

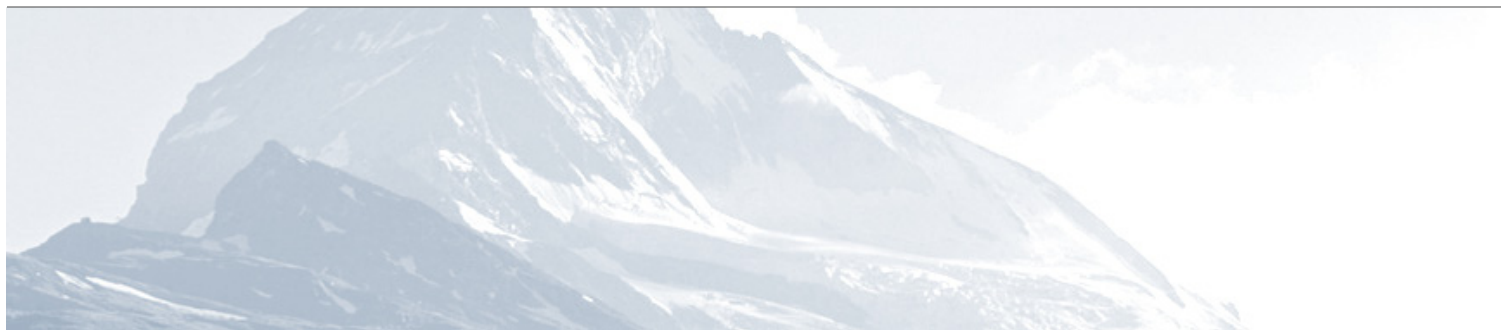
# Market Report Structured Products

## Quarterly Report

December 2010

### Swiss Structured Products Association SSPA

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## 1. Main points at a glance

### 1.1 Key figures

- CHF 211.45 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of October 2010 (most recent data from the Swiss National Bank).
- Compared with other types of securities this represents 4.77% of all Swiss deposits.
- Private investors account for a 37.26% share in deposits, institutional investors for 56.13% and commercial clients for 6.60%.
- The Scoach exchange turnover of structured products in December 2010 was CHF 3.23 bn, which is an decrease of 23.46% compared to the previous month.
- The category of leverage products holds a share of 56.97% of the total turnover. The share for investment products rose to 43.03%.
- 30'351 products were listed at the end of December of which 11'420 (37.63%) were issued in the fourth quarter.
- In December, the five biggest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: 25.97%), ZKB (20.86%), UBS (10.90%), Bank Julius Bär (9.98%) and Deutsche Bank (9.85%). The share of all other issuers decreased to 22.45%.

### 1.2 Information of the SSPA

- A new version of the Swiss Derivative Map is available since October 2010.
- For more information about product types, footnotes and the Swiss Derivative Map, visit the association website: [www.sspa-association.ch](http://www.sspa-association.ch).
- On this website one can also find 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 31.12.2010

#### 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		

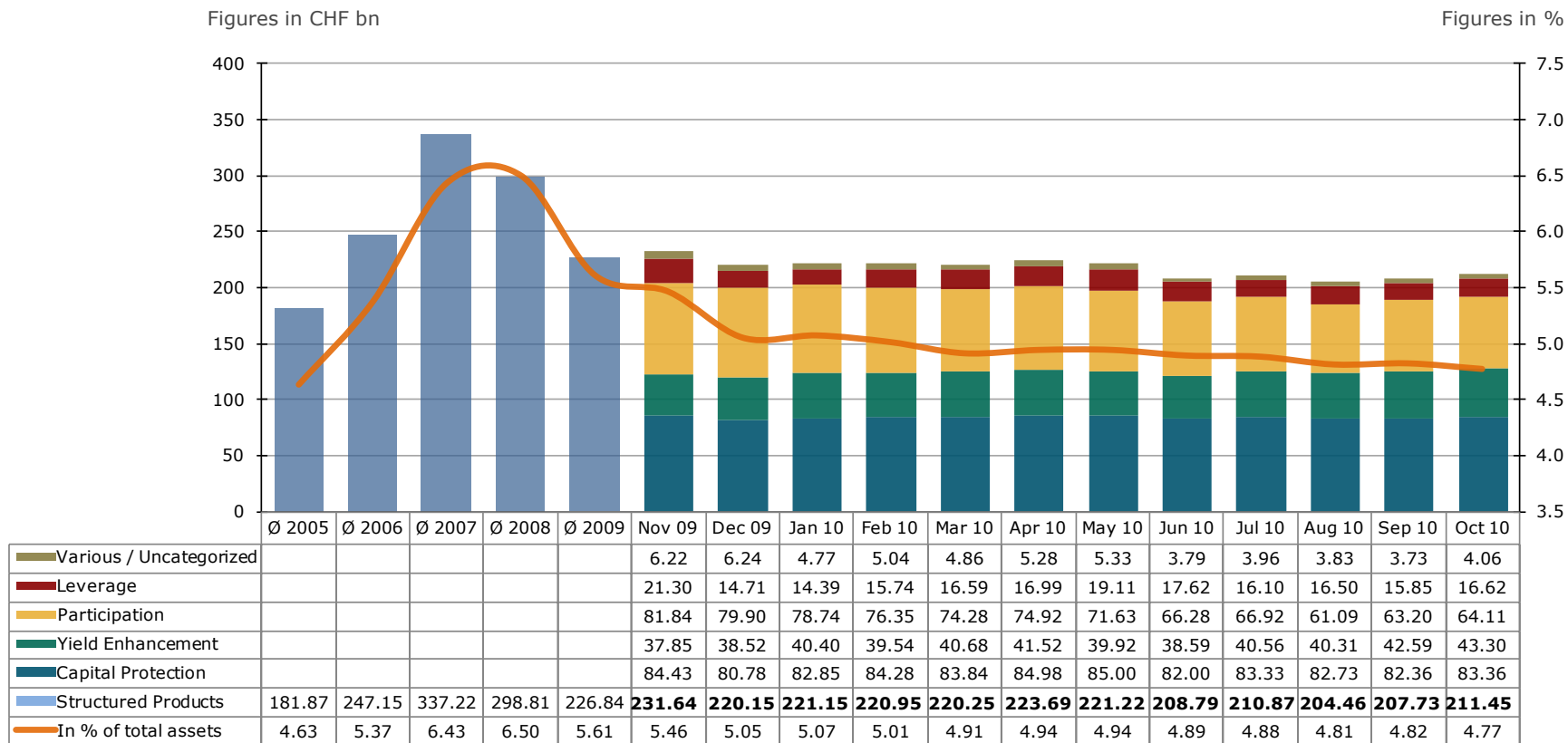
#### LEVERAGE PRODUCTS

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](http://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	1'205	1'249	1'227	227	2
Oct 09	4'264	137	1'253	1'380	1'264	229	2
Nov 09	4'243	108	1'253	1'386	1'263	232	2
Dec 09	4'357	114	1'266	1'457	1'298	220	2
Jan 10	4'362	113	1'275	1'442	1'309	221	2
Feb 10	4'412	111	1'296	1'458	1'325	221	2
Mar 10	4'487	105	1'282	1'529	1'348	220	2
Apr 10	4'528	106	1'295	1'518	1'384	224	2
May 10	4'474	107	1'308	1'451	1'386	221	2
Jun 10	4'271	104	1'259	1'378	1'319	209	2
Jul 10	4'325	100	1'264	1'425	1'323	211	2
Aug 10	4'248	120	1'243	1'385	1'295	204	2
Sep 10	4'311	109	1'254	1'418	1'320	208	2
Oct 10	4'429	120	1'265	1'474	1'356	211	2

- Since January 2010 total securities held increased from CHF 4'362 bn to CHF 4'429 bn in October 2010 (plus CHF 67 bn), which is a non-price-adjusted plus of 1.54%.
- In this period, the market for structured products decreased from CHF 221.15 bn to CHF 211.45 bn. This is a decrease of 4.39%.
- Money market papers (+ 6.55%), investment funds (+3.58%) and shares (+2.22%) could profit from increase in deposits since the beginning of the year, whereas structured products (-4.39%) and bonds (-0.72%) declined. Other securities also accounted for major losses (- 10.51%).

Source: SNB Monthly Statistical Bulletin, latest available figures

## 3. Securities held in banks' client deposits

### 3.3 All categories in percent

Figures in %

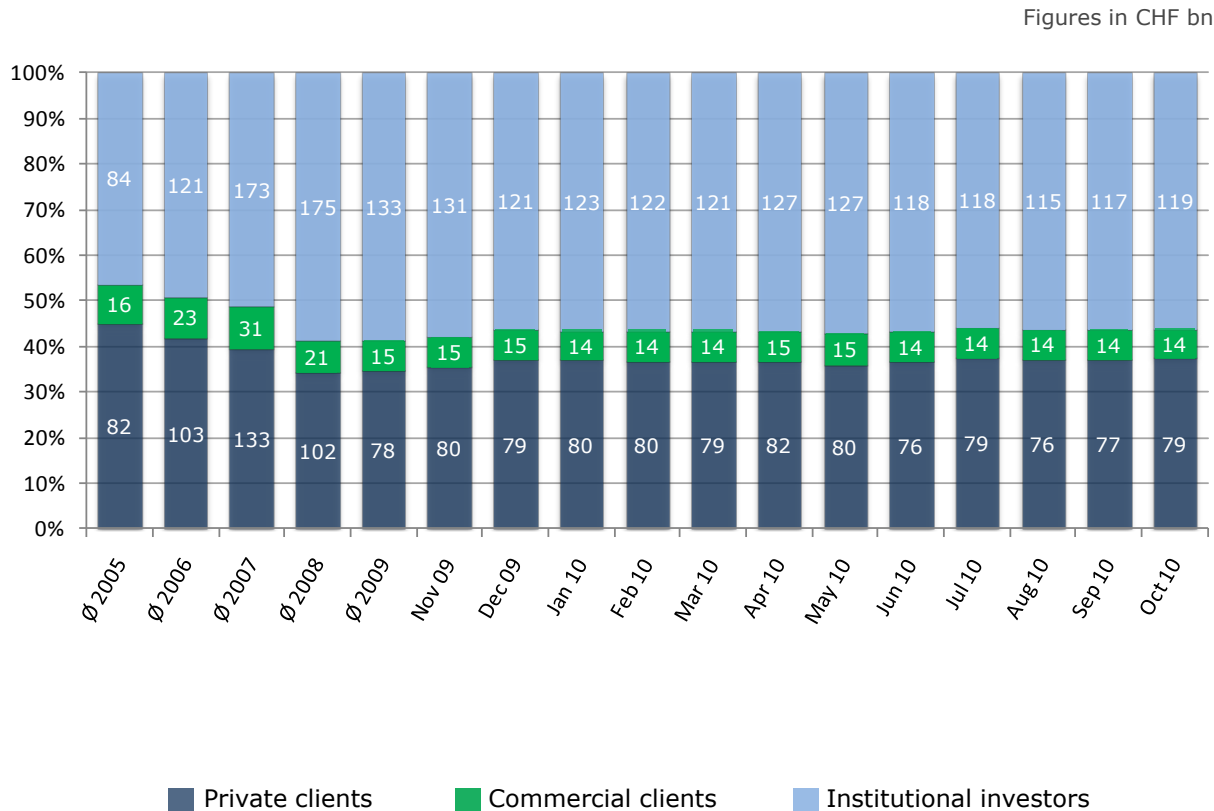
Date	Money Market	Bonds	Shares	Investment Funds	Structured Products	Other Securities
Ø 2005	1.48	30.61	37.36	25.76	4.63	0.92
Ø 2006	1.46	26.16	38.25	28.42	5.37	0.33
Ø 2007	1.57	23.49	37.93	30.48	6.43	0.11
Ø 2008	2.51	25.69	33.37	31.88	6.50	0.06
Ø 2009	3.23	29.84	30.90	30.37	5.61	0.05
Oct 09	3.22	29.38	32.36	29.64	5.36	0.05
Nov 09	2.55	29.53	32.66	29.76	5.46	0.04
Dec 09	2.62	29.04	33.44	29.80	5.05	0.04
Jan 10	2.59	29.22	33.06	30.02	5.07	0.04
Feb 10	2.51	29.37	33.04	30.03	5.01	0.04
Mar 10	2.34	28.58	34.09	30.05	4.91	0.04
Apr 10	2.33	28.61	33.51	30.57	4.94	0.04
May 10	2.38	29.23	32.43	30.97	4.94	0.04
Jun 10	2.44	29.47	32.27	30.89	4.89	0.04
Jul 10	2.32	29.24	32.95	30.58	4.88	0.04
Aug 10	2.81	29.25	32.60	30.49	4.81	0.04
Sep 10	2.53	29.10	32.89	30.62	4.82	0.04
Oct 10	2.71	28.57	33.29	30.62	4.77	0.04

- In October 2010 4.77% of all client deposits were invested in Structured Products.
- Compared to the beginning of the year 2010 (5.07%) this is a decline of 5.92%.
- In all other asset classes there has for the same period been a shift away from structured products (-5.84%) and bonds (-2.23%) whereas investment funds (+2.01%) and shares (+0.67%) remained relatively stable. Increase was first of all noted with money market papers (+4.93%).

Source: SNB Monthly Statistical Bulletin, latest available figures

### 3. Securities held in banks' client deposits

#### 3.4 By client (deposits holders)



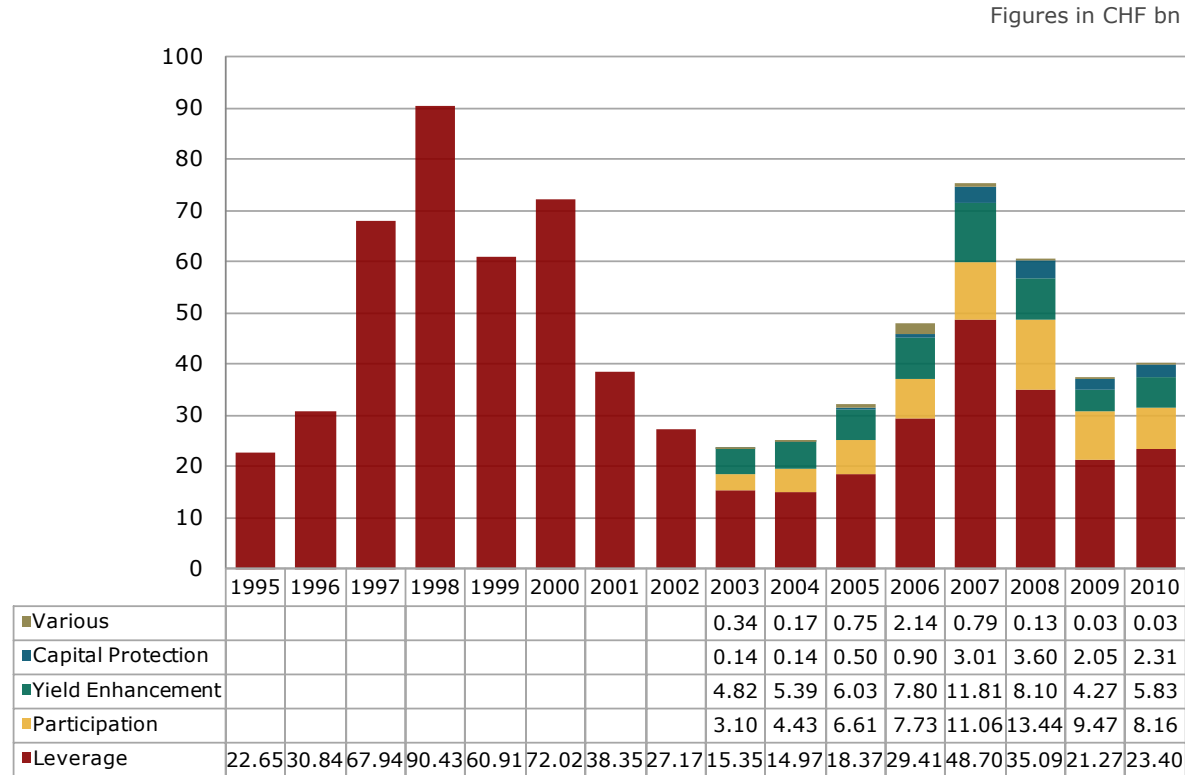
- Since 2008 there has been a constant shift in client deposits. Particularly remarkable was the declining market share of private clients. However, this value is rising again since January 2009 and accounts for 37.26% in October 2010. Whereas the share for institutional investors rose to 56.13%, commercial clients newly account for 6.60%.
- 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 - 2010



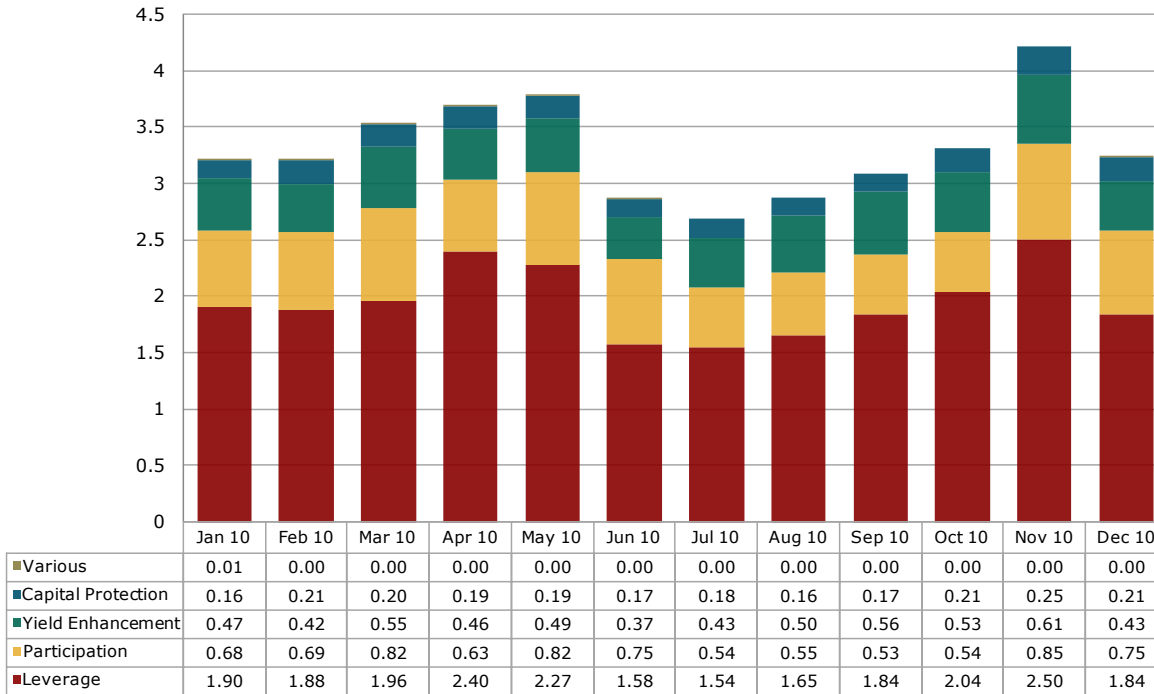
- With a total turnover of CHF 39.73 bn in 2010 on the Scoach exchange there has been a turnaround. The yearly turnover increased for the first time since 2007.
- Compared to the previous year 2009 turnover increased by CHF 2.64 bn (+7.12%). Measured against the exceptionally strong year 2007 it equates to about half of the turnover (52.72%).
- Whereas in 2009 all product categories were affected by the decline in turnover there has been increase in the share of yield enhancement products (+36.48%) and capital protection products (+12.99%) this year. Leverage products also rose by 10.01% whereas participation products (-13.85%) were less in demand.

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

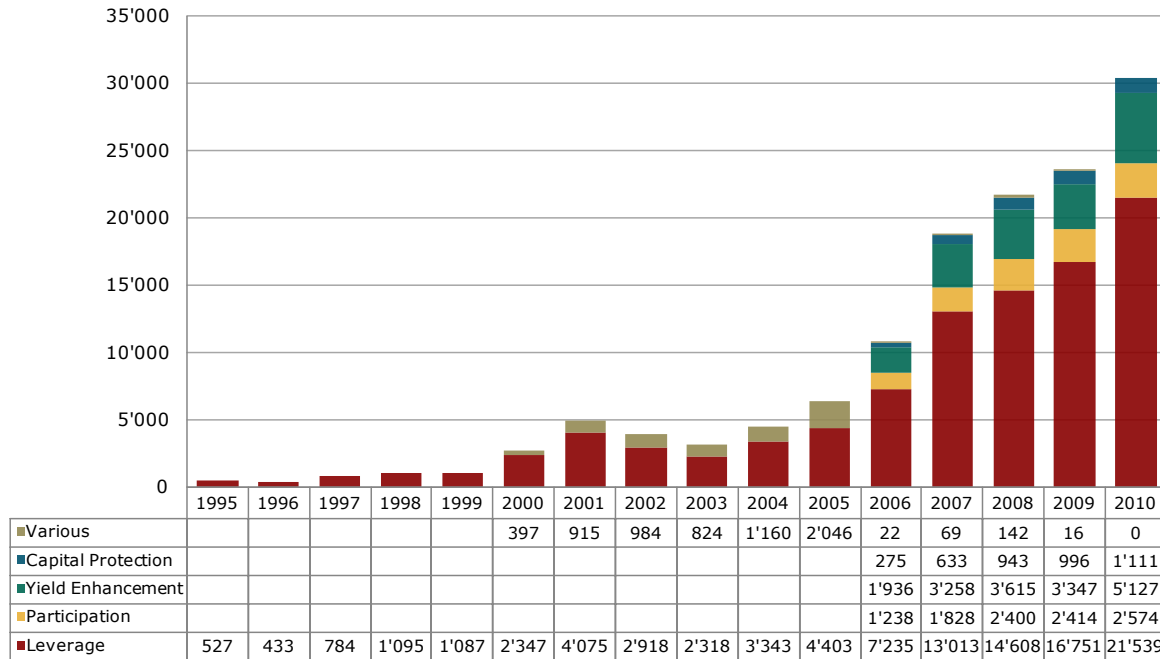


- Since July the turnover rose constantly and reached a new high with CHF 4.22 bn in November. In December 2010 it declined however to CHF 3.23 bn.
- Increase in turnover compared to the beginning of 2010 were generated in the categories of capital protection products (+33.67%) and participation products (+10.0%). The share of yield enhancement products (-8.26%) and leverage products (-3.32%) declined however.

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.3 Number of listed products 1995 – 2010\*



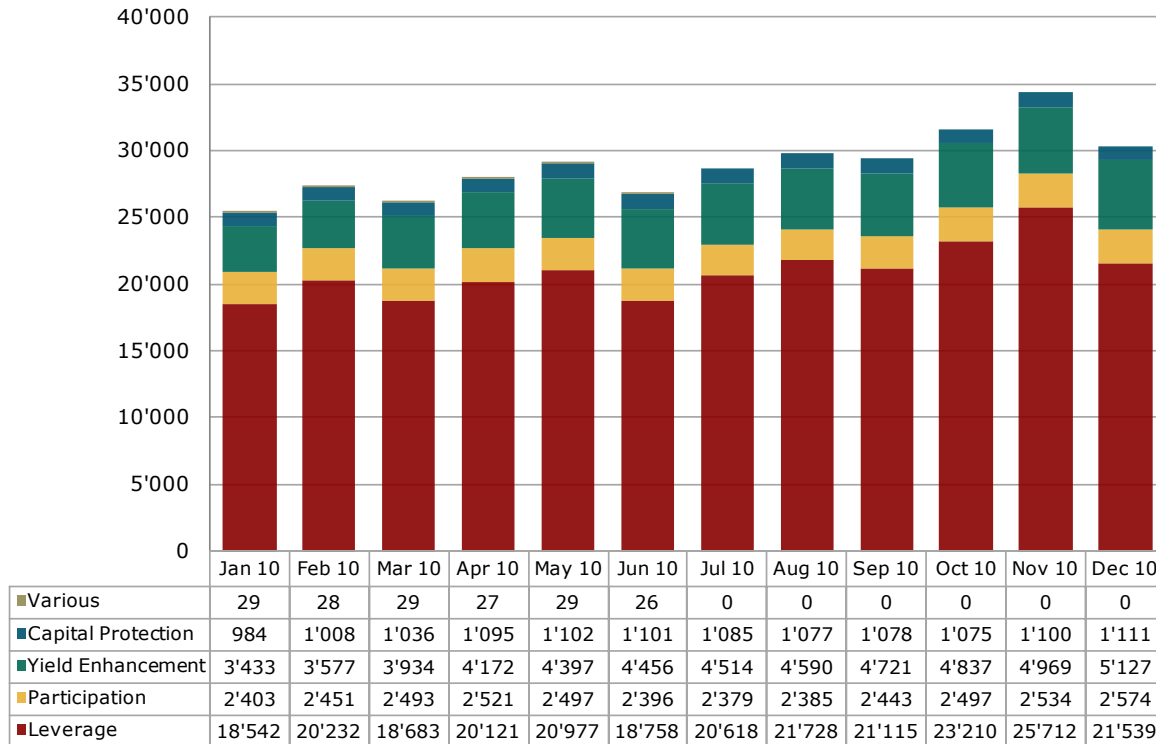
- With an amount of 30'351 products at the end of 2010 the previous year had been exceeded again, following a constant growth. Compared to 2009 the increase totals 6'827 products (+ 29.02%).
- 2010 growth took place again in all product categories, whereas yield enhancement products could profit the most (+53.18%).

\* 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

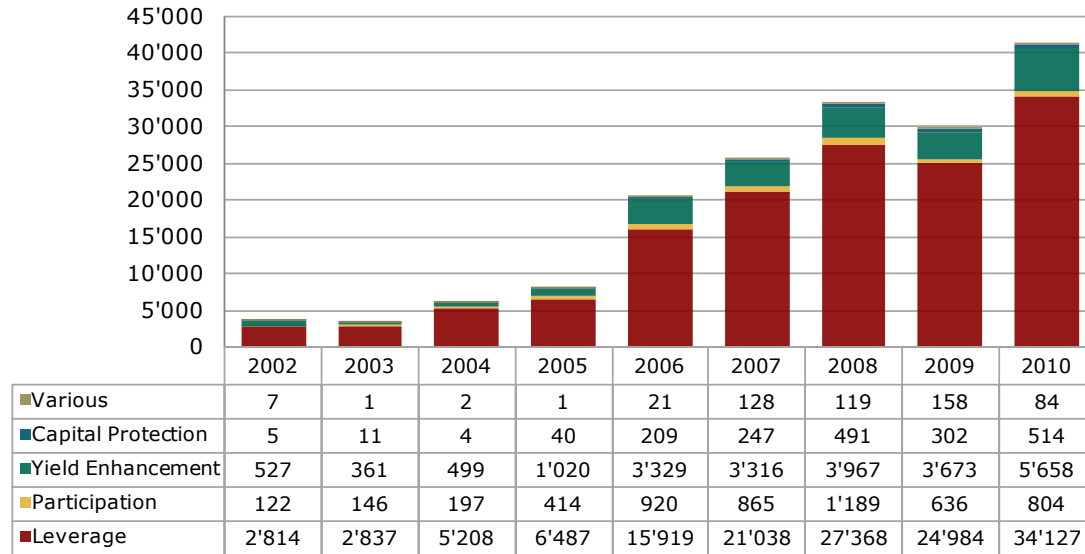


- In the fourth quarter there has been a shift away from leverage products (-7.20%) to investment products. Foremost yield enhancement products (+6.00%) could profit. But also capital protection products (+3.35%) and participation products (+3.08) increased their share.
- Please note that in March as well as in June, September and December 2010 a large amount of products has been delisted due to scheduled expiration (large expiration at the exchanges). This number was especially high in December 2010.

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.5 New issues 2002 – 2010

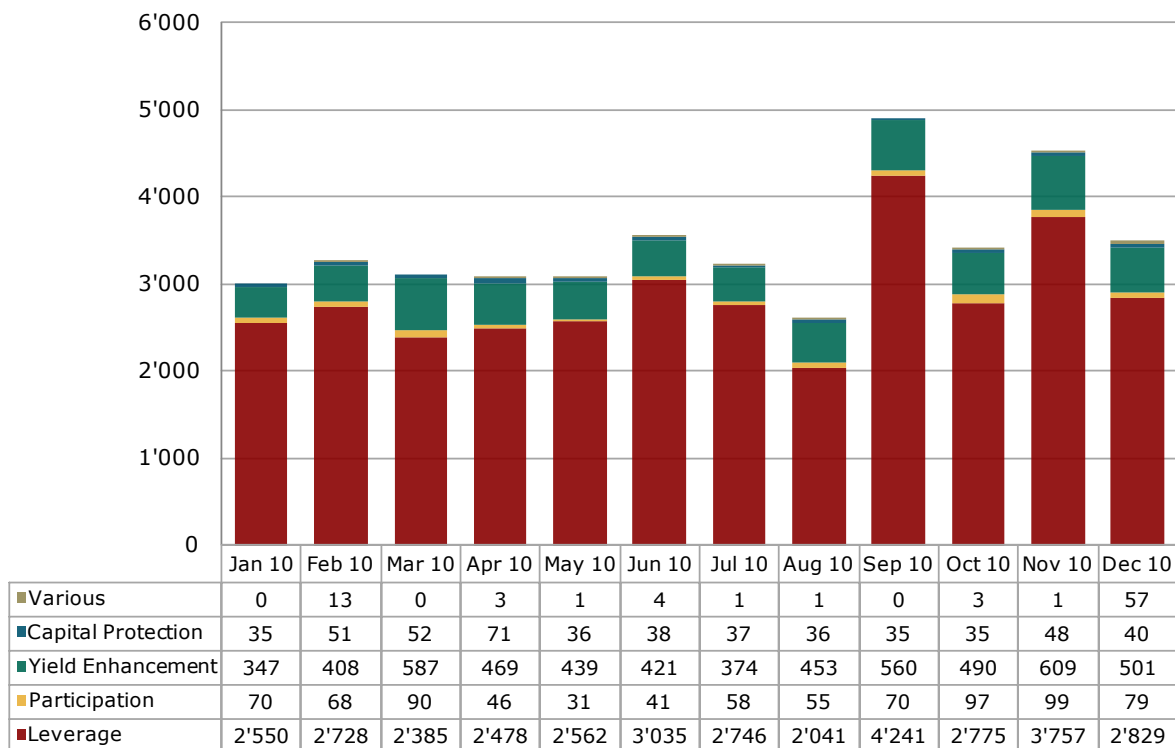


- 2010 topped all previous years with 41'187 new issues. Compared to 2009 it is a plus of 38.43%.
- Leverage products accounted for the biggest part with 82.86%. Primarily yield enhancement products were issued in the category of investment products with a share of 13.74%.

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.6 New issues in the last 12 months



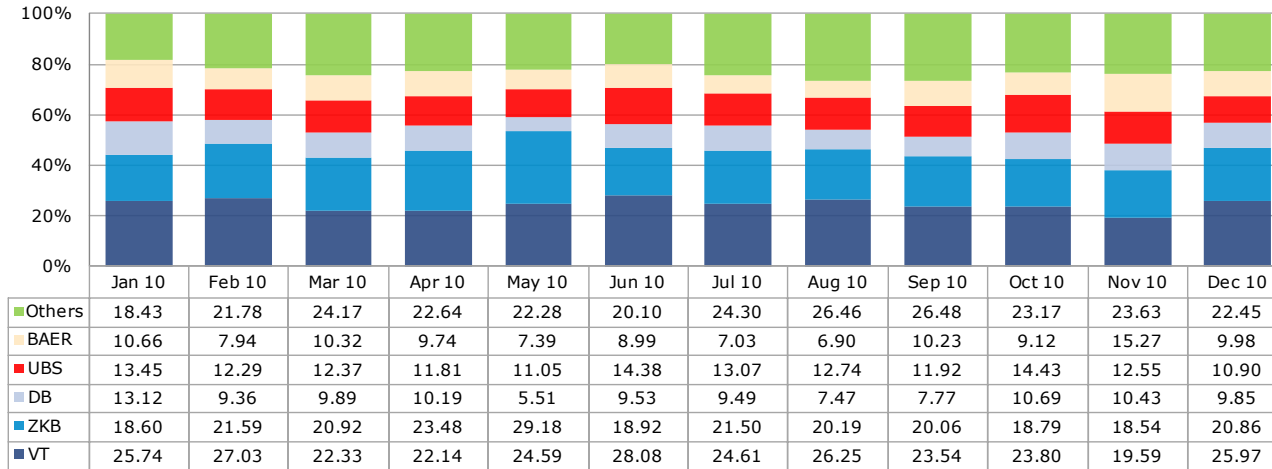
- Whereas 10'708 products were issued in the third quarter of 2010, the fourth quarter saw an increase of 6.65% to 11'420 products. Compared to the first quarter of the year the rise is even bigger with 21.7%.
- September 2010 was the most successful month in more than two years.

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 December 2010, the five largest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: 25.97%), ZKB (20.86%), UBS (10.90%), Bank Julius Bär (9.98%) and Deutsche Bank (9.85%).
- In the fourth quarter ZKB (+11.02%), Bank Julius Bär (+9.43%) and Bank Vontobel (+9.12%) improved their shares. All other lost market shares: the UBS (-24.46%), Deutsche Bank (-7.86%) and all other minor issuers combined (-3.11%).

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](http://www.sspa-association.ch)

Contact: [peter.keller@svsp-verband.ch](mailto: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 December 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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