

Turnover growth on the European market for structured securities

European structured products market generates turnover of 31.2 billion / market volume of leverage products nearly more than doubled compared to the previous quarter

Exchange turnover in investment products and leverage products increased on Europe's financial markets in the first quarter of 2016. Compared with the period from October to December of the previous year, the volume grew by 8.0 percent to EUR 31.2 billion. However, year on year this represented a 20 percent decrease. That is one of the outcomes of an analysis by Derivative Partners AG of the latest market data collected by the European Structured Investment Products Association (EUSIPA) from its members.

The members of EUSIPA who contributed data to the report 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), Swedish Exchange Traded Investment Products Association (SETIPA), Swiss Structured Products Association (SSPA) and the Netherlands Structured Investment Products Association (NEDSIPA).

The turnover of investment products on the European exchanges stood at EUR 8.6 billion in the first quarter of the year, accounting for a share of 27.5 percent of the total turnover. Although exchange turnover rose by 1.0 percent, compared with the same period of the prior year there was a decrease of 37.0 percent.

The turnover of leverage products such as Warrants, Knock-Out Warrants and Factor Certificates totalled EUR 22.6 billion in the period from January to March. They therefore accounted for 72.5 percent of the total turnover. The exchange-traded volume went up 10.0 percent compared with the fourth quarter of 2015. This represented a year-on-year decrease of 11.4 percent.

At the end of March the exchanges of EUSIPA member countries were offering 594,897 investment products and 802,134 leverage products. The number of products listed rose slightly by 0.4 percent in comparison with the preceding quarter. Compared to the first three months of 2015, the figure grew by 1.2 percent.

Banks issued a total of 942,355 new investment products and leverage products in the first quarter of the year. Compared to the period from October to December, the new issues activity chartered growth of 14.0 percent. However, year on year there was a 4.0 percent decrease. A total of 207,452 new investment products were launched, accounting for 22.0 percent of all new issues. All in all, 734,903 new leverage products were listed. They therefore accounted for 78.0 percent of the aggregate volume 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 227.0 billion – up 2.0 percent on the

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fourth quarter of the prior year. The volume fell by 13.4 percent when compared with the first three months of 2015.

At the end of March the market volume of investment products amounted to approximately EUR 207.5 billion and was 2.0 percent lower than the figure for the previous quarter. Year on year this represented a 13.1 percent decrease.

The outstanding volume of leverage products at the end of March was EUR 19.5 billion. This represented growth of 87 percent on the fourth quarter of 2015. However, in comparison with the same period of the preceding year, outstanding volume dropped 16.4 percent.

About EUSIPA

EUSIPA represents the interests of the European structured investment products business. The focal point of its 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 contributing members of EUSIPA are:



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EUSIPA Market Report

on structured investment products

Q1/2016



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1. Highlights

Exchange Turnover: Increasing turnover

In the first quarter of 2016 the overall exchange turnover increased to 31.18 bn EUR, which is a plus of 8% compared to the previous quarter (where it stood at 28.94 bn EUR). On a year-to-year basis the turnover decreased by 20%. Leverage Products accounted in Q1 2016 for a turnover of 22.59 bn EUR. The turnover in Investment products amounted to 8.58 bn EUR, which is a slight increase compared to the previous quarter.

Outstanding Volume: Slight decrease in Q1 2016

The Q1 2016 figures for the Austrian, German¹ and Swiss² markets show a slight increase of 2% compared to the preceding quarter Q4 2015 while decreasing by 13%, measured on a year- to-year basis. The volume in leverage products, which is overall rather small compared to the volume of investment products, increased by 87% compared with the previous quarter Q4 2015 while still being significantly lower than in the equivalent quarter Q1 2015.

Number of New Listings: Strong issuance activity

Compared to the fourth quarter of 2015 the number of new listings during Q1 2016 increased by 14% to 942'355 products. Whereas 78% of all new listed products were issued in the leveraged product segment, investment products obtain a share of 22%. For leverage products the number of new listings decreased by 2% on a year-to-year basis and increased by 15% compared to the previous quarter. For investment products the number of new listings decreased by 12% on a year-to-year basis and increased by 10% compared to the previous quarter.









Number of Products: Increasing numbers

At the end of Q1 2016 a total of 1'397'031 products were listed in EUSIPA member countries, resulting in a slight increase of 0.5% compared to the fourth quarter of 2015 (where the number stood at 1'390'794). Measured on a year-to-year basis the number of listed investment products accounted for an increase of 0.8%. Investment products saw an increase of 7% 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. 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 (Q1/2016)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Exchange Turnover (Mio. EUR)								
1 Investment Products	100	79	5'366	730	14	8	2'284	8'582
11 Capital Protected	n/a	0	176	n/a	0	n/a	122	298
12 Yield-Enhancement	n/a	39	2'464	n/a	8	n/a	657	3'169
13 Participation	n/a	40	2'652	n/a	6	n/a	1'451	4'149
199 Various	n/a	0	74	n/a	0	n/a	53	127
2 Leverage Products	5	1'302	5'865	6'989	1'572	4'810	2'057	22'599
21 Without Knock-Out	n/a	385	1'634	n/a	0	56	n/a	2'075
22 With Knock-Out	n/a	584	3'206	n/a	1'571	2'113	n/a	7'474
23 Constant Leverage	n/a	374	1'026	n/a	2	2'511	n/a	3'912
Various	n/a	n/a	n/a	n/a	0	130	n/a	130
Total	106	1'381	11'231	7'718	1'586	4'818	4'341	31'181
Total change - Δ in % to Q1/15**	-43	-32	-29	-6	-39	62	-41	-20
Total change - Δ in % to Q4/15***	12	-1	4	-1	-15	55	11	8
Outstanding Volume (Mio. EUR)								
1 Investment Products	10'228	n/a	61'322	n/a	n/a	n/a	135'923	207'473
11 Capital Protected	n/a	n/a	27'737	n/a	n/a	n/a	41'797	n/a
12 Yield-Enhancement	n/a	n/a	6'342	n/a	n/a	n/a	47'421	n/a
13 Participation	n/a	n/a	19'984	n/a	n/a	n/a	44'708	n/a
199 Various	n/a	n/a	7'258	n/a	n/a	n/a	1'997	n/a
2 Leverage Products	72	n/a	1'493	n/a	n/a	n/a	17'957	19'522
21 Without Knock-Out	n/a	n/a	608	n/a	n/a	n/a	n/a	n/a
22 With Knock-Out	n/a	n/a	541	n/a	n/a	n/a	n/a	n/a
23 Constant Leverage	n/a	n/a	343	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	10'300	n/a	62'814	n/a	n/a	n/a	153'880	226'994
Total change - Δ in % to Q1/15**	-13	n/a	-11	n/a	n/a	n/a	-15	-13
Total change - Δ in % to Q4/15***	0	n/a	0	n/a	n/a	n/a	3	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'.

** Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

*** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

Source: Country Associations, Derivative Partners

2. Quarterly overview (Q1/2016)

	 Austria	 France	 Germany	 Italy	 Netherlands	 Sweden	 Switzerland*	 EUSIPA
Number of New Listings on Exchange								
1 Investment Products	564	200	204'665	202	18	19	1'784	207'452
11 Capital Protected	n/a	17	42	n/a	0	n/a	23	82
12 Yield-Enhancement	n/a	183	83'012	n/a	15	n/a	1'605	84'815
13 Participation	n/a	0	121'482	n/a	3	n/a	138	121'623
199 Various	n/a	0	129	n/a	0	n/a	18	147
2 Leverage Products	1'394	35'290	669'202	1'434	12'662	6'759	8'162	734'903
21 Without Knock-Out	646	10'980	150'158	n/a	2	2'687	n/a	164'473
22 With Knock-Out	748	24'274	518'776	n/a	12'660	3'940	n/a	560'398
23 Constant Leverage	n/a	36	268	n/a	2	129	n/a	435
Various	n/a	0	n/a	n/a	0	3	n/a	3
Total	1'958	35'490	873'867	1'636	12'680	6'778	9'946	942'355
Total change - Δ in % to Q1/15**	-11	-11	-5	-27	n/a	22	-27	-4
Total change - Δ in % to Q4/15***	85	16	14	4	11	-1	8	14
Number of Exchange Listed Products								
1 Investment Products	2'118	1'186	577'786	1'239	167	441	11'960	594'897
11 Capital Protected	n/a	0	2'117	n/a	0	n/a	688	2'805
12 Yield-Enhancement	n/a	1'036	262'697	n/a	88	n/a	8'778	272'599
13 Participation	n/a	150	311'645	n/a	79	n/a	1'983	313'857
199 Various	n/a	0	1'327	n/a	0	n/a	511	1'838.00
2 Leverage Products	4'145	31'248	712'927	4'344	16'278	11'991	21'201	802'134
21 Without Knock-Out	1'775	14'918	381'976	n/a	10	5'763	n/a	404'442
22 With Knock-Out	2'370	15'932	326'710	n/a	16'204	4'378	n/a	365'594
23 Constant Leverage	n/a	398	4'241	n/a	64	1'579	n/a	6'282
Various	n/a	0	n/a	n/a	0	271	n/a	271
Total	6'263	32'434	1'290'713	5'583	16'445	12'432	33'161	1'397'031
Total change - Δ in % to Q1/15**	-6	6	0	4	n/a	47	-6	1
Total change - Δ in % to Q4/15***	6	8	0	0	20	10	4	0

* 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 Q1/2016 and equivalent last year quarter Q1/2015.

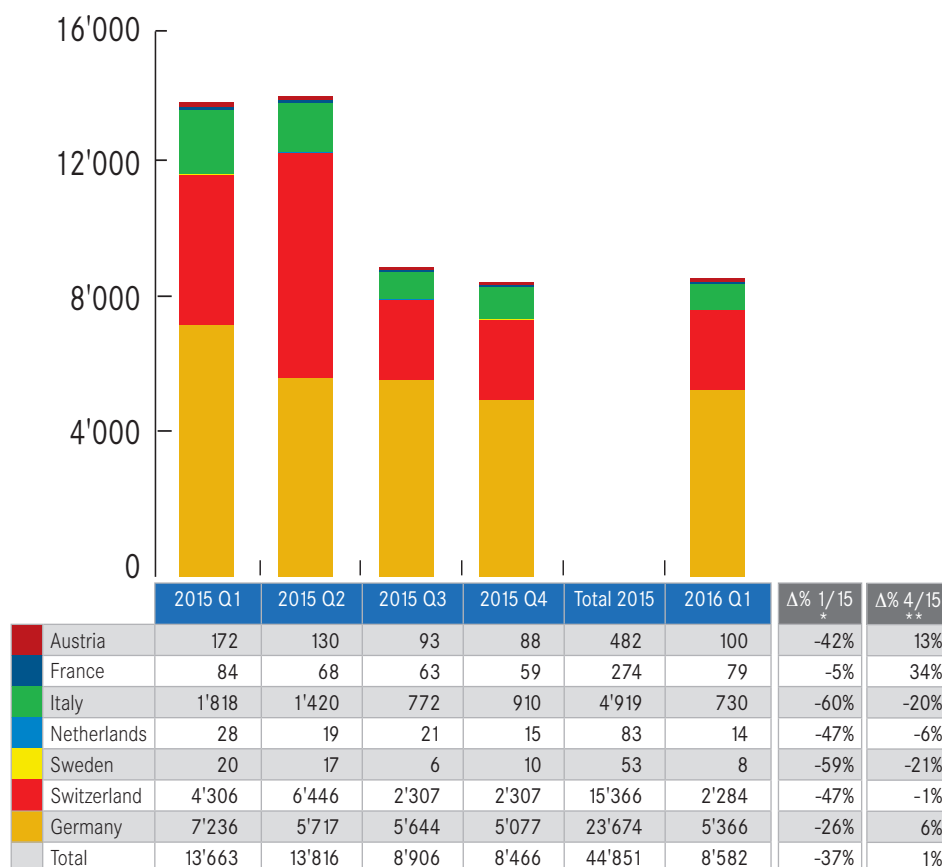
*** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

Source: Country Associations, Derivative Partners

3. Exchange turnover

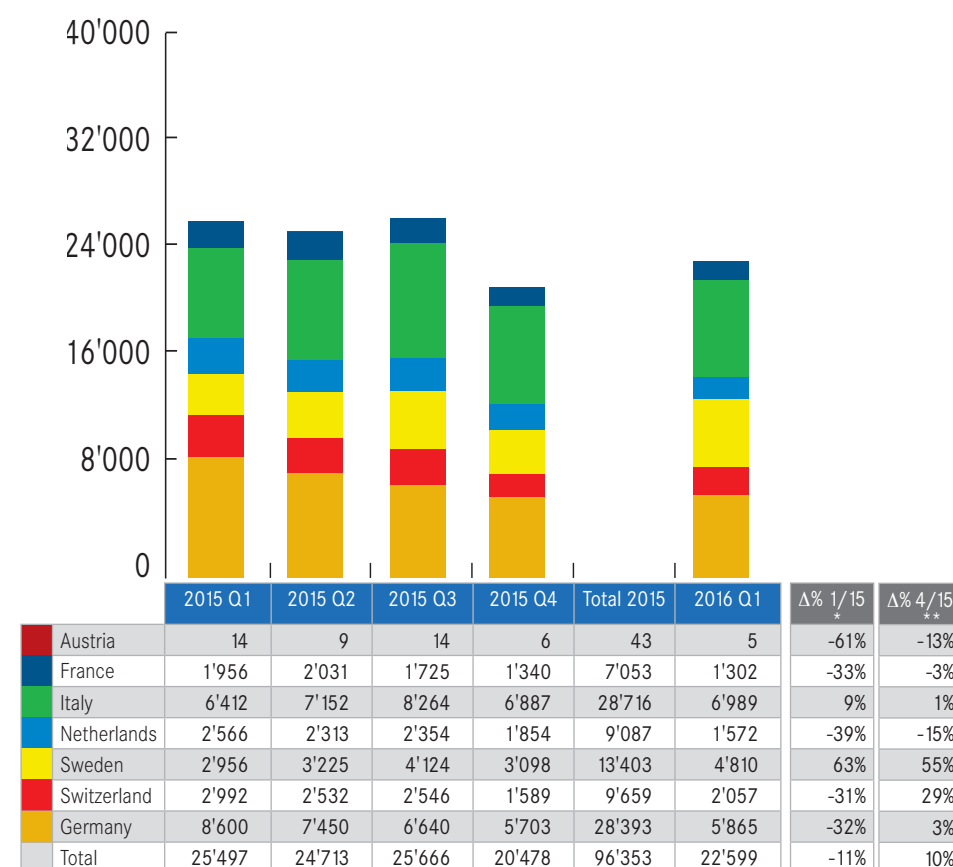
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

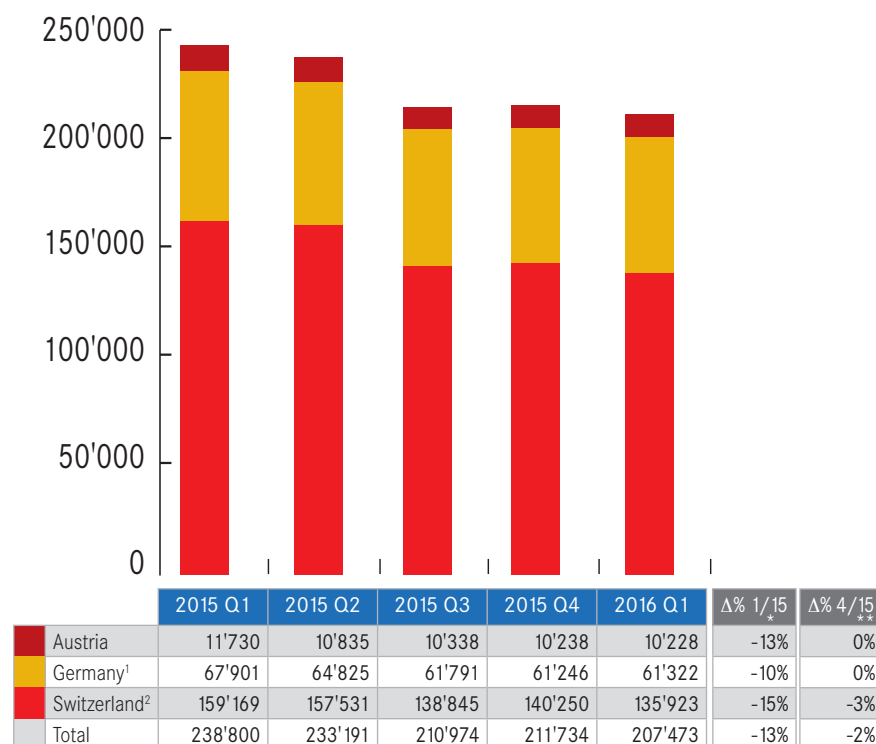
* Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

4. Outstanding volume

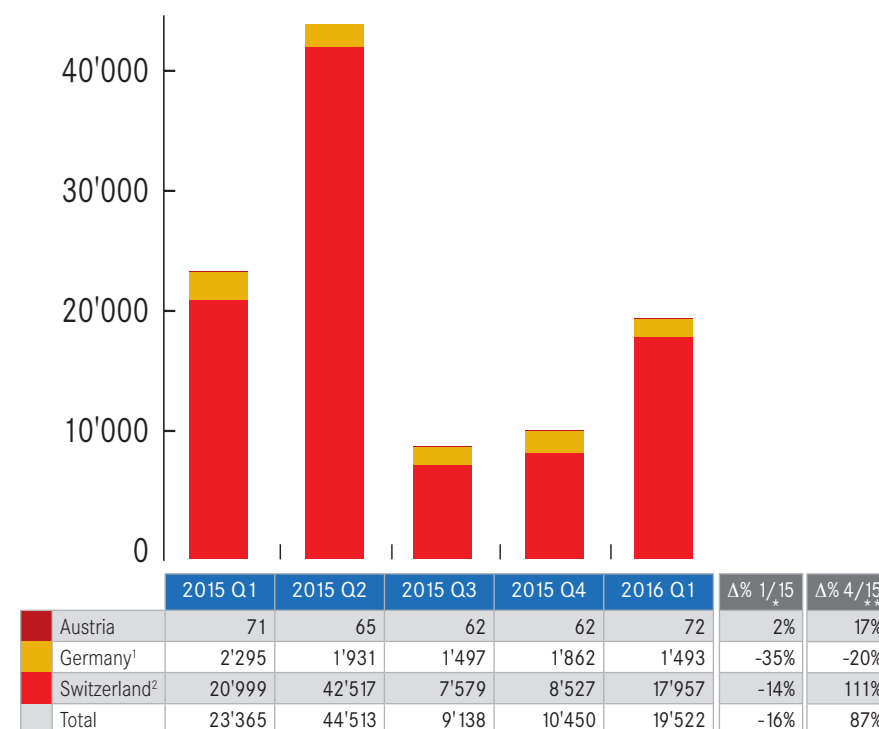
Investment Products

in Mio. EUR



Leverage Products

in Mio. EUR



Source: Country Associations, Derivative Partners

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* Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

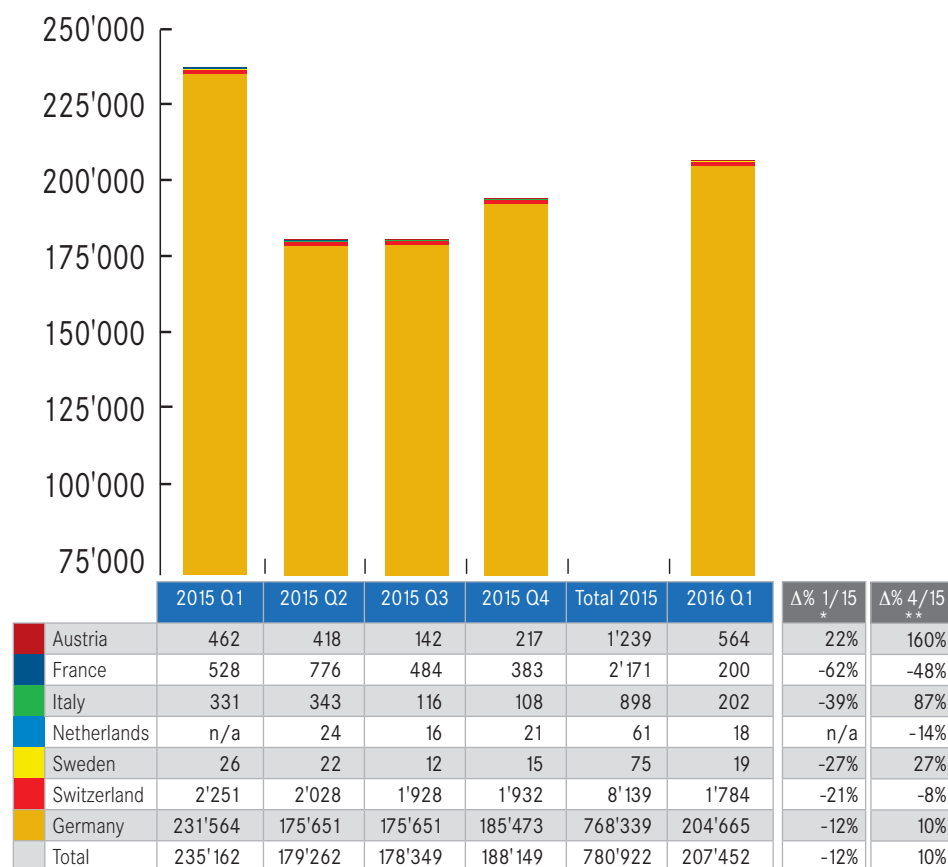
** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

* Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

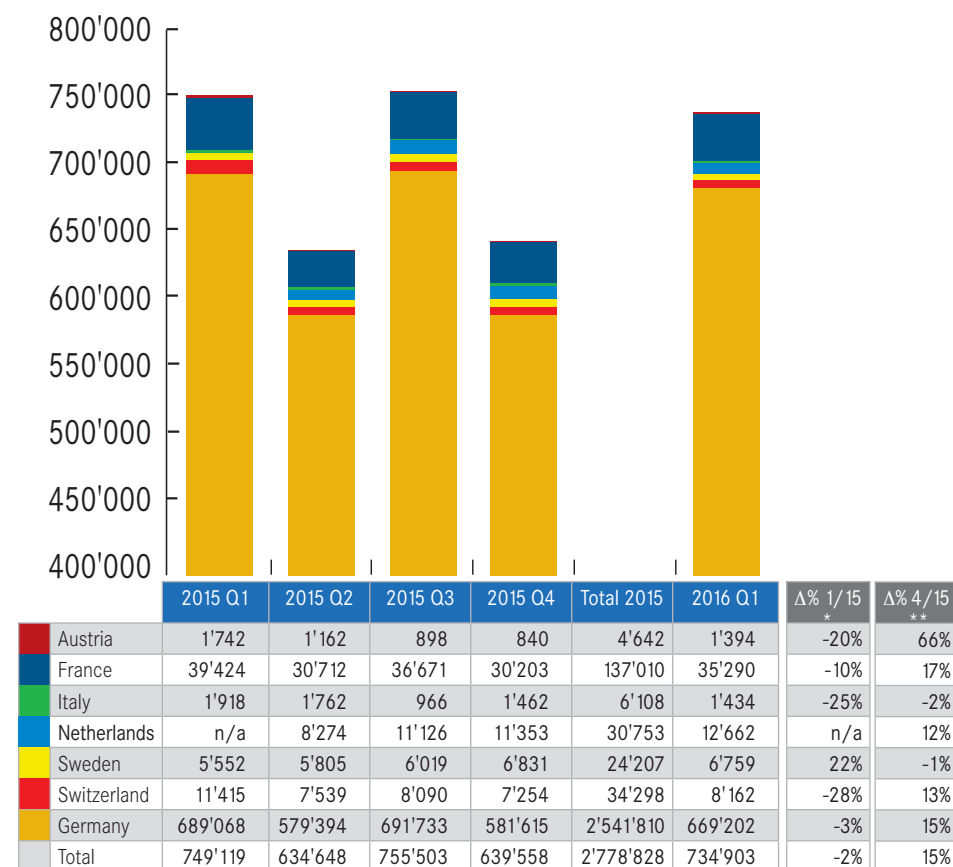
** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

5. Number of new listings on exchange

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

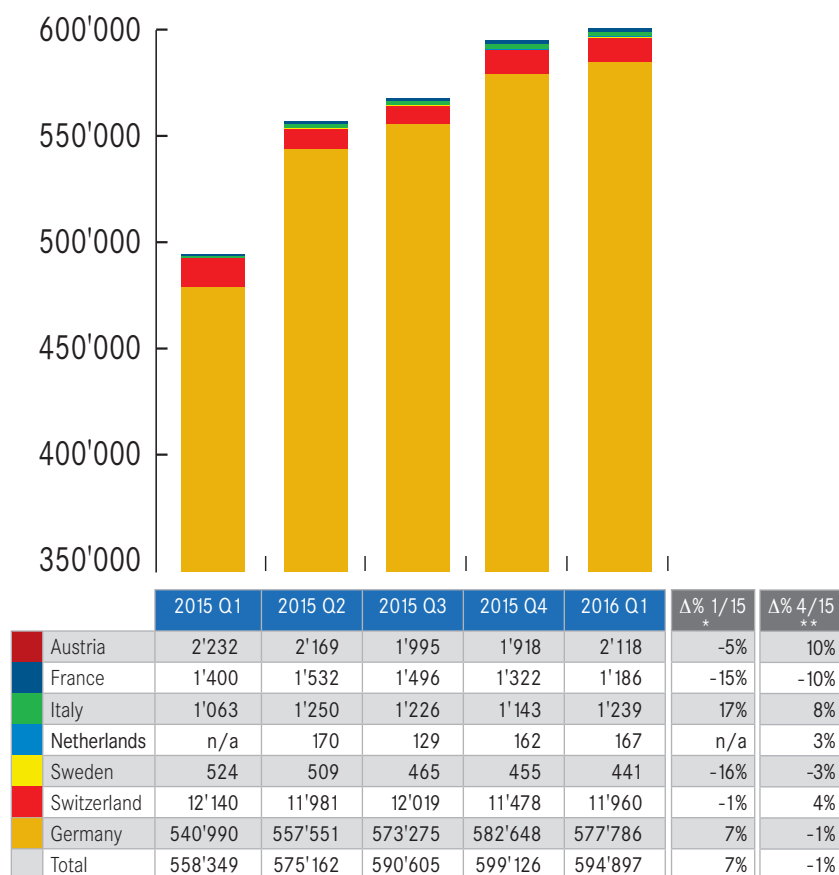
** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

* Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

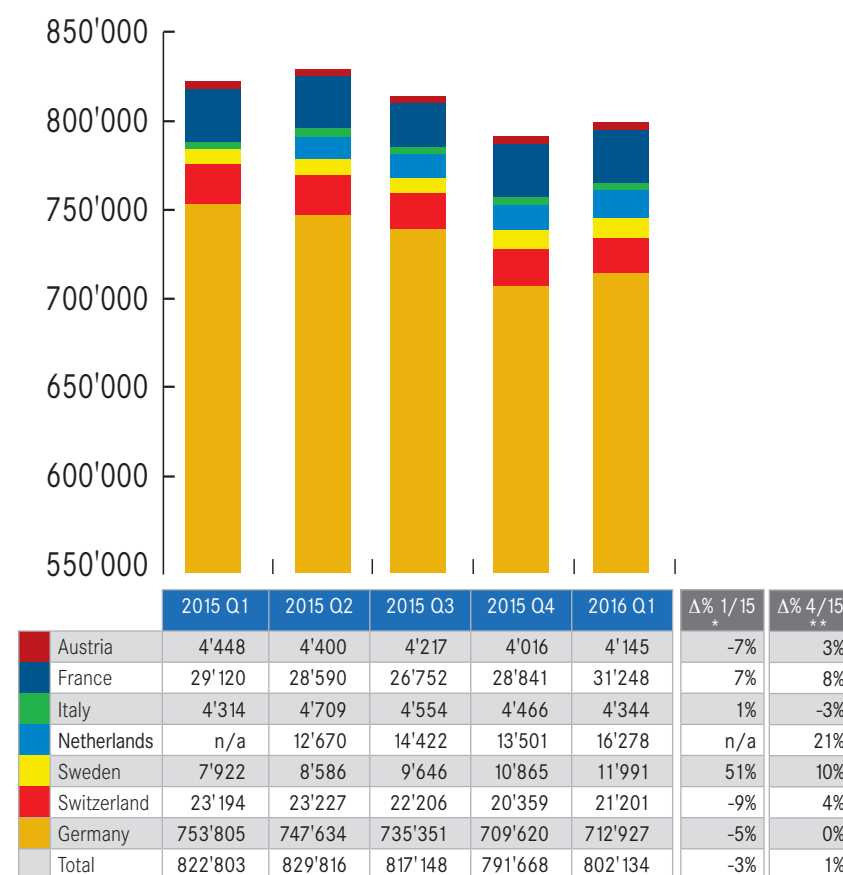
** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

6. Number of exchange listed products

Investment Products



Leverage Products



Source: Country Associations, Derivative Partners

* Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

* Field indicates per cent change between Q1/2016 and equivalent last year quarter Q1/2015.

** Field indicates per cent change between reporting quarter Q1/2016 and previous quarter Q4/2015.

7. Appendix

Data sources

EUSIPA Members

Derivative Partners AG

Key date is 31st March 2016. 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

