n/a | n/a | n/a | 64 | n/a |
| 2 Leverage Products | 4 | 1'459 | 4'465 | 3'557 | 1'947 | 1'451 | 2'593 | 15'476 |
| 21 Without Knock-Out | 1 | 369 | 1'859 | n/a | 0 | 53 | n/a | n/a |
| 22 With Knock-Out | 3 | 574 | 2'606 | n/a | 1'915 | 432 | n/a | n/a |
| 23 Constant Leverage | n/a | 517 | n/a | n/a | 26 | 932 | n/a | n/a |
| 299 Various | n/a | 0 | n/a | n/a | 6 | 34 | n/a | n/a |
| Total | 55 | 1'574 | 10'984 | 4'742 | 1'956 | 1'997 | 5'338 | 26'645 |
| Outstanding Volume (Mio. EUR) | | | | | | | | |
| 1 Investment Products | 12'500 | n/a | 84'196 | n/a | n/a | n/a | 137'965 | 234'661 |
| 11 Capital Protected | n/a | n/a | 57'086 | n/a | n/a | n/a | 43'199 | n/a |
| 12 Yield-Enhancement | n/a | n/a | 7'013 | n/a | n/a | n/a | 52'232 | n/a |
| 13 Participation | n/a | n/a | 14'302 | n/a | n/a | n/a | 39'643 | n/a |
| 199 Various | n/a | n/a | 5'795 | n/a | n/a | n/a | 2'891 | n/a |
| 2 Leverage Products | 100 | n/a | 1'497 | n/a | n/a | n/a | 11'820 | 13'417 |
| 21 Without Knock-Out | n/a | n/a | 588 | n/a | n/a | n/a | n/a | n/a |
| 22 With Knock-Out | n/a | n/a | 685 | n/a | n/a | n/a | n/a | n/a |
| 23 Constant Leverage | n/a | n/a | 225 | 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 | 12'600 | n/a | 85'694¹ | n/a | n/a | n/a | 149'784² | 248'078 |

* 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'.

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2. Quarterly overview (Q4/2013)

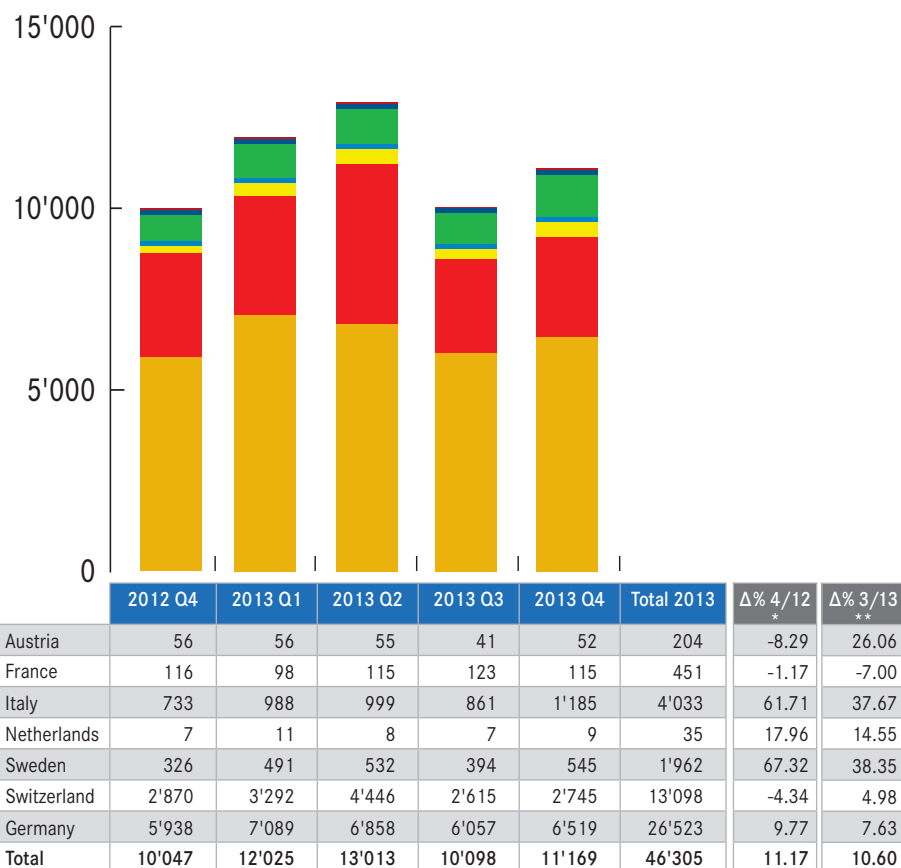
| |  Austria |  France |  Germany |  Italy |  Netherlands |  Sweden |  Switzerland* |  EUSIPA |
|---|---|--|--|---|---|--|--|--|
| Number of New Listings on Exchange | | | | | | | | |
| 1 Investment Products | 243 | 366 | 153'664 | 89 | n/a | 222 | 2'245 | 156'829 |
| 11 Capital Protected | n/a | 0 | 93 | n/a | n/a | n/a | 93 | n/a |
| 12 Yield-Enhancement | n/a | 354 | 84'623 | n/a | n/a | n/a | 1'951 | n/a |
| 13 Participation | n/a | 12 | 68'948 | n/a | n/a | n/a | 164 | n/a |
| 199 Various | n/a | 0 | n/a | n/a | n/a | n/a | 37 | n/a |
| 2 Leverage Products | 1'770 | 15'576 | 395'001 | 666 | n/a | 4'325 | 8'345 | 425'683 |
| 21 Without Knock-Out | 156 | 4'092 | 117'658 | n/a | n/a | 2'553 | n/a | n/a |
| 22 With Knock-Out | 1'614 | 11'466 | 277'343 | n/a | n/a | 1'727 | n/a | n/a |
| 23 Constant Leverage | n/a | 18 | n/a | n/a | n/a | 33 | n/a | n/a |
| 299 Various | n/a | 0 | n/a | n/a | n/a | 12 | n/a | n/a |
| Total | 2'013 | 15'942 | 548'665 | 755 | n/a | 4'547 | 10'590 | 582'512 |
| Number of Exchange Listed Products | | | | | | | | |
| 1 Investment Products | 1'968 | 1'438 | 451'706 | 941 | n/a | 3'988 | 11'567 | 471'608 |
| 11 Capital Protected | n/a | 0 | 3'390 | n/a | n/a | n/a | 1'112 | n/a |
| 12 Yield-Enhancement | n/a | 1'085 | 209'381 | n/a | n/a | n/a | 7'523 | n/a |
| 13 Participation | n/a | 353 | 238'935 | n/a | n/a | n/a | 2'618 | n/a |
| 199 Various | n/a | 0 | n/a | n/a | n/a | n/a | 314 | n/a |
| 2 Leverage Products | 3'953 | 17'137 | 591'255 | 4'199 | n/a | 10'215 | 22'739 | 649'498 |
| 21 Without Knock-Out | 1'686 | 8'056 | 337'928 | n/a | n/a | 5'414 | n/a | n/a |
| 22 With Knock-Out | 2'267 | 8'860 | 253'327 | n/a | n/a | 3'956 | n/a | n/a |
| 23 Constant Leverage | n/a | 201 | n/a | n/a | n/a | 632 | n/a | n/a |
| 299 Various | n/a | 20 | n/a | n/a | n/a | 213 | n/a | n/a |
| Total | 5'921 | 18'575 | 1'042'961 | 5'140 | n/a | 14'203 | 34'306 | 1'121'106 |

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3. Exchange turnover

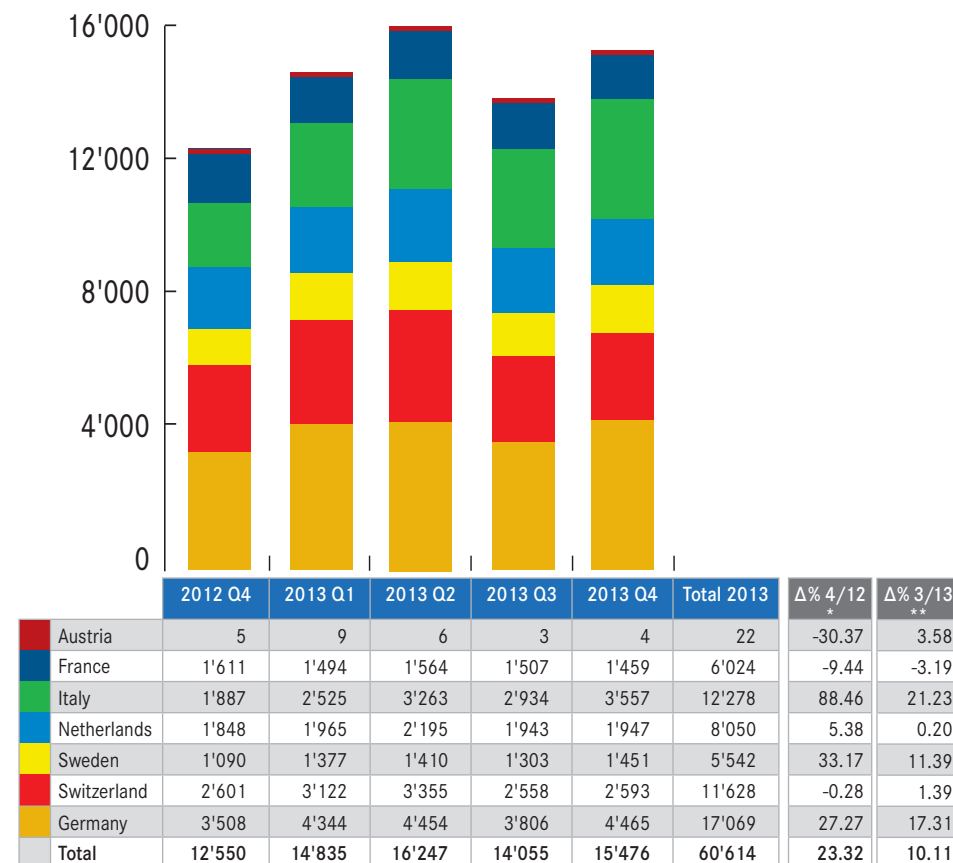
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



* Field indicates per cent change between Q4/2013 and equivalent last year quarter Q4/2012.

** Field indicates per cent change between reporting quarter Q4/2013 and previous quarter Q3/2013.

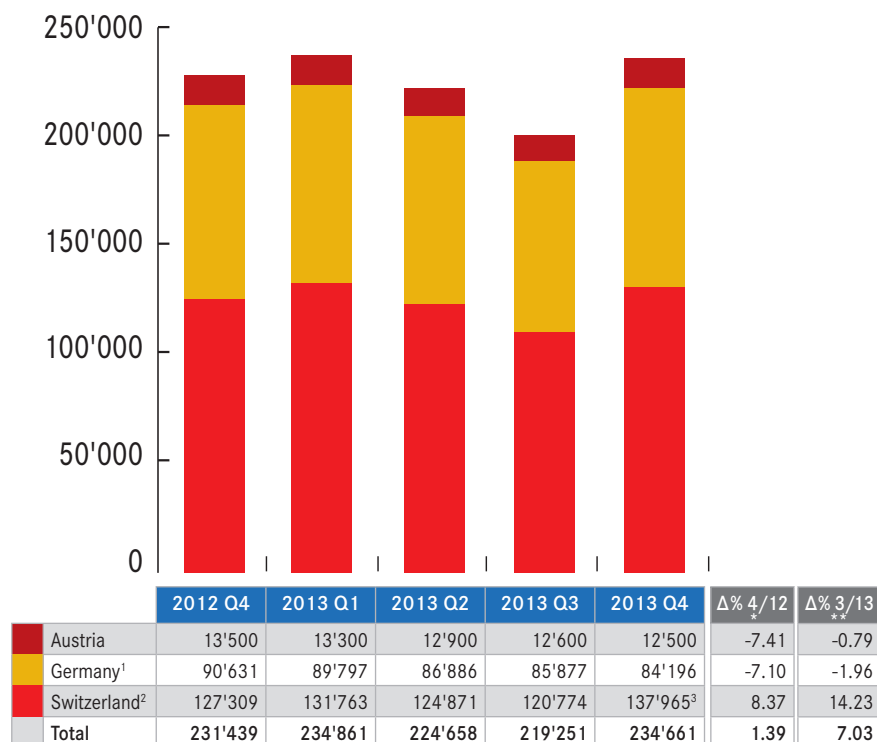
* Field indicates per cent change between Q4/2013 and equivalent last year quarter Q4/2012.

** Field indicates per cent change between reporting quarter Q4/2013 and previous quarter Q3/2013.

4. Outstanding volume

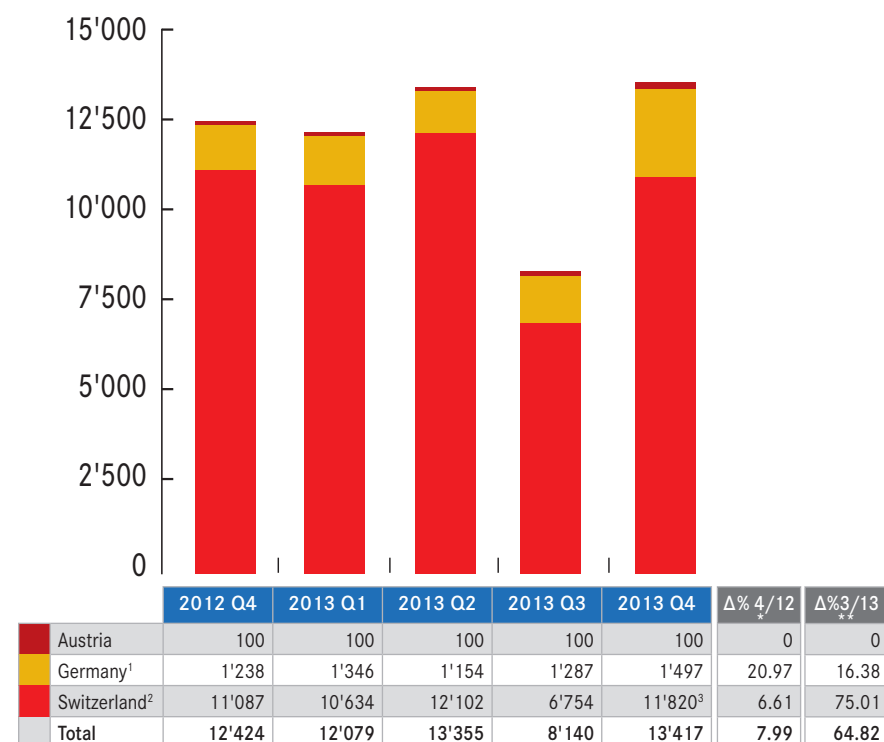
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



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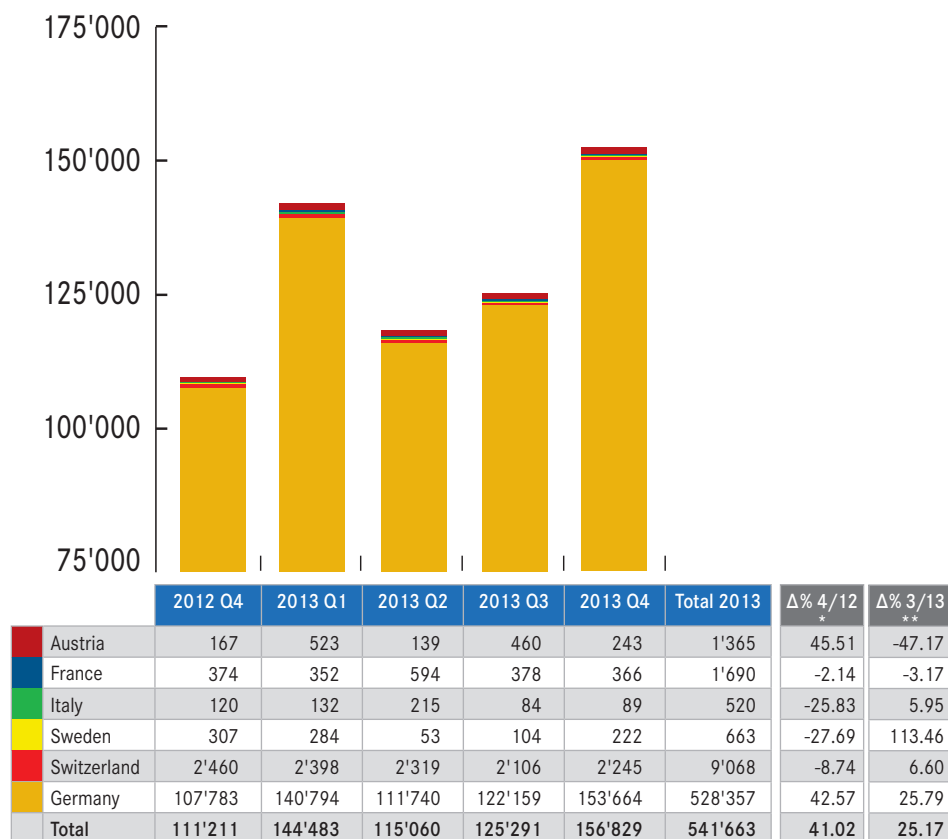
* Field indicates per cent change between Q4/2013 and equivalent last year quarter Q4/2012.

** Field indicates per cent change between reporting quarter Q4/2013 and previous quarter Q3/2013.

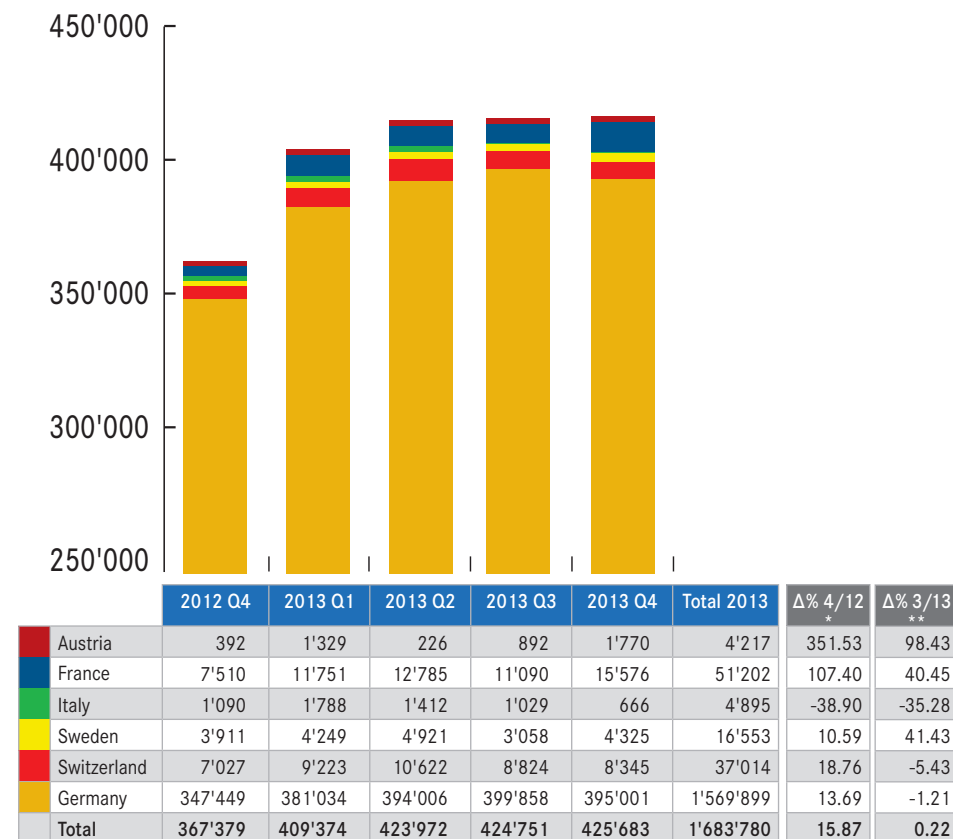
Source: Country Associations, Derivative Partners

5. Number of new listings on exchange

Investment Products



Leverage Products



* Field indicates per cent change between Q4/2013 and equivalent last year quarter Q4/2012.

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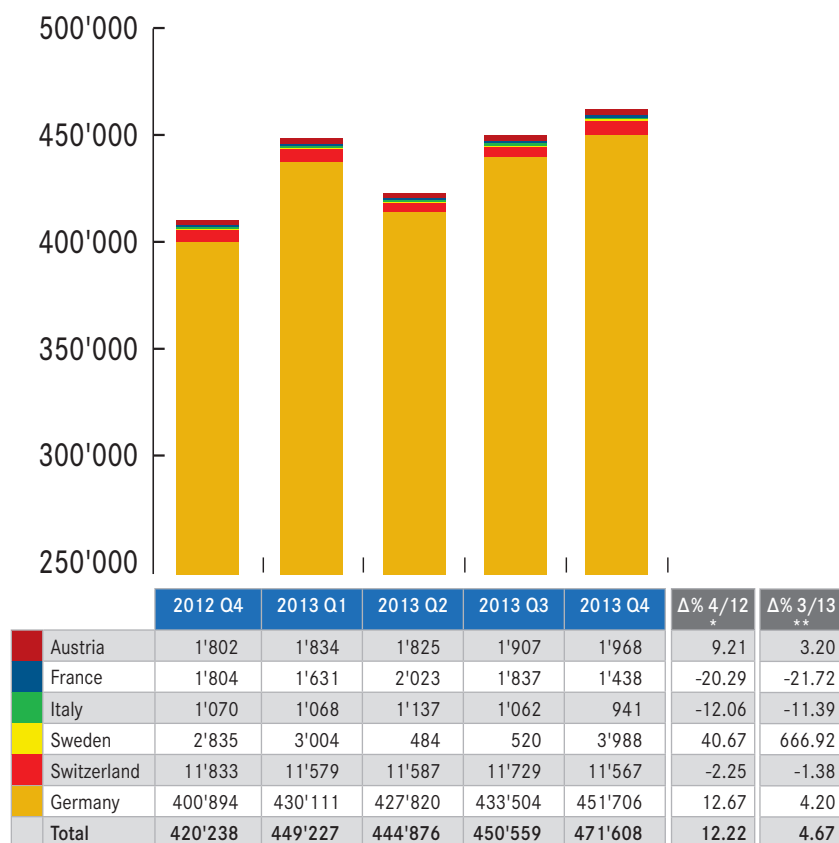
* Field indicates per cent change between Q4/2013 and equivalent last year quarter Q4/2012.

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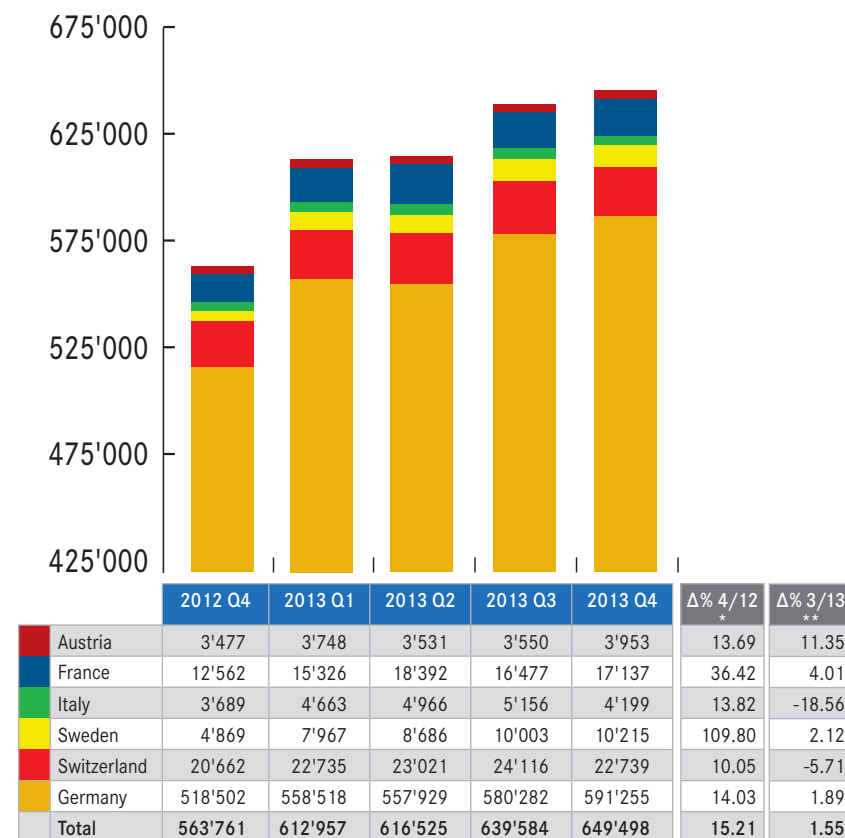
Source: Country Associations, Derivative Partners

6. Number of exchange listed products

Investment Products



Leverage Products



* Field indicates per cent change between Q4/2013 and equivalent last year quarter Q4/2012.

** Field indicates per cent change between reporting quarter Q4/2013 and previous quarter Q3/2013.

* Field indicates per cent change between Q4/2013 and equivalent last year quarter Q4/2012.

** Field indicates per cent change between reporting quarter Q4/2013 and previous quarter Q3/2013.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners Research AG

Key date is 31th December 2013. 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

