

Market Report Structured Products

Quarterly Report

December 2008

Swiss Structured Products Association SSPA



Main points at a glance 1/2

Key figures

- CHF 250 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of October 2008 (most recent data from the Swiss National Bank). This is a decline of CHF 62 bn since the beginning of the year.
- Compared with other types of security (shares, funds, etc.), this represents 6.12% of the Swiss deposits.
- Institutional investors account for a 62.8% share, private investors for 30.4% and commercial clients for 6.8%.
- The Scoach exchange turnover of structured products in December 2008 was CHF 2.85 bn, or 14.67% less than the month before.
- The turnover share of leverage products dropped slightly to 57.54%, while that of the investment products rose to 42.46%.
- 21'708 products were listed at the end of the year, 17.84% less than the month before.

Main points at a glance 2/2

Categorization model

- The categorization model has not been changed this quarter.
- A new version of the Swiss Derivative Map is available since the end of October 2008.
- For more information about product types, footnotes and the Swiss Derivative Map, visit the Association website www.sspa-association.ch.

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1. Product classification

1.1 SSPA product classification

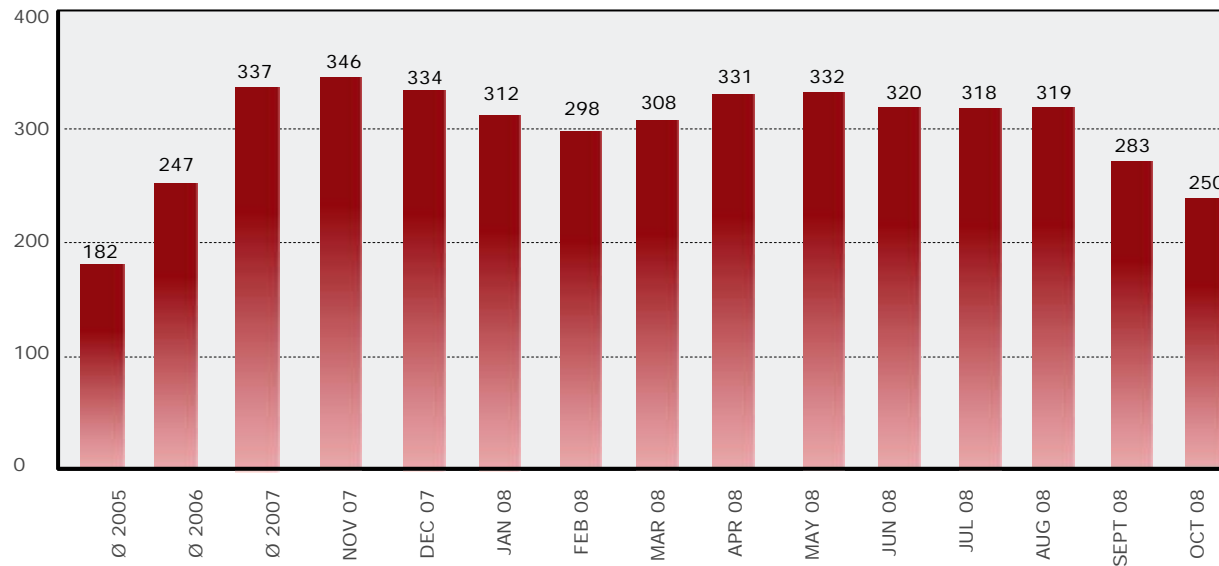
Leverage Products	Participations Products	Yield Enhancement Products	Capital Products
Warrants	Tracker Certificates	Discount Certificates	Uncapped Capital Protected
Spread Warrants	Bonus Certificates	Barrier Discount Certificates	Exchangeable Certificates
Knock-out Warrants	Outperformance Certificates	Reverse Convertibles	Capped Capital Protected
Mini-Futures	Outperformance Bonus Certificates	Barrier Reverse Convertibles	Capital Protected with Coupon
	Airbag Certificates	Barrier Range Reverse Convertibles	Capital Protected with Knock-Out
	Twin-Win Certificates	Capped Outperformance Certificates	
		Express Certificates	
		Capped Bonus Certificates	

- The Association’s product classification comprises four main groups and 23 product types.
- Use the interactive product finder on the Association website www.sspa-association.ch.
- Classifications are checked monthly and updated as needed.
- We create new product types when no less than three issuers each issue at least three products of a similar type.

2. Securities held in bank's client deposits

2.1 Structured products in the last 12 months

in CHF bn



Source: SNB Monthly Statistical Bulletin; most recent figures available

■ The structured products market declined from CHF 312 bn to CHF 250 bn (-19.87%) - from January to October 2008.

■ Considering the large-scale growth in the last years, the SSPA expects again a significant growth of the structured products market, assumed a recovery of the national economy.

2. Securities held in bank's client deposits

2.2 All categories

in CHF bn

Date	Total	Money market papers	Bonds	Shares	Investment funds	Structured products	Other securities
Ø 2005	3927	58	1202	1467	1012	182	36
Ø 2006	4598	67	1203	1759	1307	247	15
Ø 2007	5246	82	1232	1990	1599	337	6
Nov 07	5298	93	1233	1979	1642	346	5
Dec 07	5235	94	1221	1894	1689	334	3
Jan 08	4911	97	1196	1706	1597	312	3
Feb 08	4819	94	1184	1674	1567	298	3
Mar 08	4721	105	1162	1631	1511	308	3
Apr 08	4900	109	1182	1708	1566	331	3
May 08	4963	107	1180	1759	1583	332	3
Jun 08	4716	102	1156	1616	1520	320	3
Jul 08	4737	112	1193	1605	1505	318	2
Aug 08	4788	115	1213	1619	1519	319	2
Sept 08	4518	129	1206	1462	1435	283	3
Oct 08	4083	144	1160	1263	1263	250	3

Source: SNB Monthly Statistical Bulletin, in-house calculation

- Since January 2008, total securities held declined from CHF 4'911 bn to CHF 4'083 bn, a non-price-adjusted drop of 16.86%.
- Since January 2008 the market share of structured products declined by CHF 62 bn. Instead, the clients deposits were invested in money market papers and bonds.

2. Securities held in banks' client deposits

2.3 All categories in percent

Date	Money market papers	Bonds	Shares	Investment funds	Structured products	Other securities
Ø 2005	1.48%	30.61%	37.36%	25.76%	4.63%	0.92%
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%
Nov 07	1.75%	23.27%	37.35%	31.00%	6.53%	0.10%
Dec 07	1.79%	23.33%	36.18%	32.26%	6.38%	0.05%
Jan 08	1.97%	24.36%	34.74%	32.51%	6.36%	0.06%
Feb 08	1.95%	24.56%	34.73%	32.52%	6.18%	0.06%
Mar 08	2.23%	24.62%	34.56%	32.01%	6.53%	0.06%
Apr 08	2.22%	24.13%	34.86%	31.97%	6.76%	0.06%
May 08	2.15%	23.77%	35.44%	31.89%	6.69%	0.05%
Jun 08	2.15%	24.51%	34.26%	32.23%	6.79%	0.05%
Jul 08	2.37%	25.20%	33.89%	31.77%	6.72%	0.05%
Aug 08	2.40%	25.34%	33.81%	31.73%	6.67%	0.05%
Sept 08	2.86%	26.69%	32.36%	31.76%	6.26%	0.07%
Oct 08	3.53%	28.41%	30.93%	30.93%	6.12%	0.07%

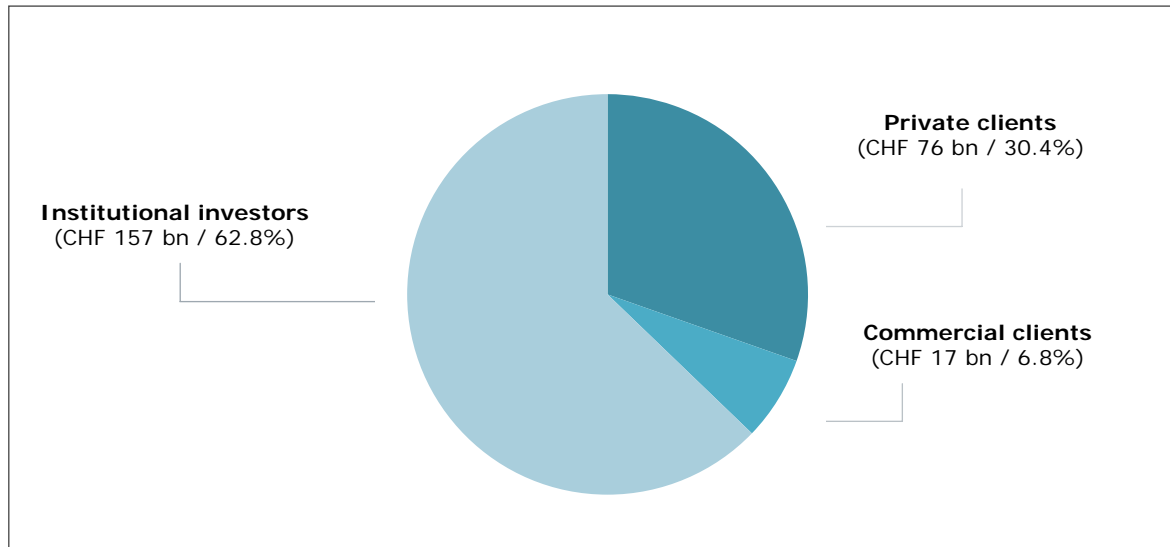
Source: SNB Monthly Statistical Bulletin, in-house calculation

- In October 2008, 6.12% of all client deposits were invested in structured products. Compared to the beginning of the year (6.36%) this is a decline of 3.78%.
- Increases in assets under management since January 2008 took place in money market papers (+79.19%) and bonds (+16.63%). Shares (-10.97%) and investment funds (-4.86%) experienced a drop in their respective market share.

2. Securities held in banks' client deposits

2.4 By client (deposits holders)

in CHF bn



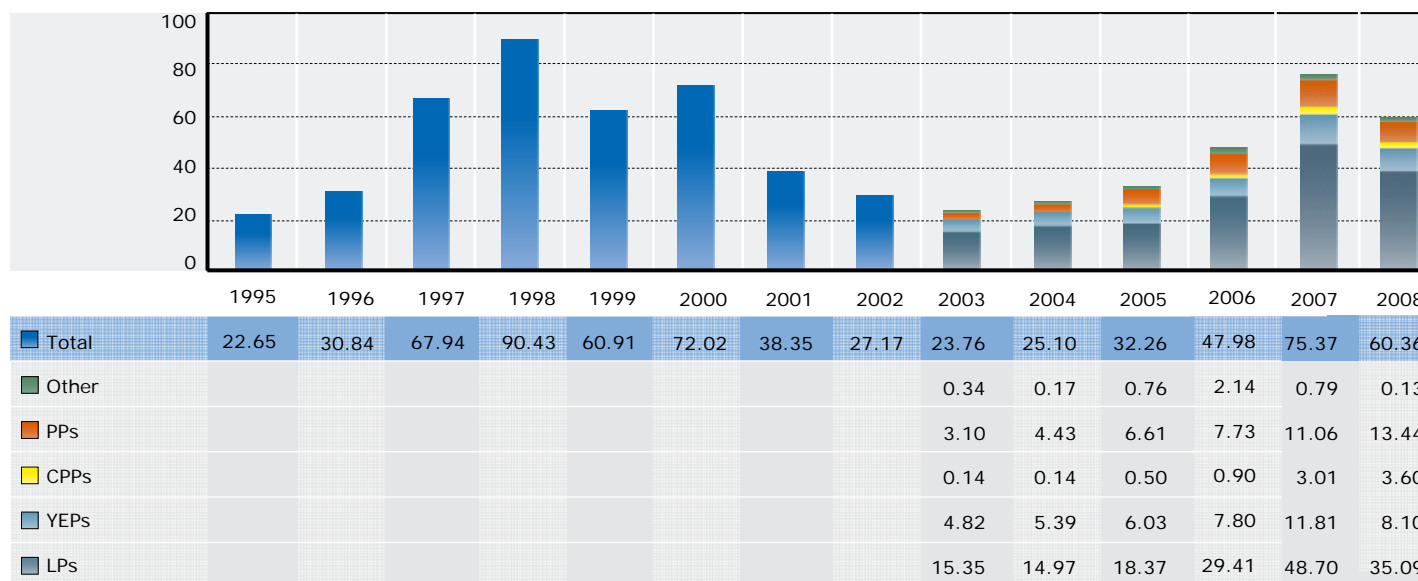
Source: SNB Monthly Statistical Bulletin

- Compared to the month before there has been a clear shift in client deposits. While the market share of private clients declined by 8.49%, the market share of the institutional clients increased of 4.67%.
- The ASPS estimates that more than half of all structured products are placed by investment managers acting on behalf of private investors.

3. Structured products at the Scoach exchange

3.1 Turnover, 1995 - 2008

in CHF bn



Source: Derivative Partners Research AG

- In 2008, the turnover in structured products reached about 80% (CHF 60.36 bn) of the previous year's turnover of CHF 75.37 bn.
- Leverage products which traditionally account for the biggest part of stock exchange turnover, have experienced 2008 a drop (-27.95%), while participation products (+21.52%) and capital protection products (+19.6%) showed a significant growth.

3. Structured products at the Scoach exchange

3.2 Turnover in the last 12 months

in CHF bn

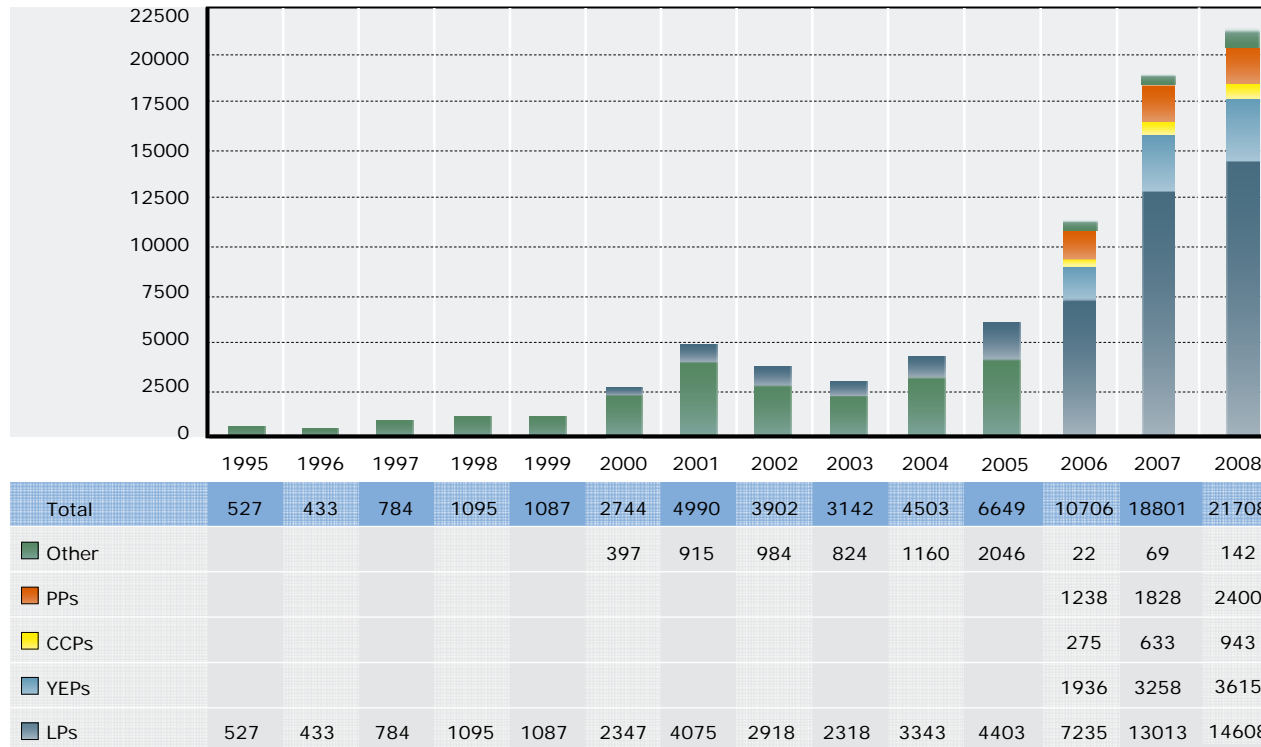


Source: Derivative Partners Research AG

- In December 2008, the turnover (CHF 2.85 bn) was the lowest in the entire year. Compared with the month before, turnover dropped by CHF 0.49 bn (-14.67%). Leverage products accounted for the largest share (CHF 1.64 bn or 57.54%). Investments funds market share rose slightly to 42.46% by the end of the year.

3. Structured products at the Scoach exchange

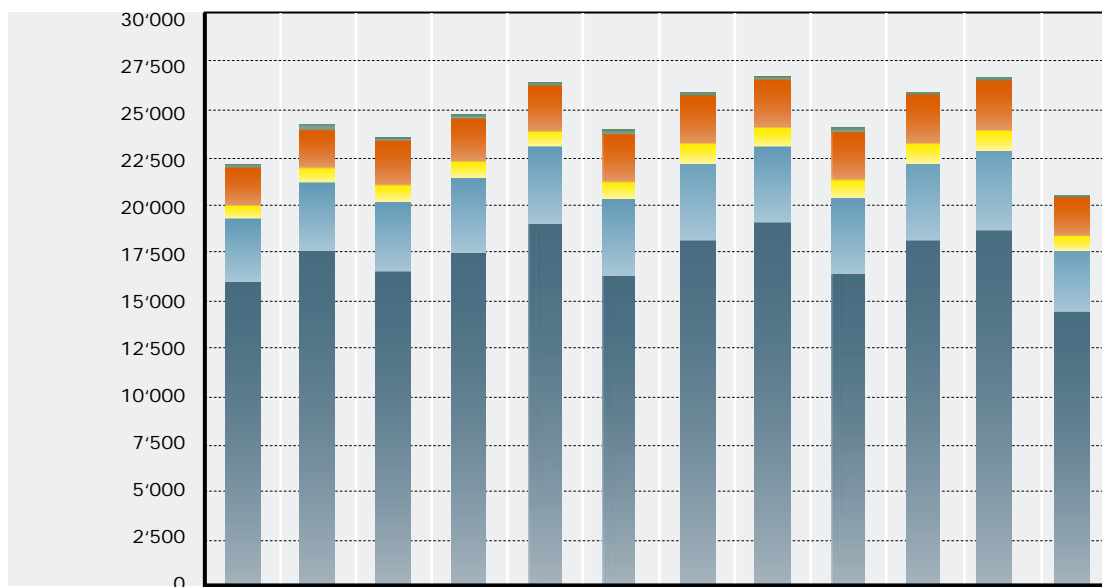
3.3 Numbers of listed products, 1995 –2008



Source: Derivative Partners Research AG

3. Structured products at the Scoach exchange

3.4 Numbers of listed products in the last 12 months



	Jan08	Feb08	Mar08	Apr08	May08	Jun08	Jul08	Aug08	Sep08	Oct08	Nov08	Dec08
Total	22259	24286	23005	24926	26755	24142	25831	26631	24638	26141	26423	21708
Others	74	75	74	78	80	83	80	79	92	189	125	142
PPs	1998	2168	2221	2399	2506	2587	2644	2621	2602	2524	2474	2400
CPPs	672	752	776	830	890	950	985	1016	1032	1040	1014	943
YEPs	3613	3953	4065	4282	4450	4457	4411	4334	4216	3960	3766	3615
LPs	15902	17338	15869	17337	18829	16065	17711	18581	16741	18428	19044	14608

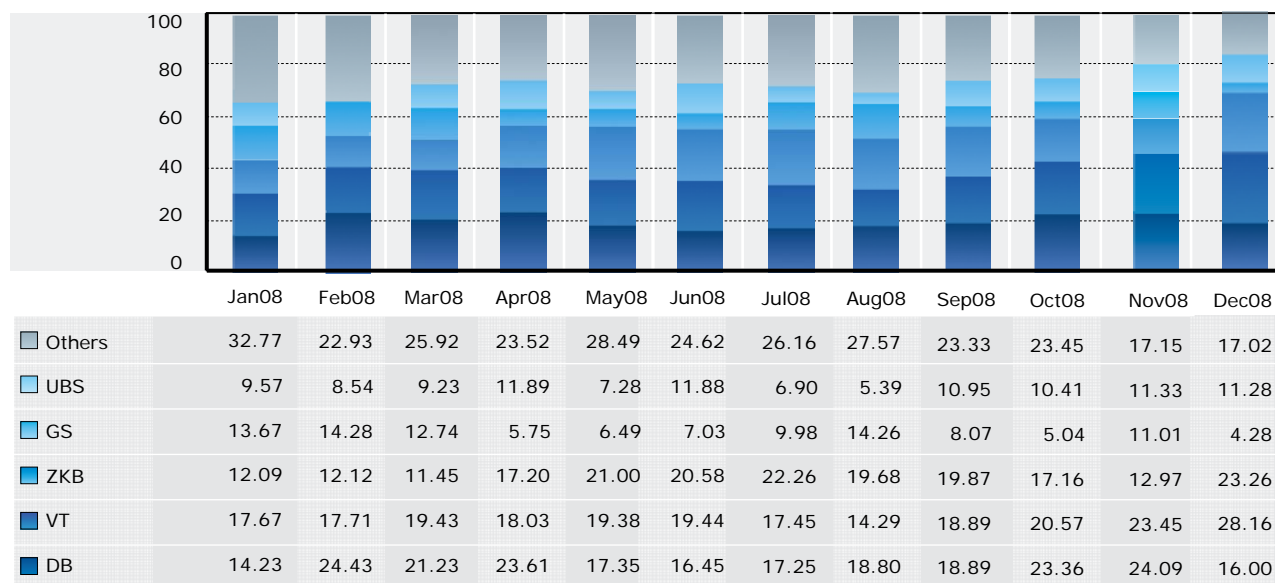
Source: Derivative Partners Research AG

- At the end of December 2008 the number of listed products dropped for the first time since September.
- Compared to the previous month the decrease was significant. Instead of 26'423 products listed at Scoach exchange in November, the number dropped to 21'708 (-17.84%) at the end of December 2008.
- This decline is mainly due to the expiring of numerous listed products by the end of the year and the continuing reluctance in issuing new products.

3. Structured products at the Scoach exchange

3.5 Market shares of the five biggest issuers

in percent



■ In 2008, the five biggest issuers of stock-exchange-listed structured products were Bank Vontobel (market share December: 28.16%), Zürcher Kantonalbank (23.26%), Deutsche Bank (16%), UBS (11.28%) and Goldman Sachs (4.28%). Bank Julius Bär belongs to the five biggest issuers of December 2008, with a market share of 4.65% .

■ Winners of the year are ZKB (+92.39%); Vontobel (+59.37%); UBS (+17.87%) and Deutsche Bank (+12.44%). Goldman Sachs declined market share by -68.69%.

■ Scoach exchange market shares are representative for the overall market to only a limited extent due to the volume traded outside the exchange.

4. Appendix

4.1 Abbreviations

Leverage Products.....	LPs
Capital Protected Products.....	CPPs
Participation Products	PPs
Yield Enhancement Products	YEPs
Other products	Other
billion.....	bn

4.2 Issued by

Swiss Structured Products Association SSPA

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Published monthly and quarterly in more detail

4.3 Data sources

Swiss National Bank: Monthly Statistical Bulletin,
Derivative Partners Research AG,
in-house surveys

Key date 30 December 2008.

4.4 Disclaimer

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