

Market Report Structured Products Quarterly Report

March 2010

Swiss Structured Products Association SSPA



New content:
4-digit categorization (EUSIPA) and
classification of SNB-statistics by
product categories

Contents

1. Main points at a glance	
1.1 Key figures.....	3
1.2 Information of the SSPA.....	3
2. Product categorization	
2.1 SSPA product categorization	4
3. Securities held in banks' client deposits	
3.1 Structured products since 2005.....	5
3.2 All categories.....	6
3.3 All categories in percent.....	7
3.4 By client (deposit holders).....	8
4. Structured products at the Scoach exchange	
4.1 Turnover 1995 – 2009.....	9
4.2 Turnover in the last 12 months.....	10
4.3 Number of listed products 1995 –2009.....	11
4.4 Number of listed products in the last 12 months.....	12
4.5 New issues 2002 – 2009	13
4.6 New issues in the last 12 months.....	14
4.7 Market shares of the five largest issuers	15
5. Appendix	
5.1 Abbreviations.....	16
5.2 Issued by.....	16
5.3 Data sources.....	16
5.4 Disclaimer.....	16

1. Main points at a glance

1.1 Key figures

- CHF 240.33 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of January 2010 (most recent data from the Swiss National Bank).
- Compared with other types of securities this represents 5.51% of the Swiss deposits.
- Private investors account for a 33.3% share in deposits, institutional investors for 60.83% and commercial clients for 5.83%.
- The Scoach exchange turnover of structured products in March 2010 was CHF 3.53 bn, which is an increase of 10.14% compared to the previous month.
- The category of leverage products holds a share of 55.38% of the total turnover. The share for investment products rose to 44.62%.
- 26'175 products were listed at the end of March of which 12'051 (46.04%) were issued in the first quarter.
- In March, the five biggest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: 22.33%), ZKB (20.92%), UBS (12.37%), Bank Julius Bär (10.32%) and Deutsche Bank (9.89%). The share of all other issuers went up to 24.17%.

1.2 Information of the SSPA

- Retroactively to July 2009 the Swiss National Bank has publicized the categorization of Structured Products held in bank deposits. This classification is also used in this report as of now.
- Furthermore the EUSIPA-compliant 4-digit product categorization is introduced which will replace the 3-digit code by the end of the year.
- A new version of the Swiss Derivative Map is available since October 2009.
- For more information about product types, footnotes and the Swiss Derivative Map, visit the association website: www.svsp-verband.ch.
- On this website there can also be found information about issuer creditworthiness and the newly launched SVSP Risk Figure (SVSP 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 31.03.2010

INVESTMENT PRODUCTS

11 Capital Protection		12 Yield Enhancement		13 Participation	
1100	Uncapped Capital Protection	1200	Discount Certificates	1300	Tracker Certificates
1110	Exchangeable Certificates	1210	Barrier Discount Certificates	1310	Outperformance Certificates
1120	Capped Capital Protection	1220	Reverse Convertibles	1320	Bonus Certificates
1130	Capital Protection with Knock-Out	1230	Barrier Reverse Convertibles	1330	Outperformance Bonus Certificates
1135	Capital Protection with Double Knock-Out	1240	Capped Outperformance Certificates	1340	Twin-Win Certificates
1140	Capital Protection with Coupon	1250	Capped Bonus Certificates	1399	Various Participation
1199	Various Capital Protection	1260	Express Certificates		
		1299	Various Yield Enhancement		

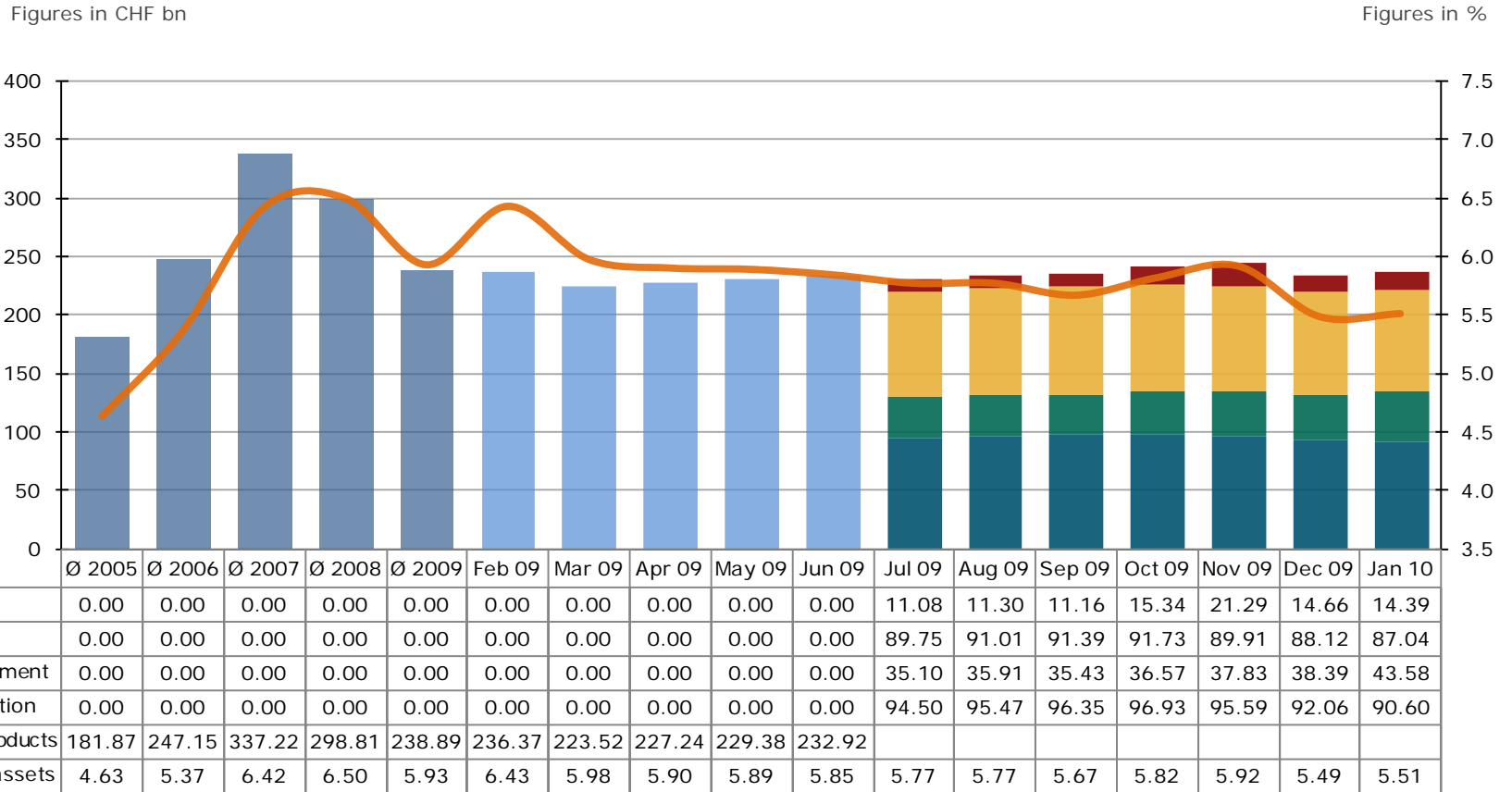
LEVERAGE PRODUCTS

21 Leverage without Knock-Out		22 Leverage with Knock-Out	
2100	Warrants	2200	Knock-Out Warrants
2110	Spread Warrants	2210	Mini-Futures
2199	Various Leverage without Knock-Out	2299	Various Leverage with Knock-Out

- The Association's product classification comprises five main groups and 22 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 2005



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 2005	3'927	58	1'202	1'467	1'012	182	36
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	1'193	1'248	1'227	239	2
Feb 09	3'675	141	1'152	987	1'157	236	2
Mar 09	3'740	134	1'151	1'062	1'168	224	2
Apr 09	3'850	133	1'158	1'146	1'183	227	2
May 09	3'894	130	1'159	1'190	1'183	229	2
Jun 09	3'985	135	1'192	1'206	1'217	233	2
Jul 09	4'140	130	1'221	1'303	1'245	239	2
Aug 09	4'208	125	1'221	1'357	1'261	243	2
Sep 09	4'290	143	1'228	1'397	1'276	243	2
Oct 09	4'264	137	1'226	1'380	1'269	250	2
Nov 09	4'238	108	1'224	1'385	1'268	251	2
Dec 09	4'355	114	1'239	1'457	1'303	239	2
Jan 10	4'360	113	1'248	1'442	1'314	240	2

- Since January 2009 total securities held increased from CHF 3'844 bn to CHF 4'360 bn in January 2010 (plus CHF 516 bn), which is a non-price-adjusted plus of 13.42%.
- In this period of time the market for structured products declined from CHF 254 bn to CHF 240 bn. This is a decrease of 5.51%.
- Since October 2009 first of all shares (+4.52%), investment funds (+3.56%) and bonds profited by the influx of client investment. The largest drawback is seen for money market papers (-17.64%). The market for structured products was in a continuous growth since March 2009 and seems to recover again with the beginning of the year.

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 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
Ø 2008	2.51	25.69	33.37	31.88	6.50	0.06
Ø 2009	3.24	29.53	30.89	30.37	5.92	0.05
Feb 09	3.84	31.35	26.86	31.47	6.43	0.06
Mar 09	3.59	30.77	28.39	31.22	5.98	0.05
Apr 09	3.45	30.09	29.77	30.74	5.90	0.05
May 09	3.34	29.78	30.55	30.39	5.89	0.05
Jun 09	3.38	29.92	30.27	30.54	5.85	0.05
Jul 09	3.14	29.49	31.48	30.08	5.77	0.05
Aug 09	2.97	29.01	32.24	29.96	5.77	0.04
Sep 09	3.34	28.63	32.56	29.75	5.67	0.04
Oct 09	3.21	28.75	32.36	29.76	5.86	0.05
Nov 09	2.55	28.88	32.68	29.92	5.92	0.05
Dec 09	2.62	28.45	33.46	29.92	5.49	0.05
Jan 10	2.59	28.63	33.08	30.14	5.51	0.04

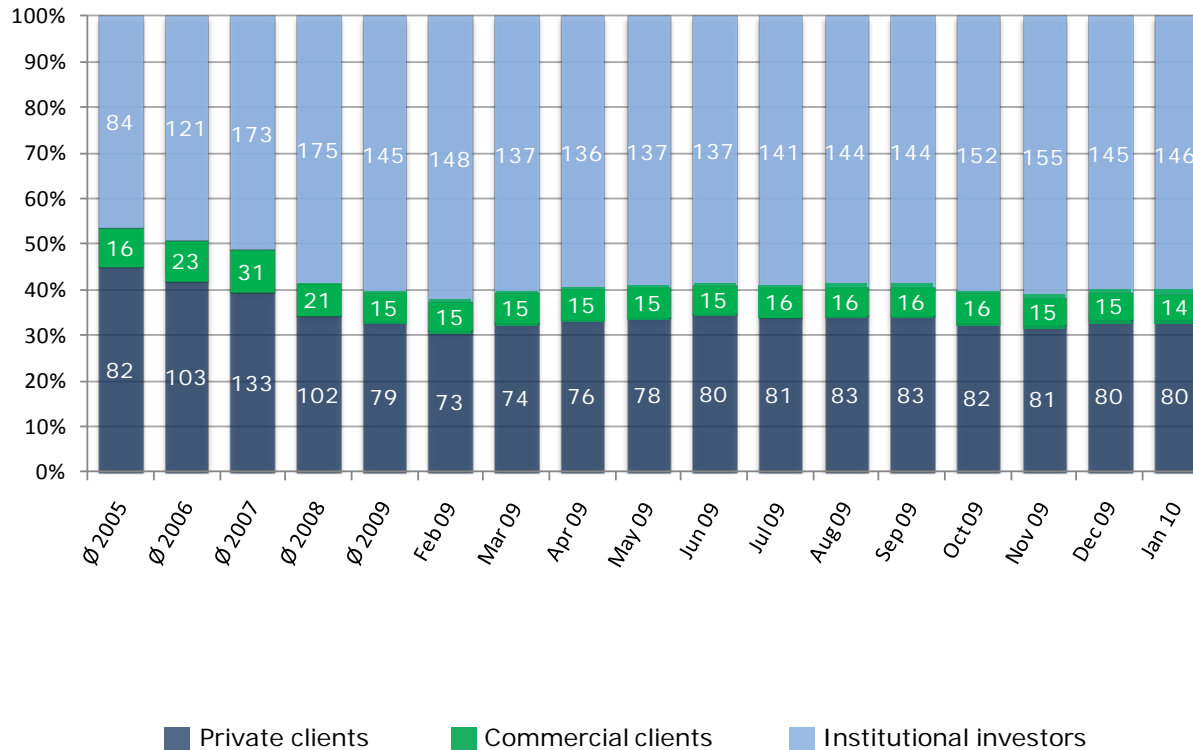
- In January 2010 5.51% of all client deposits were invested in Structured Products.
- Compared to the beginning of the year 2009 (6.61%) this is a decline of 16.64%. Since December 2009 however its share increased again by 0.45%.
- In all other asset classes there has been a shift away from money market papers (-19.45%) to shares (+2.22%) and investment funds (+1.28%). The share of bonds remained relatively stable (-0.42%).

Source: SNB Monthly Statistical Bulletin, latest available figures

3. Securities held in banks' client deposits

3.4 By client (deposits holders)

Figures in CHF bn



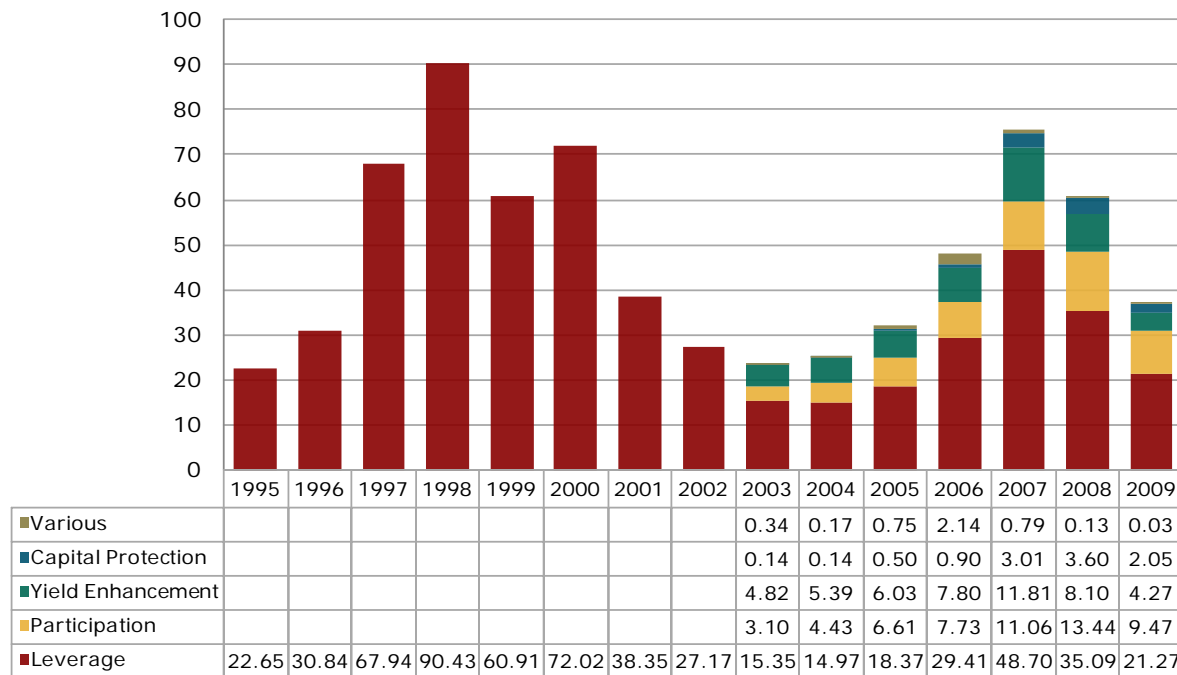
- During 2008 there has been a constant shift in client deposits. Remarkable in particular was the dropping market share of private clients. This value however is rising again continuously since January 2009 and remains stable since the end of 2009 at around 33%. In October 2009 institutional investors reached the share of more than 60% for the first time since March.
- The 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 Scoach exchange

4.1 Turnover 1995 - 2009

Figures in CHF bn



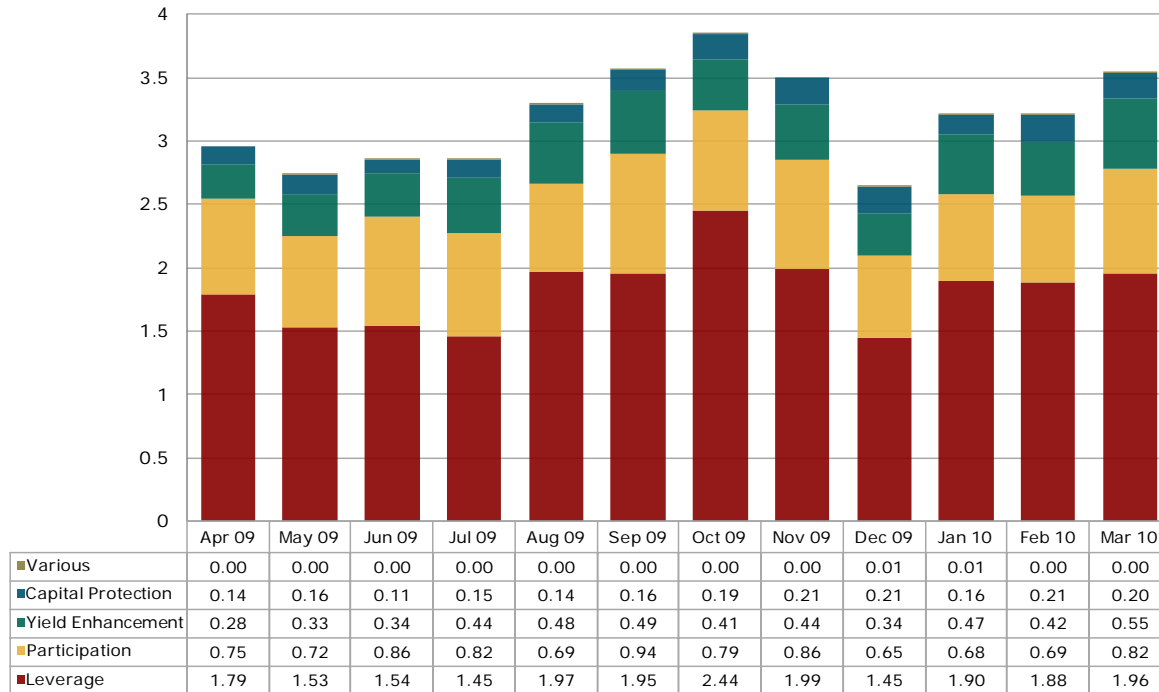
- With a total turnover of CHF 37.09 bn in 2009 on the Scoach exchange it was the weakest-selling year since 2005 (CHF 32.25 bn).
- Compared to the previous year 2008 turnover declined by CHF 23.27 bn (-38.55%). Measured against the exceptionally strong year 2007 it equates to half of the turnover.
- Whereas in 2008 first and foremost leverage products were affected by the decline in turnover (-27.95%) and participation products (+21.52%) as well as capital protection products (+19.6%) gained, in 2009 all categories are declining, especially yield enhancement products (-47.25%) and capital protection products (-43.17%).

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.2 Turnover in the last 12 months

Figures in CHF bn

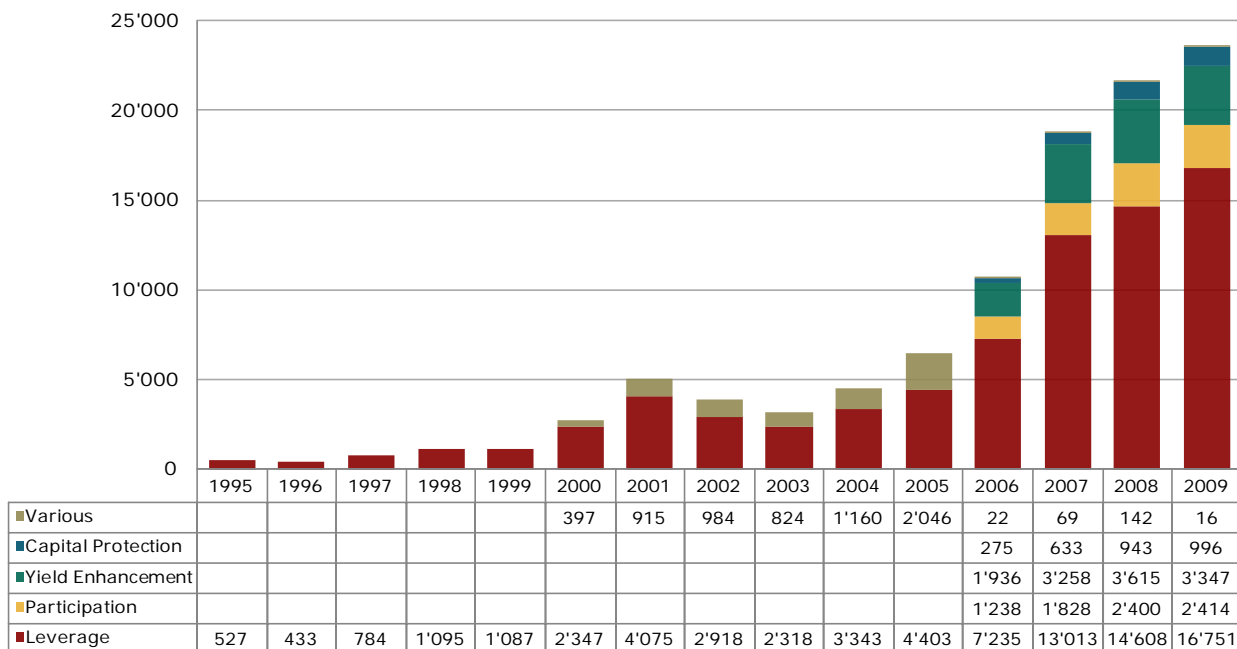


- In the first quarter of 2010 the overall turnover rose distinctively. Compared to the end of 2009 it is an rise of CHF 0.88 bn (+33.24%).
- Increase in turnover during this period was generated by yield enhancement products (+64.97%), leverage products (+35.35%) and participation products. Only the capital protection category accounted for 5.28% less.

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.3 Number of listed products 1995 – 2009*



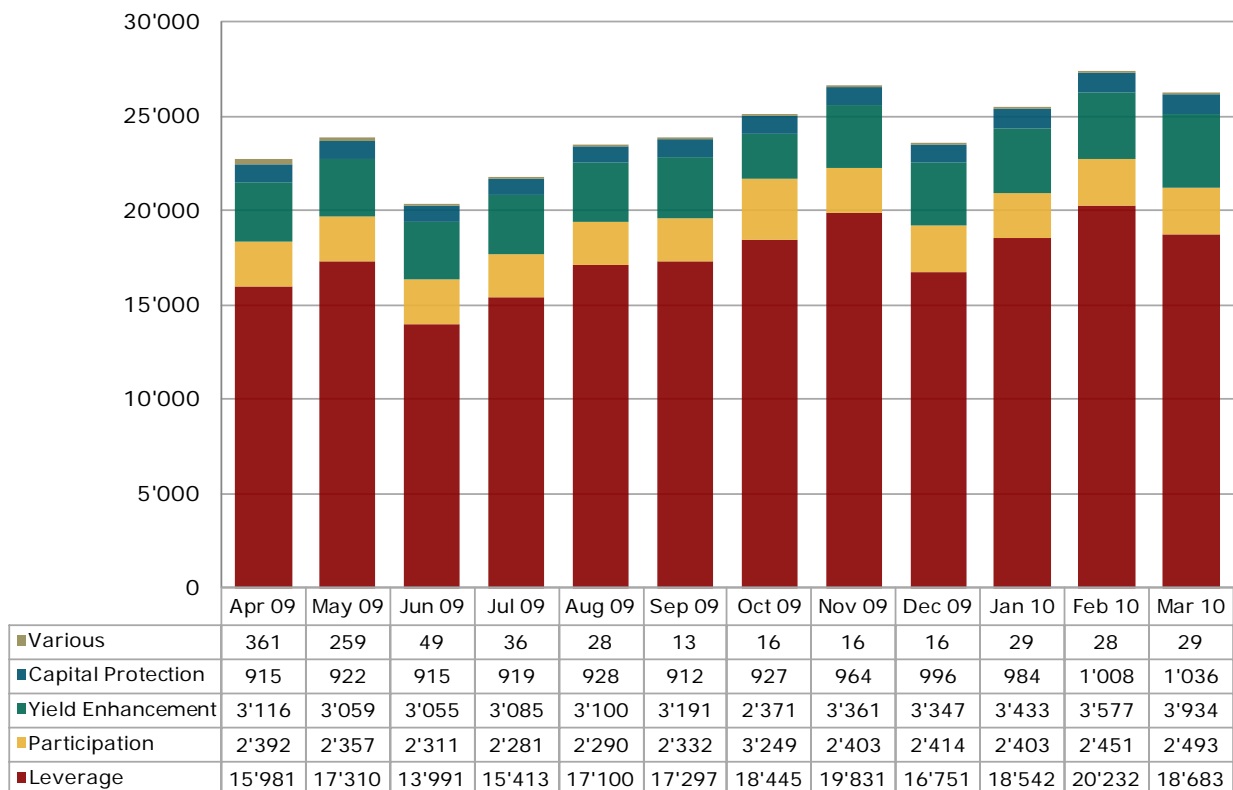
- With an amount of 23'524 products at the end of 2009 the previous year had been exceeded again, following a constant growth. Compared to 2008 the increase totals 1'816 products (+8.36%).
- Whereas in 2008 growth took place in all product categories, last year increasingly leverage products have been issued.

* Number of listed products at the end of each year

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.4 Number of listed products in the last 12 months

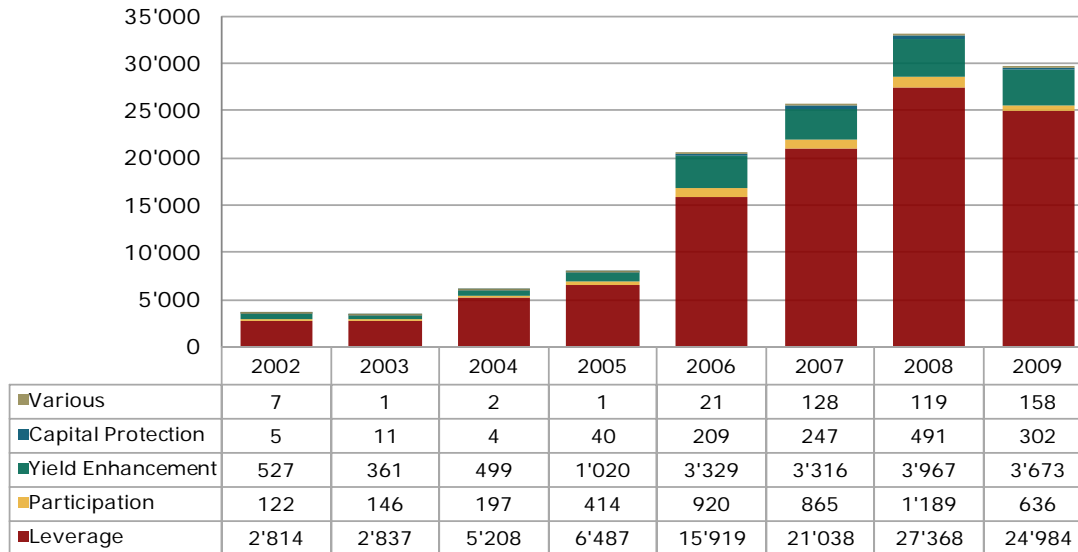


- Since June 2009 the number of listed products continuously rose and peaked in November with 26'575, the highest number since August 2008. This level was surpassed again in February 2010 with a total of 27'296.
- In the first quarter of 2010 all product categories grew but first and foremost yield enhancement products (+17.53%) and leverage products (+11.53%), whereas the other categories remained stable.
- The slight downturn in March is primarily due to one of the common expiration dates on which approximately 3'000 products were delisted.

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.5 New issues 2002 – 2009

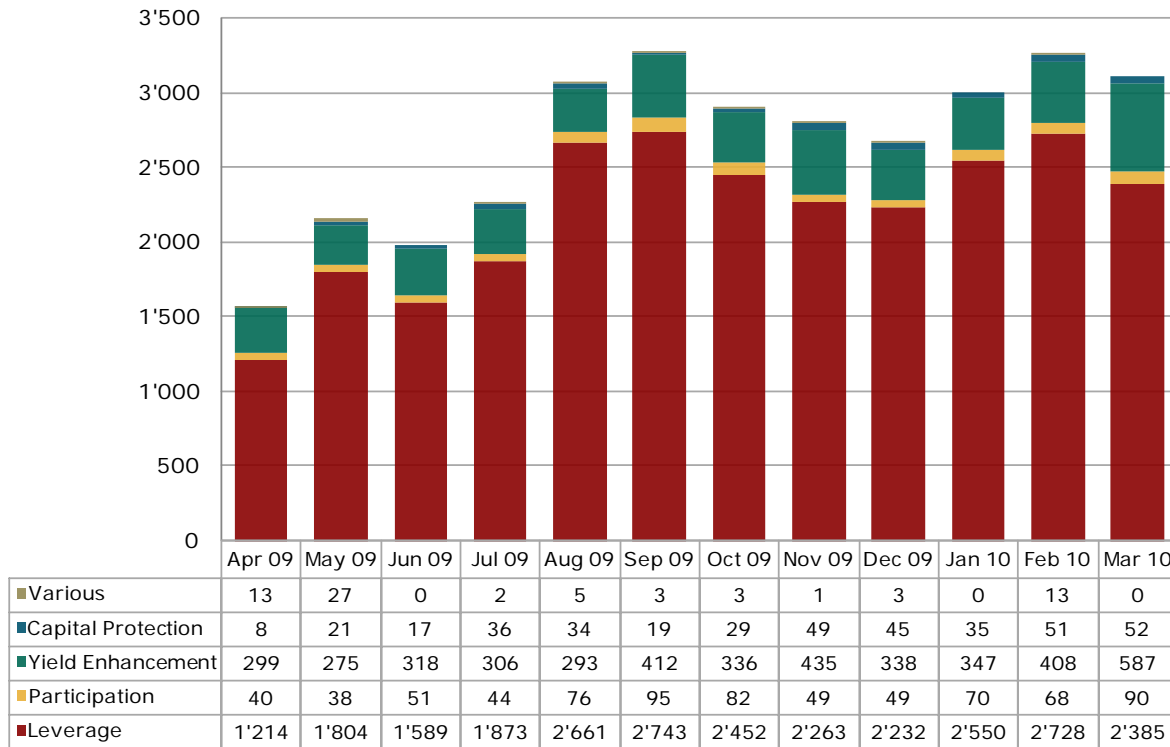


- Whereas in 2008 all previous years were topped with a number of 33'134 new issues, the amount of newly listed products declined in 2009 for the first time since six years. Compared to 2008 it is a decline of 10.23%.
- Leverage products accounted for the biggest part of the 29'753 products with roughly 84%. Primarily yield enhancement products were issued in the category of investment products.

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.6 New issues in the last 12 months



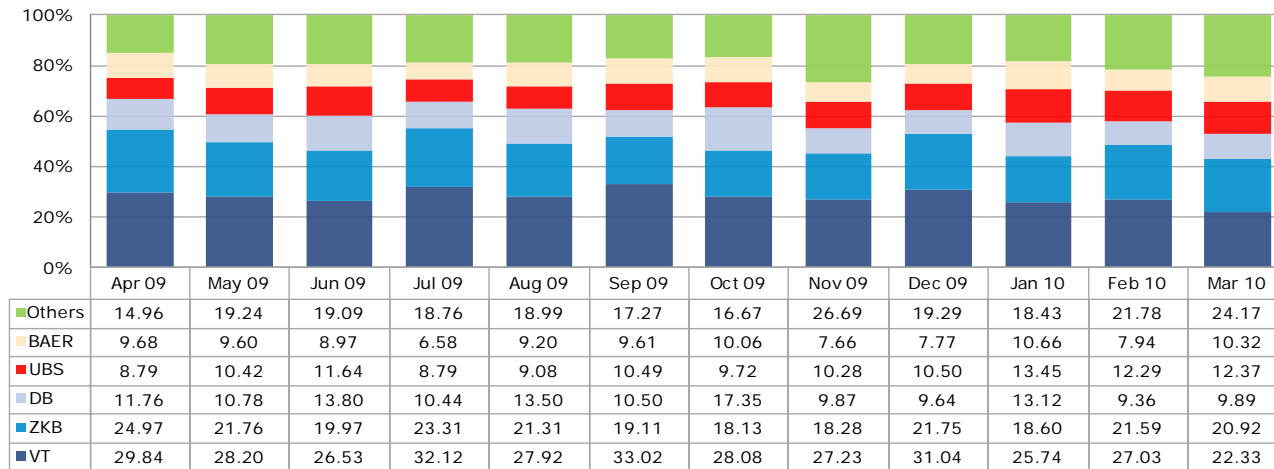
- After the slowdown of new issues at the end of the year in the first quarter the number of new products increased remarkably.
- Whereas in December 2009 2'667 products were issued there are already 3'114 in March (+16.76%).
- In the first quarter of this year 9'384 products were issued.

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.7 Market shares (turnover) of the five largest issuers

Figures in %



- In March 2010, the five biggest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: 22.33%), ZKB (20.92%), UBS (12.37%), Bank Julius Bär (10.32%) and Deutsche Bank (9.89%).
- First of all Bank Julius Bär (+32.79%) and UBS (+17.83%) improved their market shares compared to the end of last year. Whereas Deutsche Bank remained stable with +2.55% market share was lost by ZKB (-3.80%) and the market leader Vontobel (-28.07%).

Source: SIX Swiss Exchange, Derivative Partners Research AG

5. Appendix

5.1 Abbreviations

Leverage Products.....	Leverage
Capital Protection Products.....	Capital Protection
Participation Products.....	Participation
Yield Enhancement Products.....	Yield Enhancement
Other Products.....	Various
Billion.....	bn

5.2 Issued by

Swiss Structured Products Association SSPA

Splügenstrasse 10, CH-8002 Zurich, Switzerland

www.sspa-association.ch

Contact: peter.keller@svsp-verband.ch

Published monthly / quarterly in more detail

5.3 Data sources

Swiss National Bank: Monthly Statistical Bulletin

SIX Swiss Exchange

Derivative Partners Research AG

In-house surveys

Key date is 31st March 2010

5.4 Disclaimer

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

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