

# Market Report Structured Products Quarterly Report

September 2011

## Swiss Structured Products Association SSPA

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## 1. Main points at a glance

### 1.1 Key figures

- CHF 189.46 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of July 2011 (most recent data from the Swiss National Bank). This is a minus of 5.32%.
- Compared with other types of securities this represents 4.68% of all Swiss deposits.
- Private investors account for a 36.51% share in deposits, institutional investors for 58.20% and commercial clients for 5.29%.
- The Scoach exchange turnover of structured products in September 2011 was CHF 4.44 bn, which is an decrease of 23.72% compared to the previous month.
- The category of leverage products holds a share of 54.62% of the total turnover. The share for investment products rose to 45.38%.
- 36'394 products were listed at the end of September of which 15'220 (41.82%) were issued in the third quarter.
- In September, the five biggest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: 24.04%), UBS (22.80%), ZKB (19.64%), Deutsche Bank (5.10%) and Bank Julius Baer (4.31%). The share of all other issuers decreased to 21.11%.

### 1.2 Information of the SSPA

- In order to allow investors to distinguish between reference issuer certificates and classic structured products the SSPA has adjusted its categorization model. The name of the new product category is "Investment Products with Reference Issuers" and it will be included in the SSPA Market Report as of January 2012.
- 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 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 30.09.2011

#### 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
1140	Capital Protection with Coupon	1240	Capped Outperformance Certificates	1340	Twin-Win Certificates
1199	Various Capital Protection	1250	Capped Bonus Certificates	1399	Various Participation
		1260	Express Certificates		
		1299	Various Yield Enhancement		

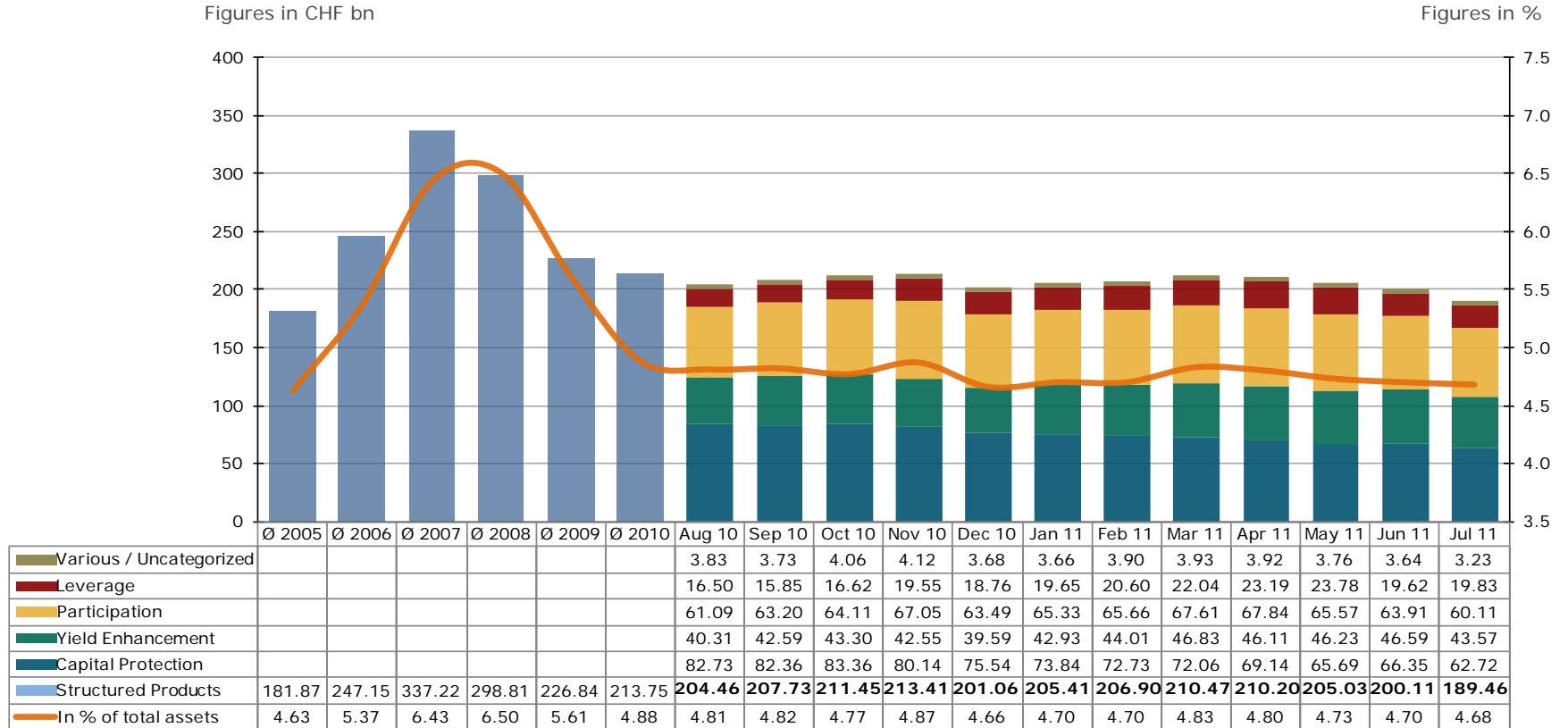
#### LEVERAGE PRODUCTS

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 21 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
Ø 2010	4'378	111	1'266	1'450	1'336	214	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
Nov 10	4'382	119	1'245	1'455	1'348	213	2
Dec 10	4'312	120	1'204	1'467	1'319	201	2
Jan 11	4'375	124	1'207	1'492	1'345	205	2
Feb 11	4'397	119	1'208	1'505	1'358	207	2
Mar 11	4'403	118	1'205	1'506	1'361	212	1
Apr 11	4'378	107	1'186	1'525	1'349	210	1
May 11	4'331	106	1'173	1'526	1'319	205	2
Jun 11	4'253	110	1'170	1'472	1'300	200	1
Jul 11	4'046	109	1'135	1'364	1'247	189	1

- Since January 2011 total securities held decreased from CHF 4'375 bn to CHF 4'046 bn in July 2011 (minus CHF 329 bn), which is a non-price-adjusted decline of 7.51%.
- In this period, the market for structured products decreased from CHF 205.41 bn to CHF 189.46 bn. This is a minus of 7.76%.
- All other categories also were affected by withdrawals, most remarkably Money Market Papers (-12.51%).

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
Ø 2010	2.54	28.91	33.11	30.52	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
Nov 10	2.72	28.41	33.20	30.75	4.87	0.04
Dec 10	2.78	27.92	34.01	30.59	4.66	0.04
Jan 11	2.84	27.59	34.10	30.74	4.70	0.04
Feb 11	2.70	27.46	34.22	30.88	4.70	0.04
Mar 11	2.67	27.37	34.20	30.90	4.83	0.03
Apr 11	2.44	27.09	34.83	30.81	4.80	0.03
May 11	2.44	27.08	35.25	30.46	4.73	0.03
Jun 11	2.59	27.50	34.60	30.57	4.70	0.03
Jul 11	2.69	28.06	33.72	30.81	4.68	0.04

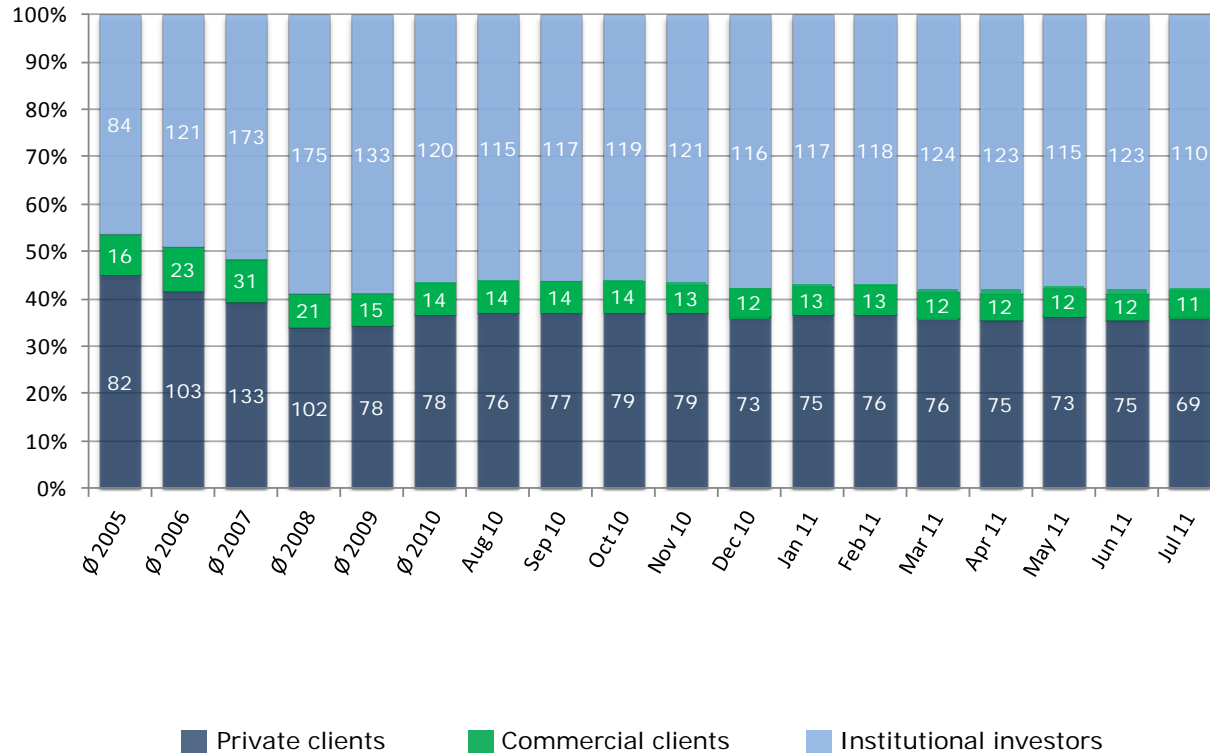
- In July 2011 4.68% of all client deposits were invested in Structured Products.
- Compared to the beginning of the year 2011 (4.70%) this is a decrease of 0.43%.
- In all other asset classes there has for the same period been a shift away from money market papers (-5.41%) and shares (-1.10%) to bonds (+1.68%) whereas structured products (-0.27%) and investment funds (+0.25%) remained relatively stable.

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



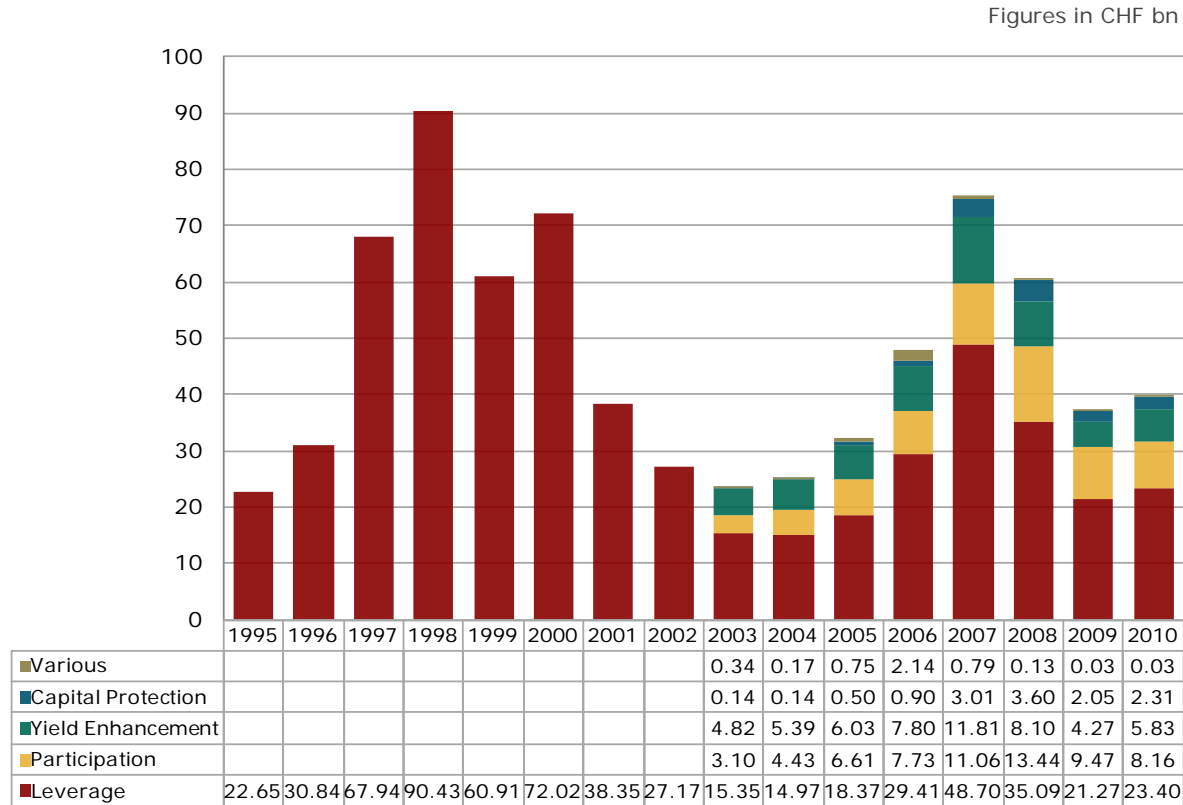
- SSPA estimates that more than half of all Structured Products are placed by investment managers acting on behalf of private investors.

Source: SNB Monthly Statistical Bulletin, latest available figures



## 4. Structured products at the Scoach exchange

### 4.1 Turnover 1995 - 2010



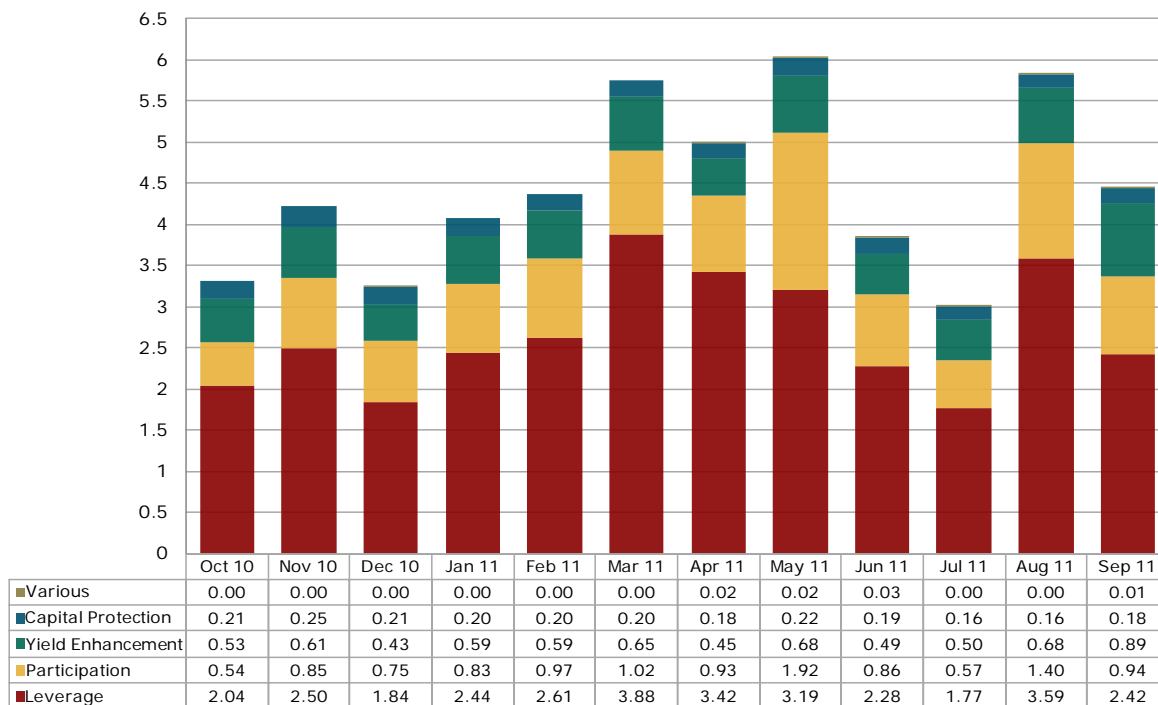
- With a total turnover of CHF 39.73 bn in 2010 on the Scoach exchange there has been a turnaround. The yearly turnover increased for the first time since 2007.
- Compared to the previous year 2009 turnover increased by CHF 2.64 bn (+7.12%). Measured against the exceptionally strong year 2007 it equates 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

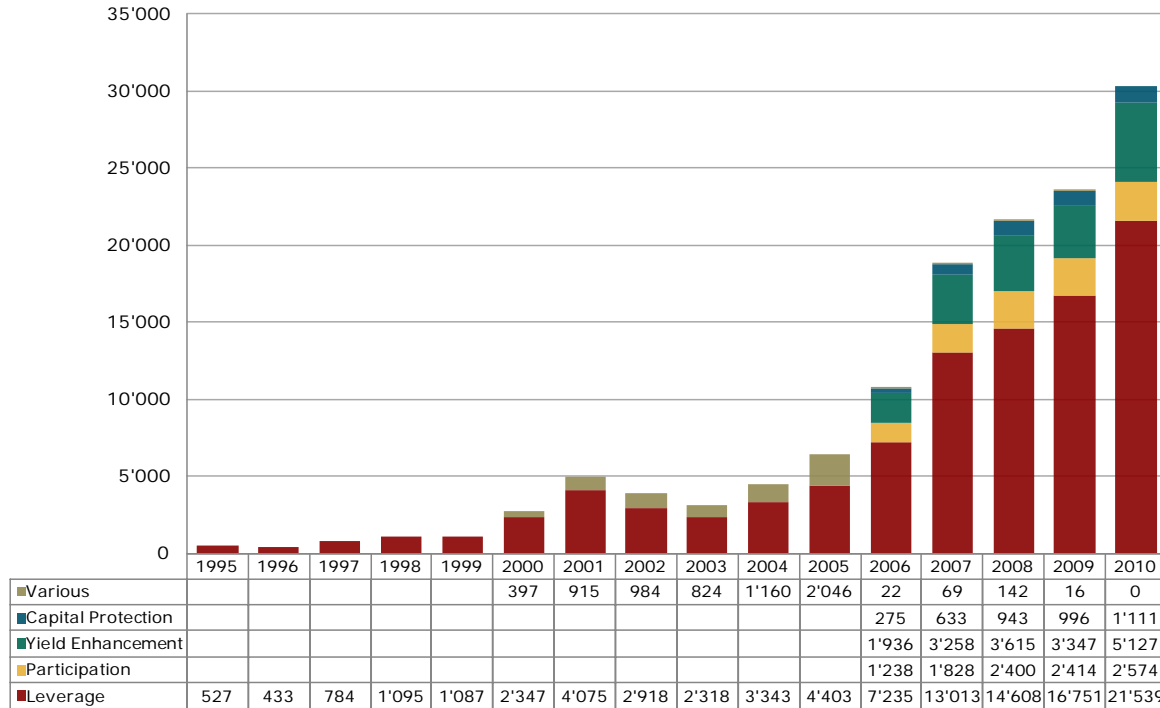


- Compared to the previous month the turnover declined in September by 23.72%. The month of May was the most successful since September 2008.
- Compared to the beginning of the year the turnover in September is higher by 9.13%.
- Increase in turnover compared to the beginning of 2011 was generated in the categories yield enhancement (+50.18%) and participation (+13.17%). The share of leverage products (-0.71%) and capital protection products (-9.99%) 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\*



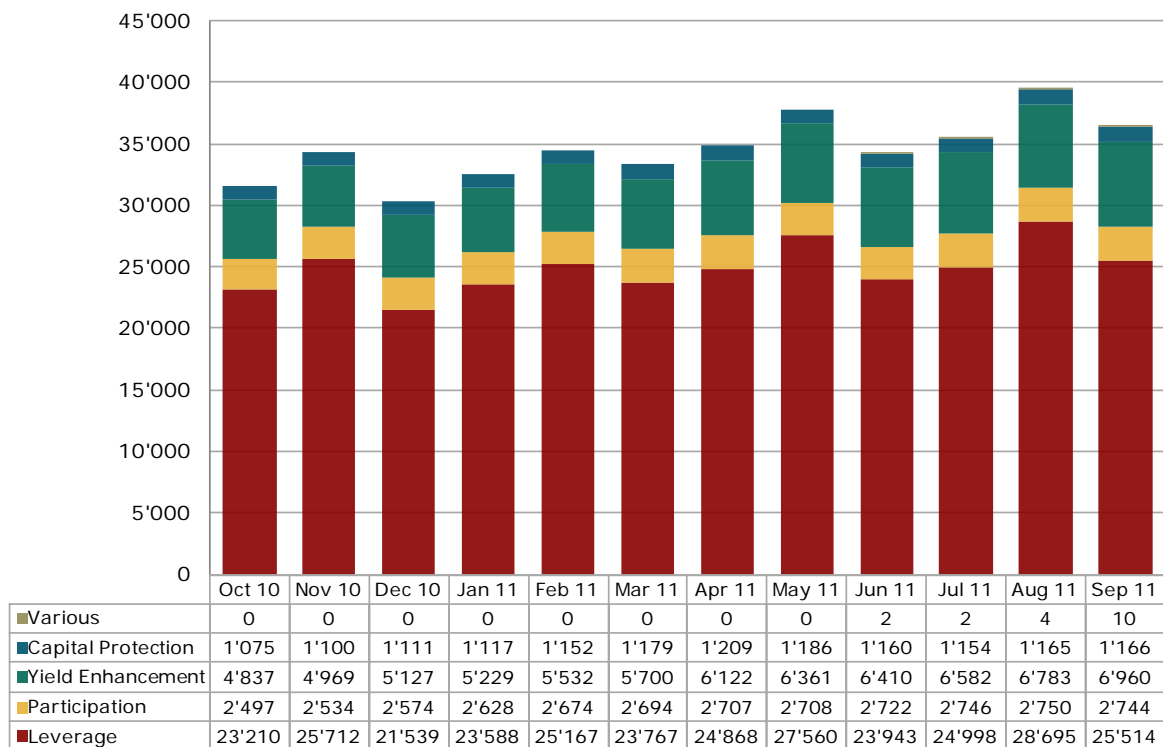
- With an amount of 30'351 products at the end of 2010 the previous year had been exceeded again, following a constant growth. Compared to 2009 the increase totals 6'827 products (+ 29.02%).
- 2010 growth took place again in all product categories, whereas yield enhancement products could profit the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

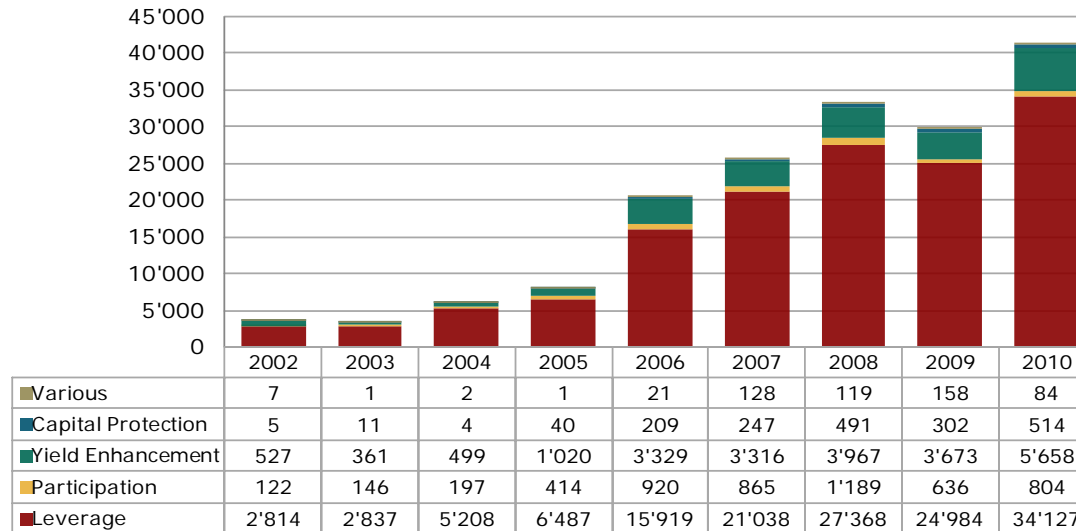


- In the third quarter the categories yield enhancement (+5.74%), leverage (+2.06%) and capital protection (+1.04%) have grown. The share of participation products remained stable with a minus of 0.07%.
- Please note that in March as well as in June, September and December a large amount of products is regularly delisted due to scheduled expiration (large expiration at the exchanges).

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.5 New issues 2002 – 2010

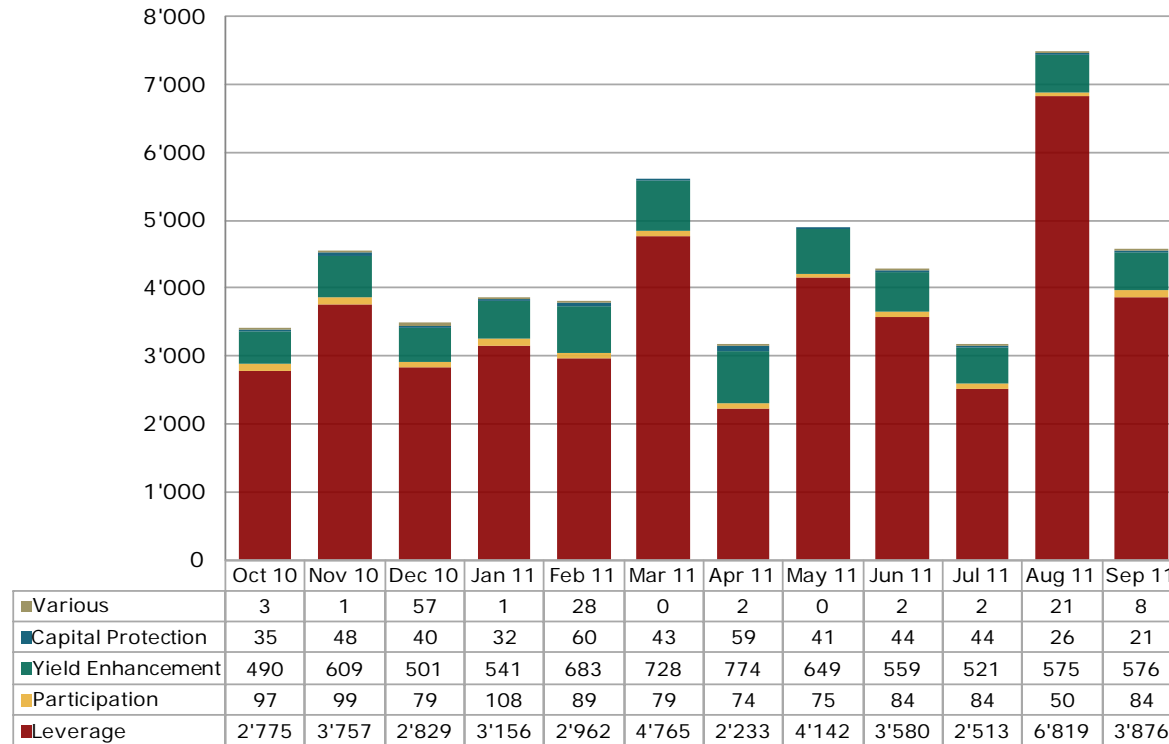


- 2010 topped all previous years with 41'187 new issues. Compared to 2009 it is a plus of 38.43%.
- Leverage products accounted for the biggest part with 82.86%. Primarily yield enhancement products were issued in the category of investment products with a share of 13.74%.

Source: SIX Swiss Exchange, Derivative Partners Research AG

## 4. Structured products at the Scoach exchange

### 4.6 New issues in the last 12 months



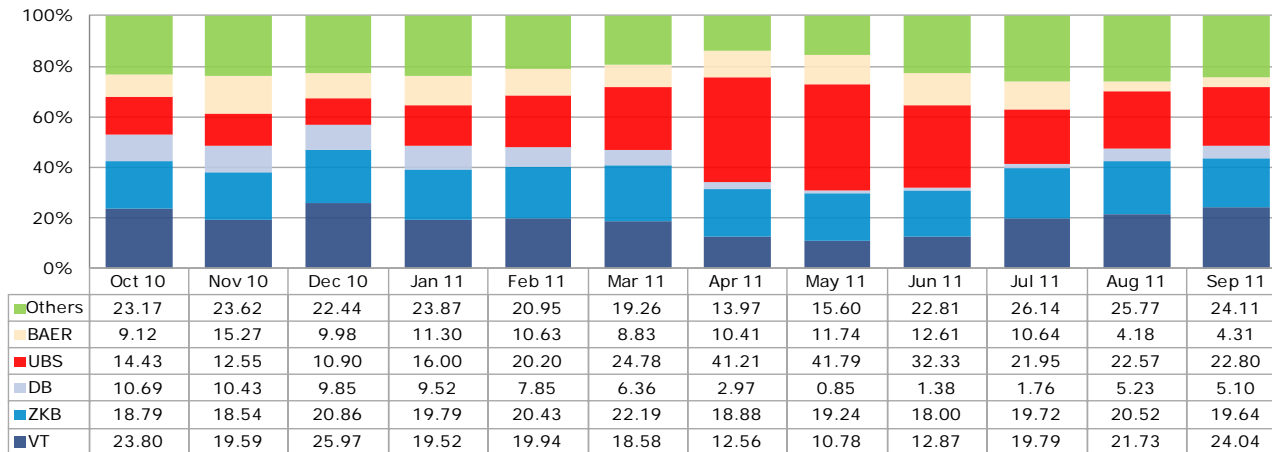
- Whereas 12'318 products were issued in the second quarter of 2011 the third quarter saw an increase of 23.56% to 15'220 products.
- Compared to the beginning of the year (3'838) 18.94% more products were issued in September.

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 September 2011, the five largest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: 24.04%), UBS (22.80%), ZKB (19.64%), Deutsche Bank (5.10%) and Bank Julius Baer (4.31%).
- In the third quarter Bank Vontobel (+21.48%), Deutsche Bank (+189.77%) and UBS (+3.87%) improved their shares. ZKB (-0.40%) and Bank Julius Baer (-59.49%) accounted for losses.

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 30<sup>th</sup> September 2011

### 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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