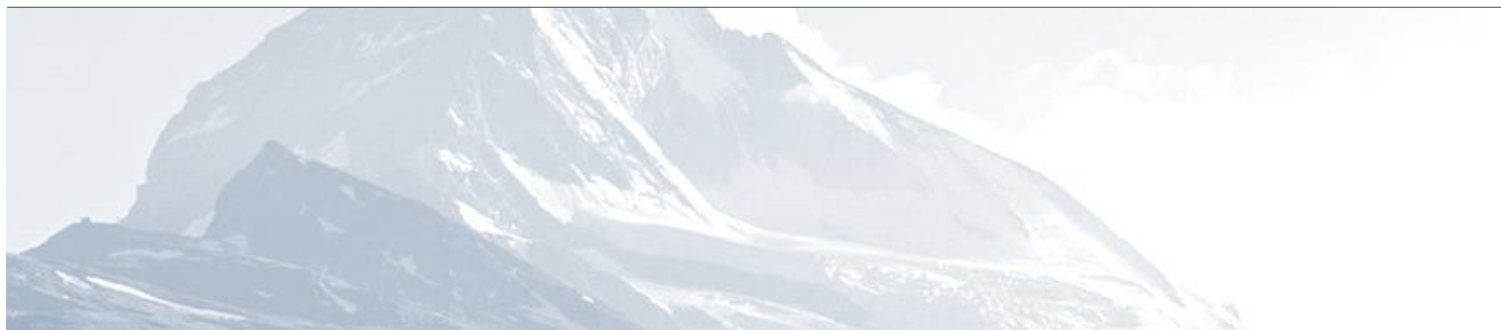


Market Report Structured Products

Quarterly Report

September 2015

Swiss Structured Products Association SSPA



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1. Main points at a glance

1.1 Key figures

- CHF 218 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of July 2015 (most recent data from the Swiss National Bank). This is a minus of 0.5%.
- Compared with other types of securities this represents 3.85% of all Swiss deposits.
- Private investors account for a 22.94% share in deposits, institutional investors for 73.39% and commercial clients for 3.67%.
- The SIX Structured Products Exchange turnover of structured products in September 2015 was CHF 1.31 bn, which is an decrease of 77.76% compared to the previous quarter.
- The category of leverage products holds a share of 56.49% of the total turnover. The share for investment products decreased to 43.51%.
- 34'225 products were listed at the end of September 2015 of which 10'018 (+4.71%) were issued in the third quarter.
- In September 2015, the five biggest issuers of stock-exchange-listed structured products are the Bank Vontobel (market share total: 31.11%), UBS (25.72%), ZKB (16.13%), Credit Suisse (7.33%) and Bank Julius Baer (6.22%). The share of all other issuers is 13.49%.
- By the end of the third quarter the VaR values show for the SSPA categories yield enhancement and participation a slightly increasing trend regarding their risks. After a few fluctuations the category leverage shows increasing values as well. There are no fundamental changes in the category capital protection. Only slightly changes concerning risk classes are observed. Category 2 of capital protection rose slightly, category 4 dominates participation whereas category 5 decreased slightly.

1.2 Information of the SSPA

- For more information about product types, footnotes and the Swiss Derivative Map, visit the association website: www.sspa-association.ch.
- On this website one can also find information about issuer creditworthiness and the newly launched SSPA Risk Figure (SSPA Risk Rating) which estimates a structured product's market risk on basis of the Value at Risk (VaR) approach.

2. Product categorization

2.1 SSPA product categorization as on 30.09.2015

INVESTMENT PRODUCTS

11 Capital Protection		12 Yield Enhancement		13 Participation	
1100	Capital Protection Certificate with Participation	1200	Discount Certificate	1300	Tracker Certificate
1110	Convertible Certificate	1210	Barrier Discount Certificate	1310	Outperformance Certificate
1130	Barrier Capital Protection Certificate	1220	Reverse Convertible	1320	Bonus Certificate
1140	Capital Protection Certificate with Coupon	1230	Barrier Reverse Convertible	1330	Bonus Outperformance Certificate
1199	Miscellaneous Capital Protection Certificates	1260	Express Certificate	1340	Twin-Win Certificate
		1299	Miscellaneous Yield Enhancement Certificates	1399	Miscellaneous Participation Certificates

LEVERAGE PRODUCTS

14 Investment Products with Reference Entities		20 Leverage	
1410	Reference Entity Certificate with Conditional Capital Protection	2100	Warrant
1420	Reference Entity Certificate with Yield Enhancement	2110	Spread Warrant
1430	Reference Entity Certificate with Participation	2200	Warrant with Knock-Out
		2210	Mini-Future
		2300	Constant Leverage Certificate
		2099	Miscellaneous Leverage Certificates

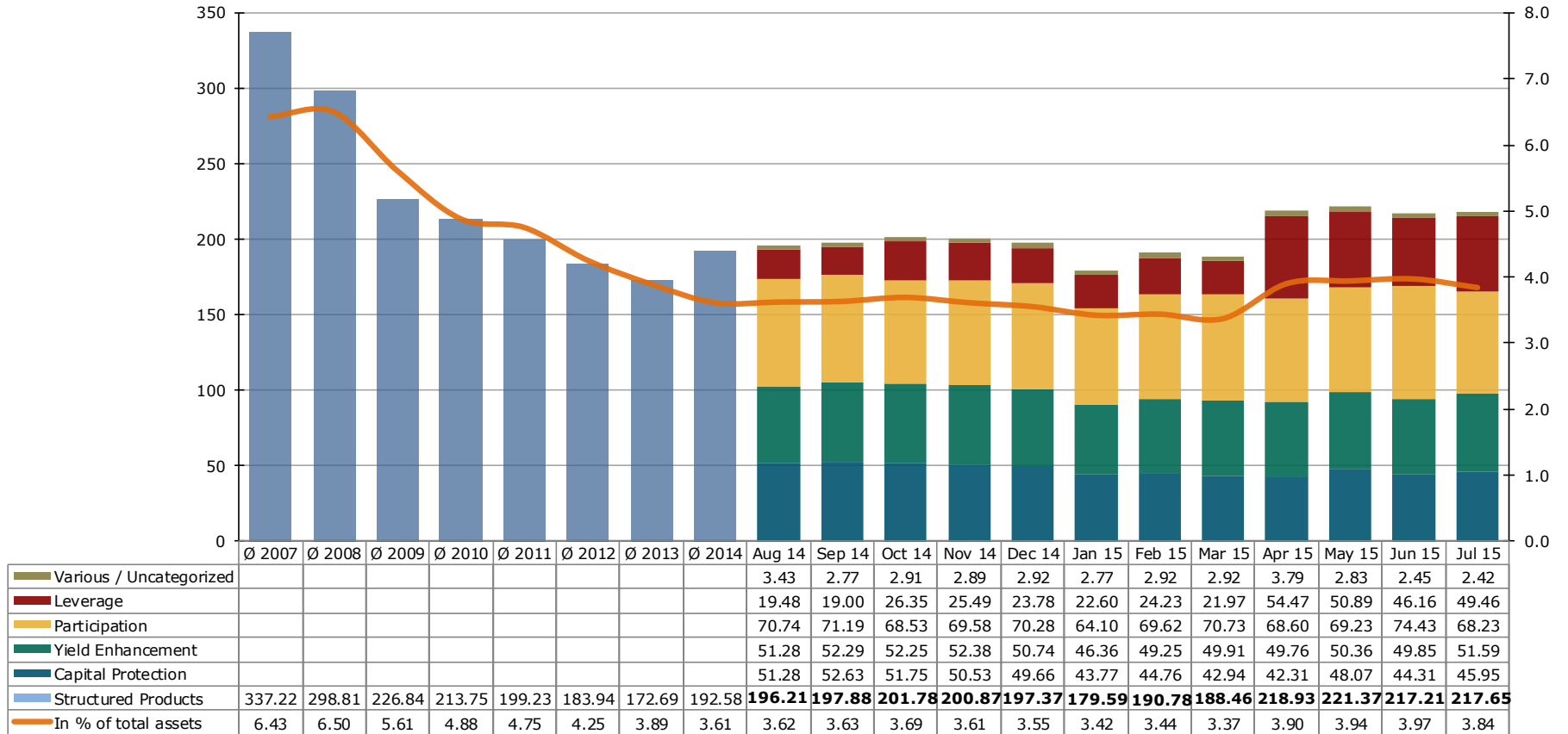
- The Association's product classification comprises five main groups and 26 product types.
- Use the interactive product finder on the Association website: www.sspa-association.ch (product finder).
- Classifications are checked monthly and updated if needed.
- We create new product types when no less than three issuers each issue at least three products of a similar type.

3. Securities held in bank's client deposits

3.1 Structured products since 2007

Figures in CHF bn

Figures in %



Source: SNB Monthly Statistical Bulletin, latest available figures

3. Securities held in banks' client deposits

3.2 All categories

Figures in CHF bn

Date	Total	Money Market	Bonds	Shares	Investment Funds	Structured Products	Other Securities
Ø 2006	4'598	67	1'203	1'759	1'307	247	15
Ø 2007	5'246	82	1'232	1'990	1'599	337	6
Ø 2008	4'594	115	1'180	1'533	1'465	299	3
Ø 2009	4'040	131	1'205	1'249	1'227	227	2
Ø 2010	4'378	111	1'266	1'450	1'336	214	2
Ø 2011	4'197	102	1'177	1'424	1'294	199	1
Ø 2012	4'335	75	1'229	1'489	1'357	184	1
Ø 2013	5'056	67	1'287	1'969	1'538	194	1
Ø 2014	5'336	62	1'265	2'139	1'677	193	0
Aug 14	5'416	61	1'271	2'169	1'719	196	0
Sep 14	5'456	58	1'285	2'174	1'740	198	0
Oct 14	5'469	64	1'282	2'177	1'745	202	0
Nov 14	5'559	65	1'286	2'244	1'762	201	0
Dec 14	5'565	68	1'284	2'221	1'794	197	0
Jan 15	5'259	62	1'238	2'063	1'715	180	0
Feb 15	5'552	67	1'264	2'242	1'788	191	0
Mar 15	5'589	65	1'270	2'256	1'811	188	0
Apr 15	5'608	63	1'268	2'249	1'808	219	0
May 15	5'625	64	1'271	2'260	1'808	221	0
Jun 15	5'477	62	1'247	2'174	1'776	217	0
Jul 15	5'656	61	1'256	2'298	1'822	218	0

- Compared to the previous year total securities held increased from CHF 5'416 bn to CHF 5'656 bn in July 2015 (plus CHF 240 bn), which is a non-price-adjusted rise of 4.43%.
- In this period, the market for structured products increased from CHF 196 bn to CHF 218 bn. This is a plus of 11.22%.
- The market share in structured products (+11.22%) has most remarkably increased. There was a decrease of 1.18% in bonds.

Source: SNB Monthly Statistical Bulletin, latest available figures

3. Securities held in banks' client deposits

3.3 All categories in percent

Figures in %

Date	Money Market	Bonds	Shares	Investment Funds	Structured Products	Other Securities
Ø 2006	1.46	26.16	38.25	28.42	5.37	0.33
Ø 2007	1.57	23.49	37.93	30.48	6.43	0.11
Ø 2008	2.51	25.69	33.37	31.88	6.50	0.06
Ø 2009	3.23	29.84	30.90	30.37	5.61	0.05
Ø 2010	2.54	28.91	33.11	30.52	4.88	0.04
Ø 2011	2.43	28.06	33.89	30.83	4.75	0.03
Ø 2012	1.73	28.35	34.34	31.30	4.25	0.03
Ø 2013	1.34	25.80	38.64	30.31	3.89	0.03
Ø 2014	1.17	23.70	40.09	31.43	3.61	0.00
Aug 14	1.13	23.47	40.05	31.73	3.62	0.00
Sep 14	1.07	23.55	39.86	31.90	3.63	0.00
Oct 14	1.17	23.44	39.81	31.90	3.69	0.00
Nov 14	1.17	23.14	40.37	31.70	3.61	0.00
Dec 14	1.23	23.07	39.91	32.24	3.55	0.00
Jan 15	1.18	23.55	39.24	32.61	3.42	0.00
Feb 15	1.20	22.77	40.38	32.21	3.44	0.00
Mar 15	1.16	22.71	40.36	32.39	3.37	0.00
Apr 15	1.13	22.62	40.12	32.25	3.90	0.00
May 15	1.14	22.60	40.18	32.14	3.93	0.00
Jun 15	1.13	22.24	38.77	31.66	3.87	0.00
Jul 15	1.09	22.21	40.64	32.22	3.85	0.00

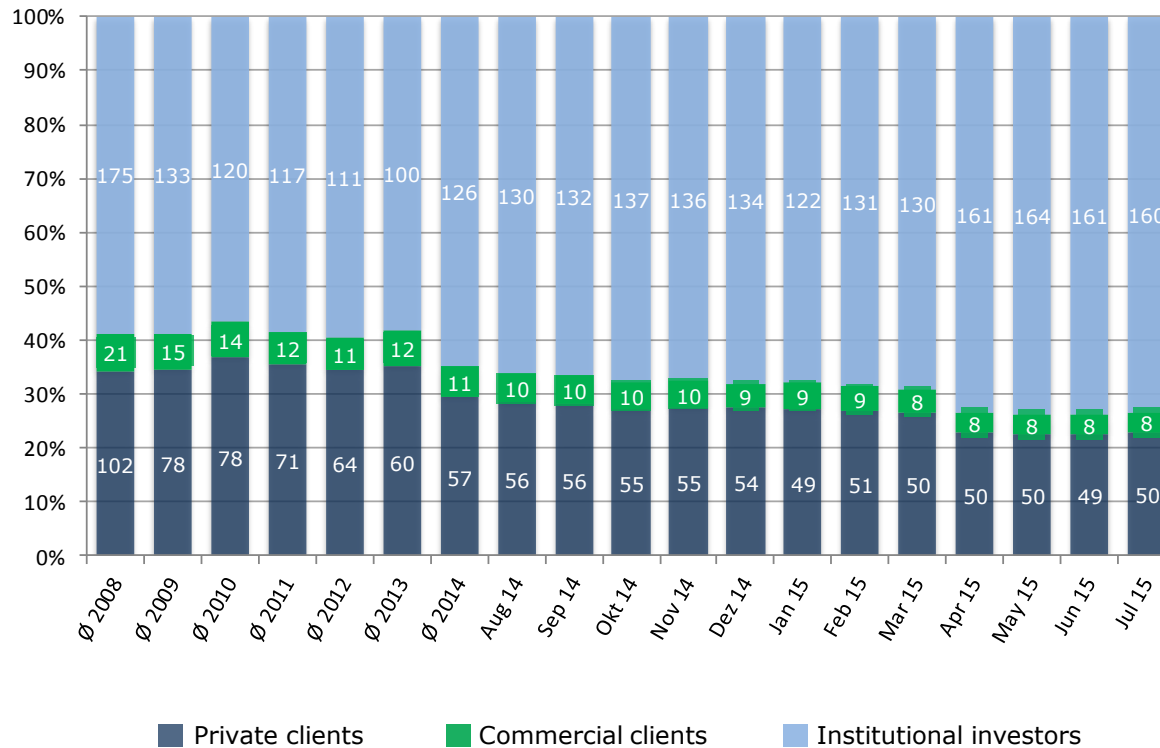
Source: SNB Monthly Statistical Bulletin, latest available figures

- In July 2015 3.85% of all client deposits were invested in Structured Products.
- Compared to the preceding year (3.62%) this is a increase of 6.35%.
- In the other asset classes there has for the same period been a shift away from bonds (-5.37%) and money market papers (-3.54%) towards the asset class of shares (+1.47%) and investment funds (+1.54%).

3. Securities held in banks' client deposits

3.4 By client (deposits holders)

Figures in CHF bn

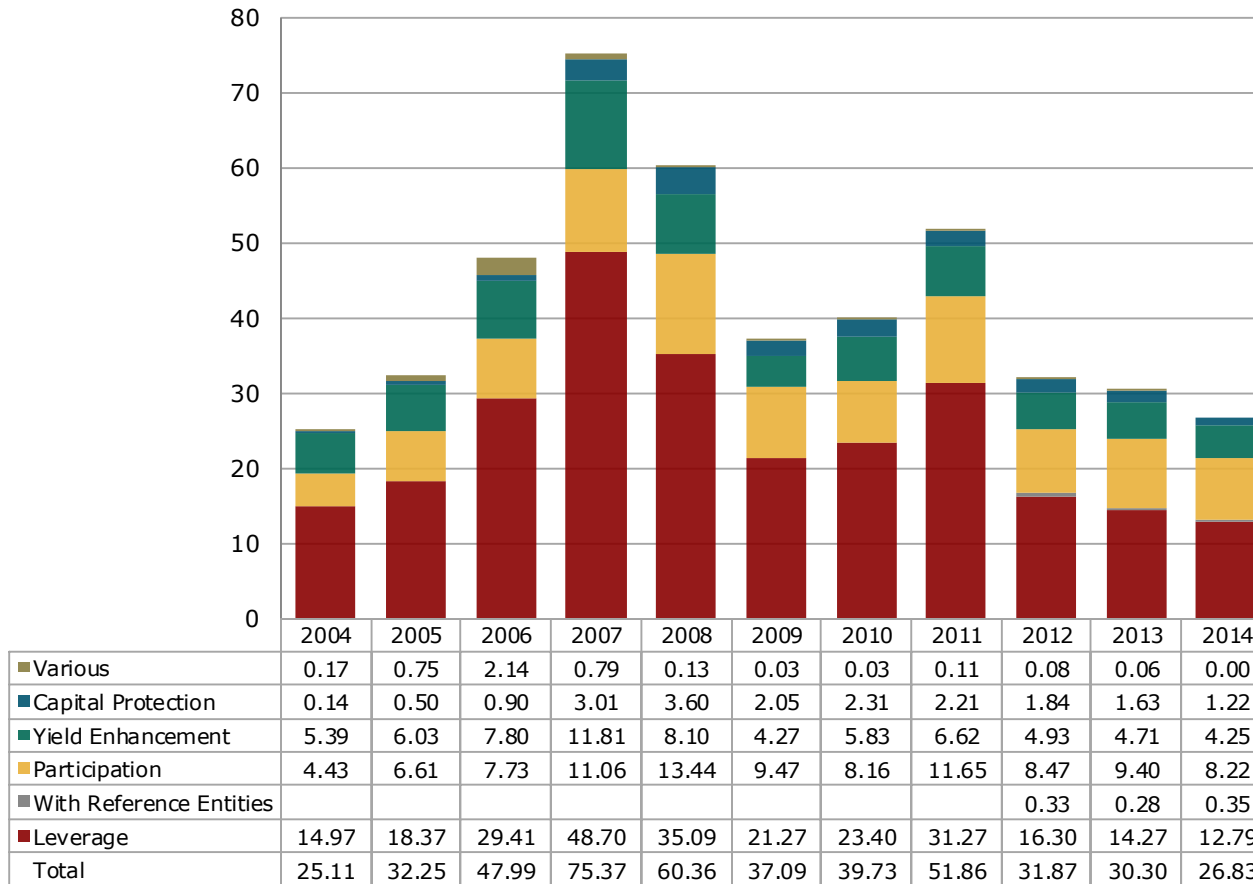


- SSPA estimates that more than half of all Structured Products are placed by investment managers acting on behalf of private investors.

Source: SNB Monthly Statistical Bulletin, latest available figures

4. Structured products at the SIX Structured Products Exchange

4.1 Turnover 2004 - 2014



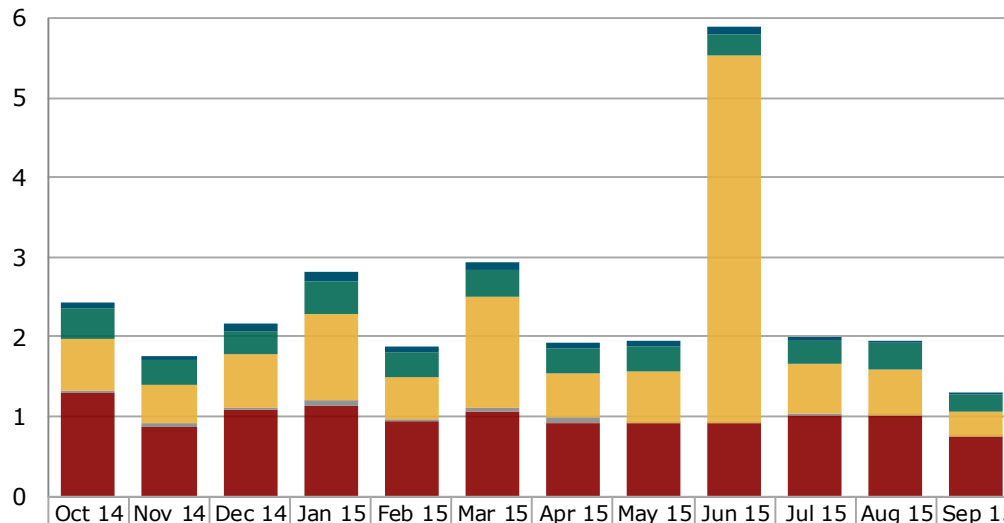
- Compared to the previous year 2013 turnover decreased to CHF 26.83 bn (-11.46%). Measured against the exceptionally strong year 2007 this equals about 35.59% of the turnover at that time.
- Against 2013 in 2014 products with reference entities (+22.54%) could increase their demand, however, especially participation products (-12.64%) and leverage products (-10.39%) were less in demand.

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.2 Turnover in the last 12 months

Figures in CHF bn

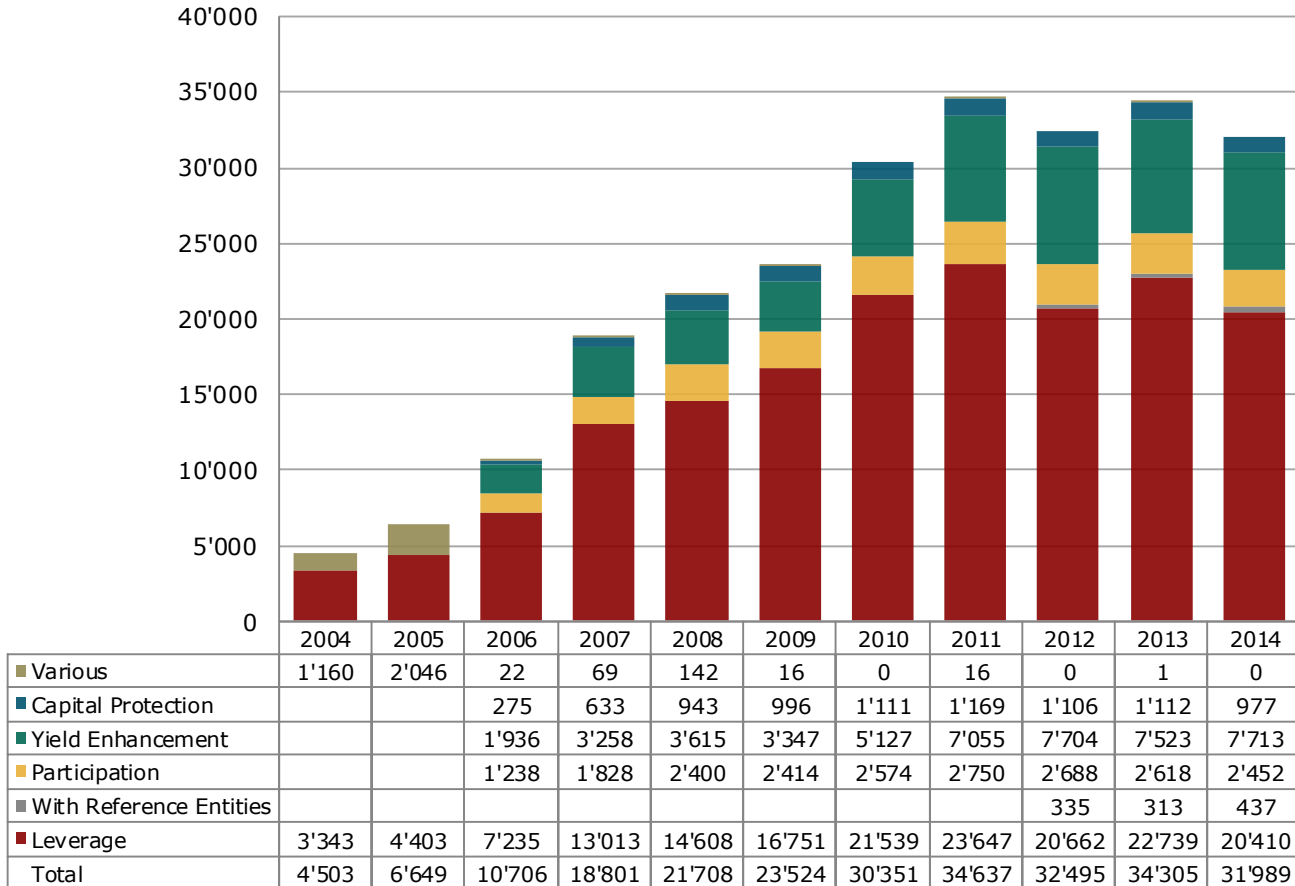


- Compared to the previous year the turnover in September 2015 is lower by 34.17%.
- Compared to the previous quarter the turnover decreased in September 2015 by 77.76%.
- The decrease of turnover is clearly due to the category of participation products (-93.48%).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.3 Number of listed products 2004 – 2014

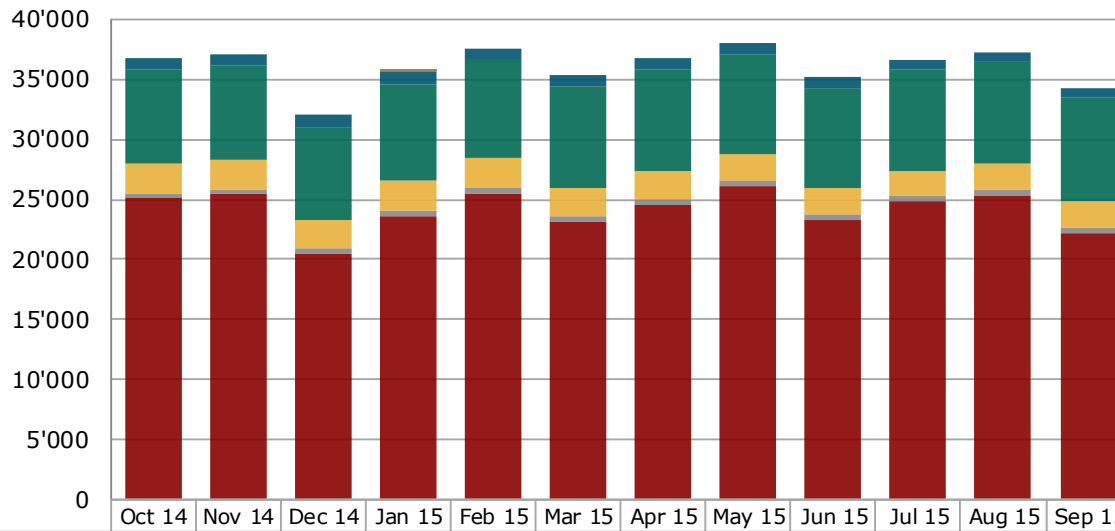


- With an amount of 31'989 products at the end of 2014 there have been fewer products issued compared to the previous year. Compared to 2013 the decrease equals 2'316 products (-6.75%).
- In 2014 capital protection products (-12.14%) have decreased the most.

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.4 Number of listed products in the last 12 months

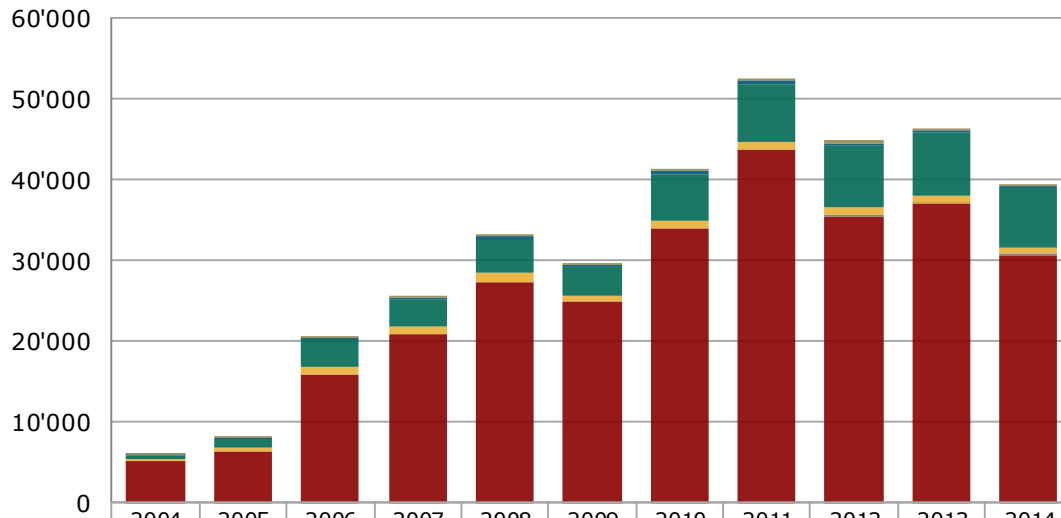


- In the third quarter especially the category of products with reference entities (+5.77%) and yield enhancement (+2.17%).
- However, capital protection products (-9.35%), leverage products (-4.4%) and participation products (-4.05%) decreased.
- Please note that in March, June, September and December a large amount of products was regularly delisted due to scheduled expiration (large expiration at the futures exchanges).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.5 New issues 2004 – 2014



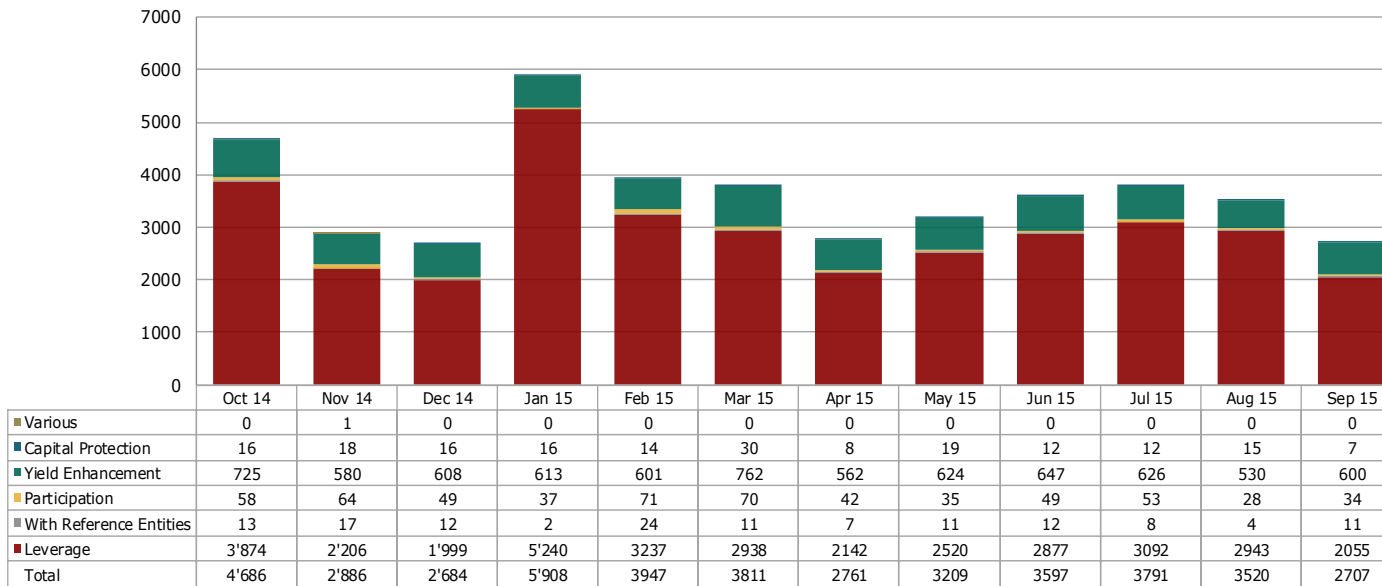
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
■ Various	2	1	21	128	119	158	84	74	493	9	2
■ Capital Protection	4	40	209	247	491	302	514	428	212	223	170
■ Yield Enhancement	499	1'020	3'329	3'316	3'967	3'673	5'658	7'190	7'580	7'789	7'519
■ Participation	197	414	920	865	1'189	636	804	854	988	899	665
■ With Reference Entities									241	148	152
■ Leverage	5'208	6'487	15'919	21'038	27'368	24'984	34'127	43'868	35'493	37'014	30'804
Total	5'910	7'962	20'398	25'594	33'134	29'753	41'187	52'414	45'007	46'082	39'312

- In the year 2014 with 39'312 new issues the previous years could not be outreached. Compared to 2013 it is a decrease of 14.69%.
- Leverage products accounted for the biggest part with 78.36%. Especially yield enhancement products were issued in the category of investment products with a share of 19.13%.

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.6 New issues in the last 12 months



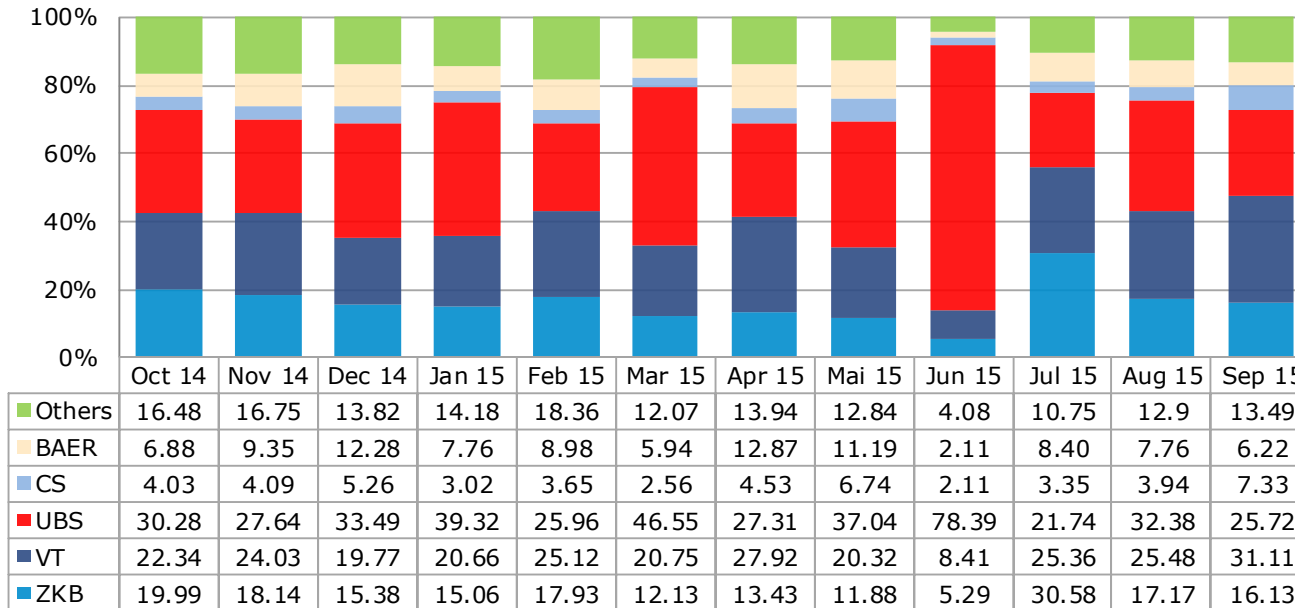
- Whereas 9'567 products were issued in the second quarter of 2015 the third quarter of 2015 saw an increase of 4.71% to 10'018 products.
- Compared to the previous year (2'847 products) a lower amount of products was issued in September 2015 (-4.92%).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.7 Market shares (turnover) of the five largest issuers

Figures in %



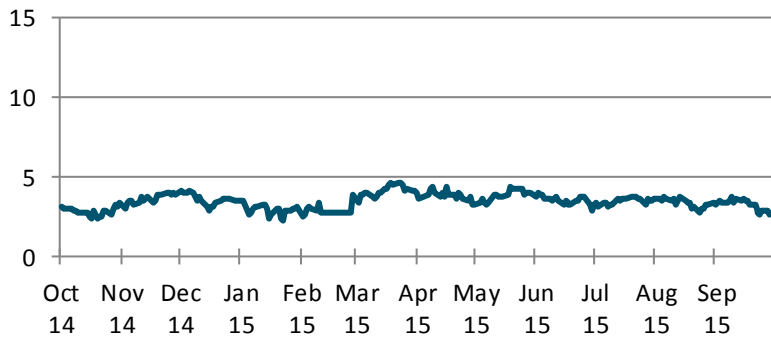
- In September 2015, the five biggest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: (31.11%), UBS (25.72%), ZKB (16.13%), Credit Suisse (7.33%), Bank Julius Baer (6.22%).
- In the third quarter among the five largest issuers Bank Vontobel (+269.92%), Credit Suisse (+247.39%), ZKB (+204.92%) and Bank Julius Baer could improve their shares at the expense of UBS (-67.19%).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

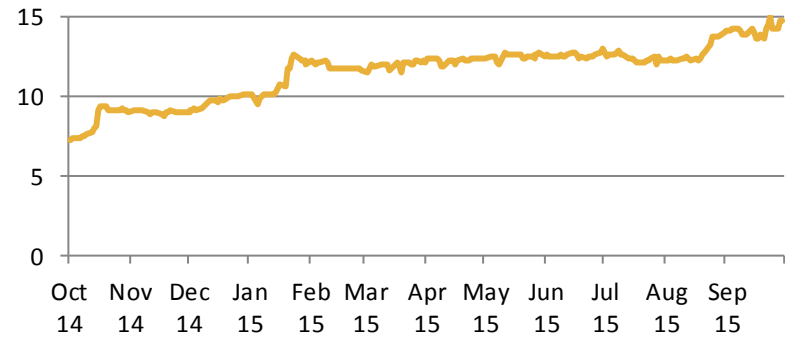
5. SSPA risk figure

5.1 Aggregated Market Risk (VaR) during the year

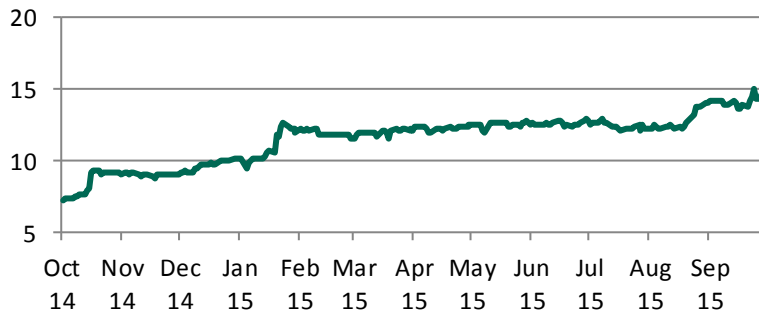
Capital Protection



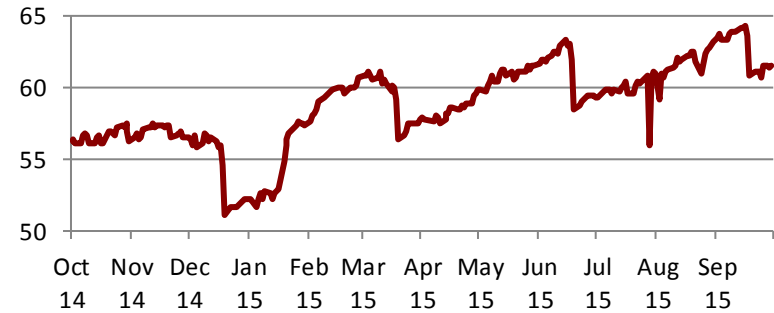
Participation



Yield Enhancement



Leverage

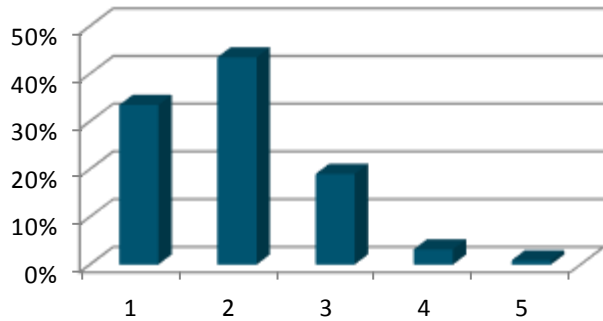


Value at Risk (VaR) Measuring unit of a product's market risk, it describes the loss that will not be exceeded within a specific holding period (i.e. 10 days) with a defined probability (i.e. 99%).

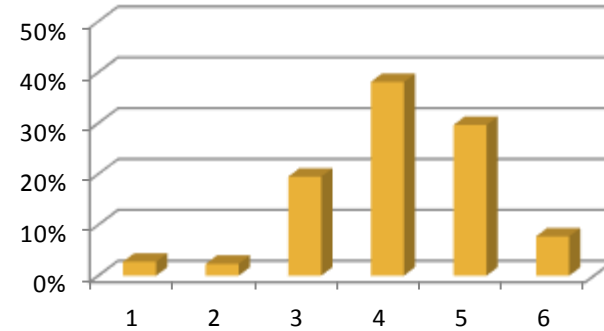
5. SSPA risk figure

5.2 Distribution of risk categories at the end of the quarter

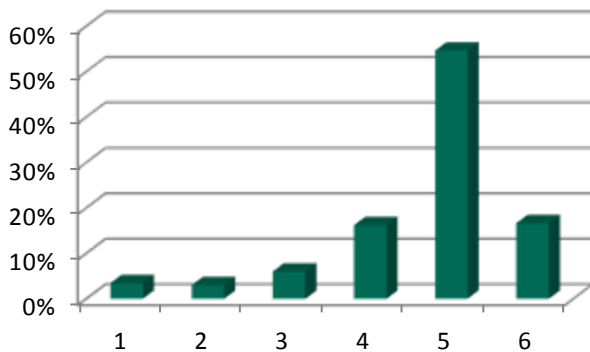
Risc classes Capital Protection



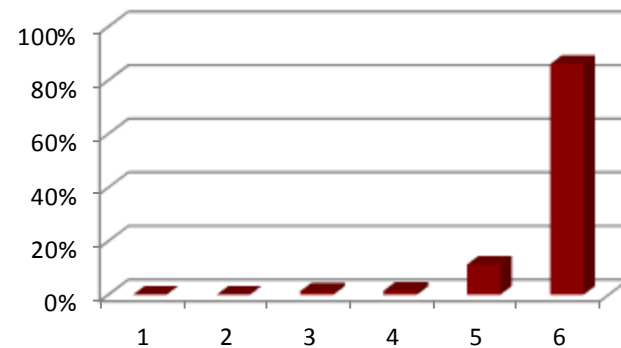
Risc classes Participation



Risc classes Yield Enhancement



Risc classes Leverage



SSPA Risk categories: To facilitate ranking, structured products are allocated to one of six risk categories (classes), category 6 representing the highest risk for investment in a product and category 1 the lowest risk. The intervals of the six risk categories are reviewed weekly. Adjustments are made as needed.

6. Appendix

6.1 Abbreviations

Leverage Products.....	Leverage
Investment Products with Reference Entities	With Reference Entities
Participation Products	Participation
Capital Protection Products	Capital Protection
Yield Enhancement Products.....	Yield Enhancement
Other Products.....	Various
Billion.....	bn

6.2 Issued by

Swiss Structured Products Association SSPA

Rämistrasse 4, CH-8024 Zurich, Switzerland

www.sspa-association.ch

Contact: peter.keller@svsp-verband.ch

Published monthly / quarterly in more detail

6.3 Data sources

Swiss National Bank: Monthly Statistical Bulletin

SIX Structured Products Exchange AG

Derivative Partners AG

In-house surveys

Key date is 30th September 2015.

6.4 Disclaimer

We cannot guarantee the accuracy of this document, see <http://www.svsp-verband.ch/home/disclaimer.aspx?lang=en>.

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