

Market Report Structured Products Quarterly Report

December 2012

Swiss Structured Products Association SSPA



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1. Main points at a glance

1.1 Key figures

- CHF 177.18 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of October 2012 (most recent data from the Swiss National Bank). This is a minus of 3.30%.
- Compared with other types of securities this represents 4.00% of all Swiss deposits.
- Private investors account for a 35.03% share in deposits, institutional investors for 58.19% and commercial clients for 6.78%.
- The Scoach exchange turnover of structured products in December 2012 was CHF 1.92 bn, which is a decrease of 16.40% compared to the previous month.
- The category of leverage products holds a share of 47.51% of the total turnover. The share for investment products rose to 52.49%.
- 32'495 products were listed at the end of December 2012 of which 9'487 (29.90%) were issued in the fourth quarter.
- In December 2012, the five biggest issuers of stock-exchange-listed structured products are UBS (market share total: 35.57%), Bank Vontobel (20.25%), ZKB (14.89%), Bank Julius Baer (8.90%) and Credit Suisse (6.59%). The share of all other issuers is 13.81%.

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 31.12.2012

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 Convertibl	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

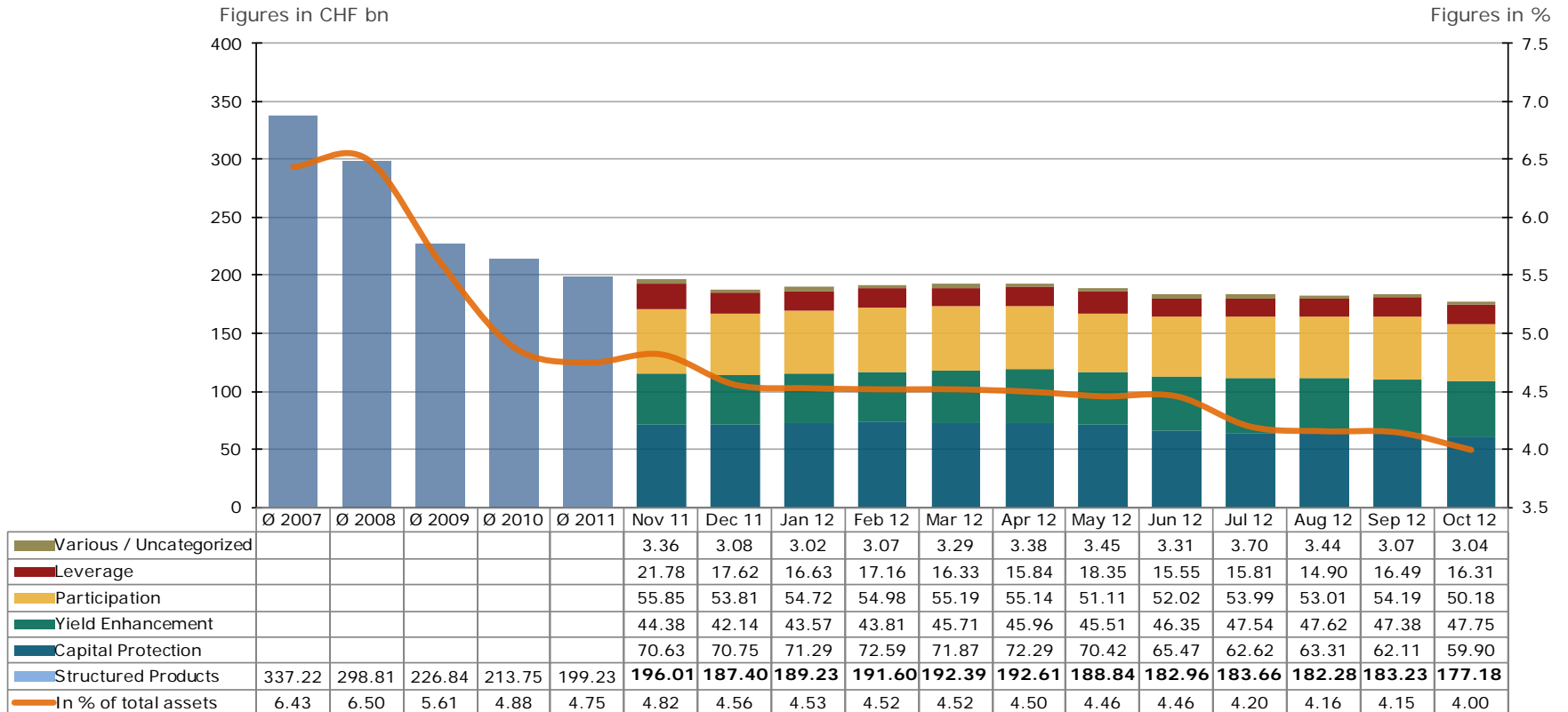
LEVERAGE PRODUCTS

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



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
Ø 2011	4'197	102	1'177	1'424	1'294	199	1
Oct 11	4'051	86	1'173	1'352	1'246	192	1
Nov 11	4'063	83	1'171	1'360	1'251	196	1
Dec 11	4'113	82	1'184	1'394	1'263	187	1
Jan 12	4'178	79	1'193	1'434	1'282	189	1
Feb 12	4'236	77	1'199	1'468	1'299	192	1
Mar 12	4'259	76	1'202	1'482	1'305	192	1
Apr 12	4'281	77	1'209	1'473	1'329	193	1
May 12	4'235	78	1'231	1'397	1'340	189	1
Jun 12	4'243	77	1'223	1'421	1'338	183	1
Jul 12	4'377	81	1'246	1'482	1'383	184	1
Aug 12	4'384	76	1'252	1'493	1'380	182	1
Sep 12	4'420	72	1'246	1'522	1'395	183	1
Oct 12	4'426	71	1'247	1'533	1'397	177	1

Source: SNB Monthly Statistical Bulletin, latest available figures

- Compared to the previous year total securities held increased from CHF 4'051 bn to CHF 4'426 bn in October 2012 (plus CHF 375 bn), which is a non-price-adjusted rise of 9.26%.
- In this period, the market for structured products decreased from CHF 192.34 bn to CHF 177.18 bn. This is a minus of 7.88%.
- On the one hand Money Market Papers (-17.44%) were most remarkably affected by withdrawals. On the other hand the market share in shares (+13.39%) has most remarkably increased.

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
Ø 2011	2.43	28.06	33.89	30.83	4.75	0.03
Oct 11	2.12	28.96	33.37	30.77	4.75	0.04
Nov 11	2.06	28.82	33.47	30.79	4.82	0.04
Dec 11	2.00	28.79	33.91	30.71	4.56	0.03
Jan 12	1.88	28.56	34.32	30.68	4.53	0.03
Feb 12	1.82	28.30	34.65	30.67	4.52	0.03
Mar 12	1.78	28.22	34.80	30.65	4.52	0.03
Apr 12	1.79	28.24	34.40	31.04	4.50	0.03
May 12	1.84	29.06	32.98	31.64	4.46	0.03
Jun 12	1.82	28.83	33.49	31.53	4.31	0.03
Jul 12	1.84	28.48	33.86	31.60	4.20	0.02
Aug 12	1.73	28.56	34.04	31.49	4.16	0.02
Sep 12	1.64	28.19	34.43	31.56	4.15	0.02
Oct 12	1.60	28.17	34.64	31.56	4.00	0.02

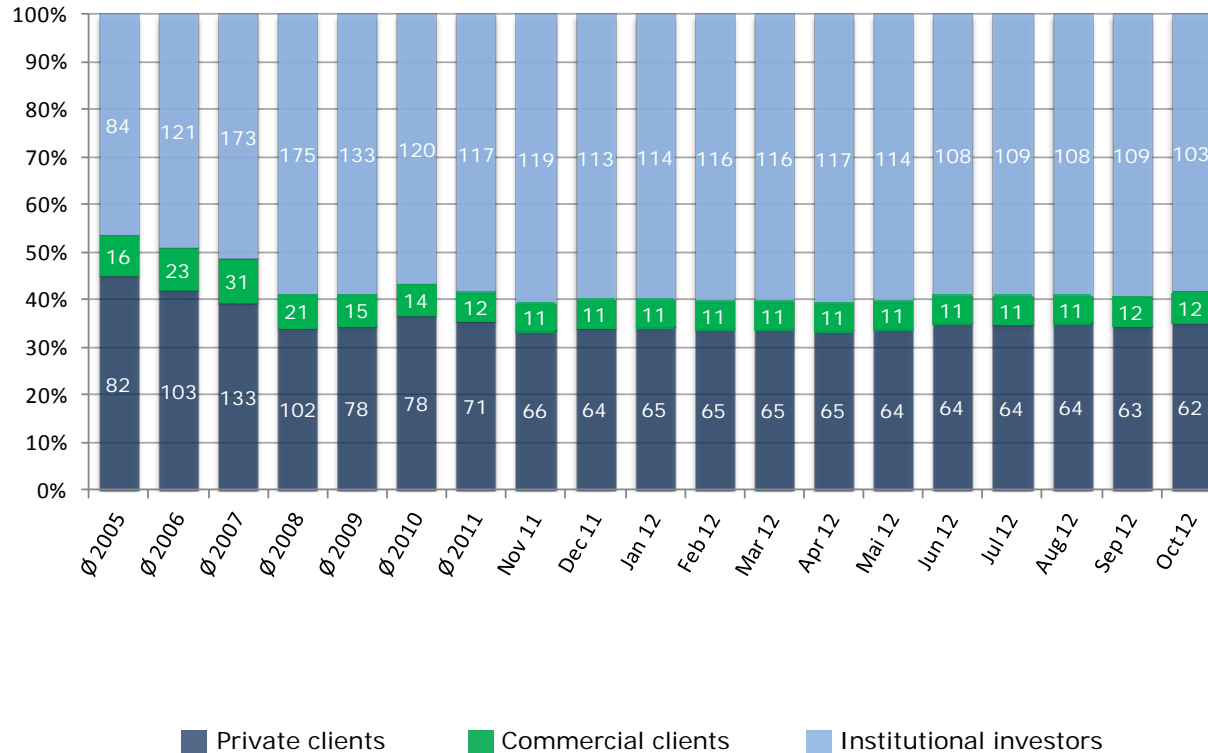
Source: SNB Monthly Statistical Bulletin, latest available figures

- In October 2012 4.00% of all client deposits were invested in Structured Products.
- Compared to the preceding year (4.75%) this is a decrease of 15.79%.
- In the other asset classes there has for the same period been a shift away from money market papers (-24.53%), structured products (-15.79%) and bonds (-2.73%) to shares (+3.81%) and investment funds (+2.57%).

3. Securities held in banks' client deposits

3.4 By client (deposits holders)

Figures in CHF bn



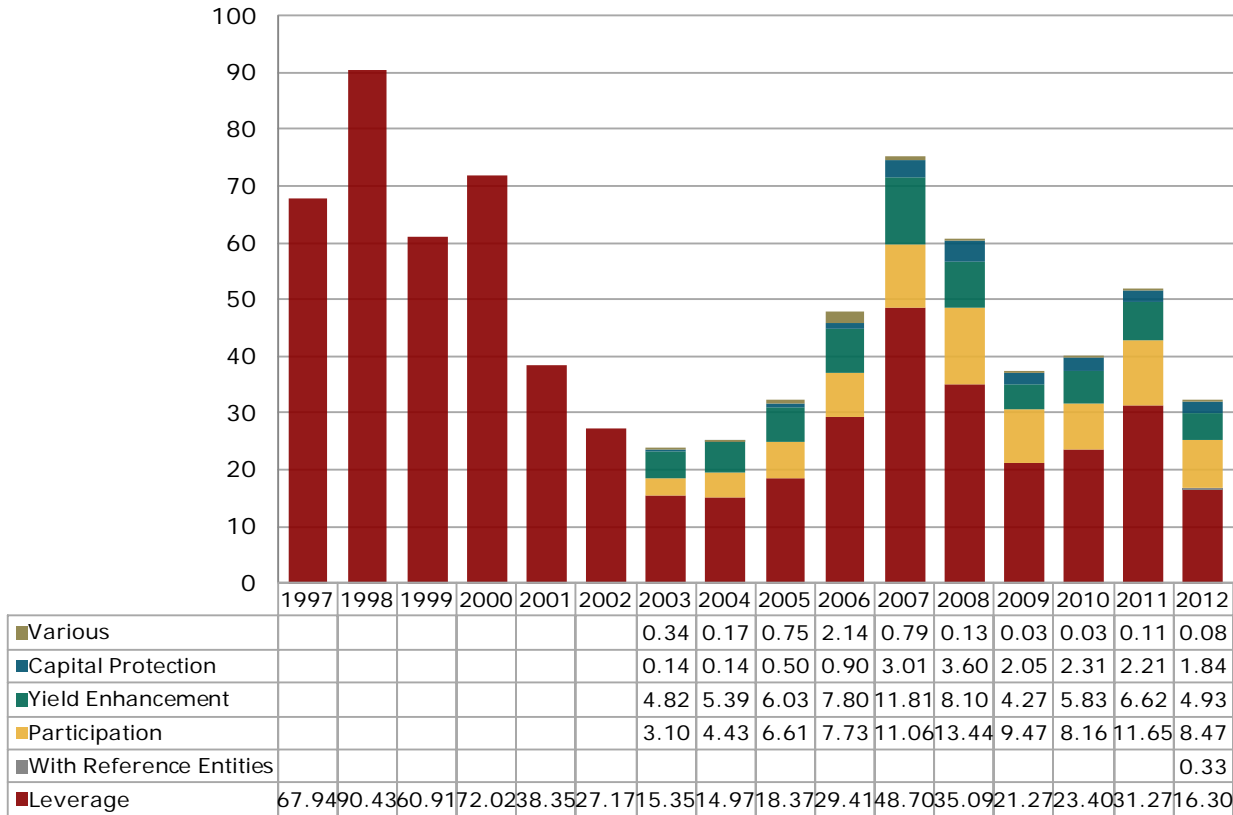
- SSPA estimates that more than half of all Structured Products are placed by investment managers acting on behalf of private investors.

Source: SNB Monthly Statistical Bulletin, latest available figures

4. Structured products at the Scoach exchange

4.1 Turnover 1997 - 2012

Figures in CHF bn



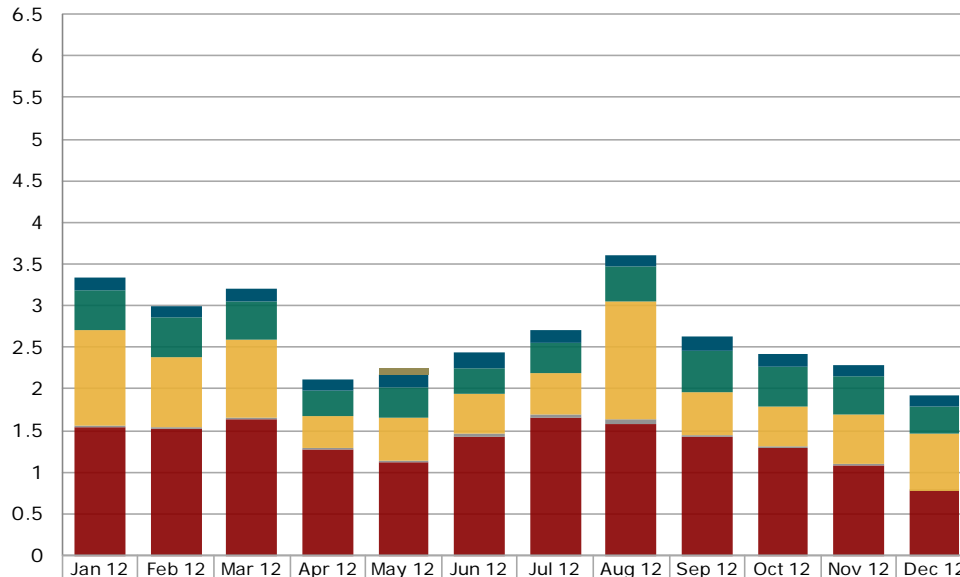
- With a total turnover of CHF 31.87 bn in 2012 on the Scoach exchange the turnaround started since the low in 2009 could not be continued.
- Compared to the previous year 2011 turnover decreased sharply by CHF 19.99 bn (-38.55%). Measured against the exceptionally strong year 2007 it equals about 42.28% of the turnover.
- Against 2011 in 2012 especially leverage products (-47.86%), participation products (-27.32%) and yield enhancement products (-25.59%) 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

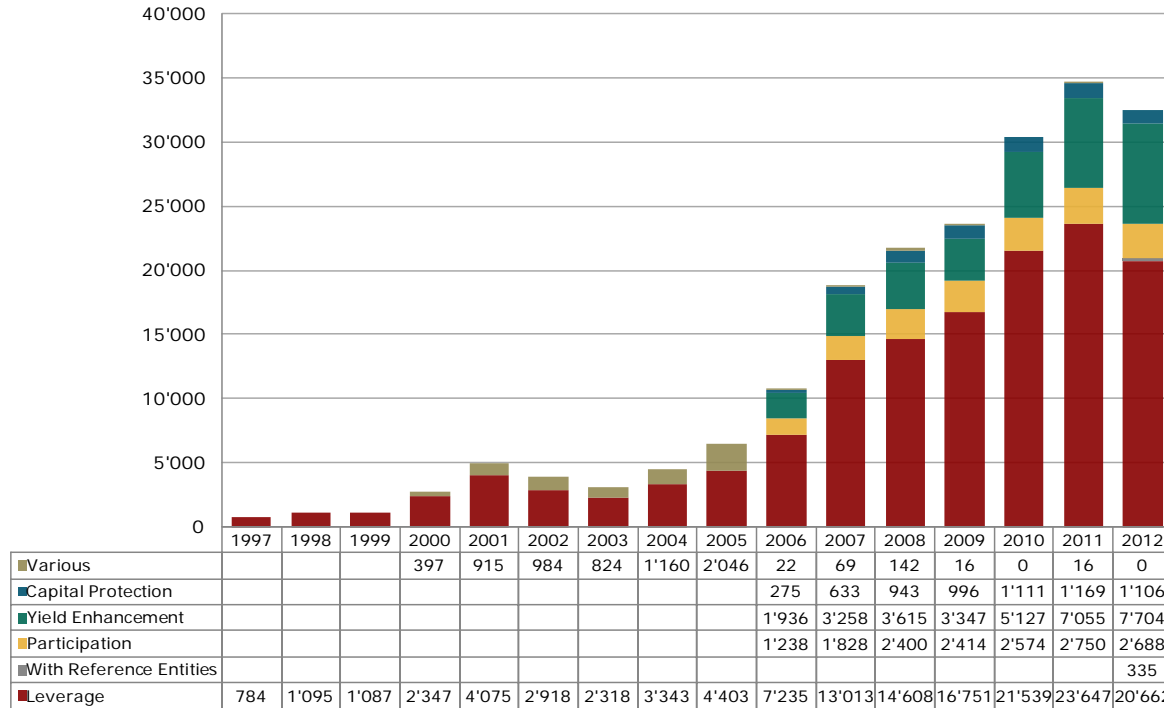


- Compared to the previous month the turnover decreased in December by 16.40%.
- Compared to the beginning of the year the turnover in December is lower by 42.63%.
- Turnover has decreased especially in the category of leverage products (-50.47%) and participation products (-40.79%).

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.3 Number of listed products 1997 – 2012

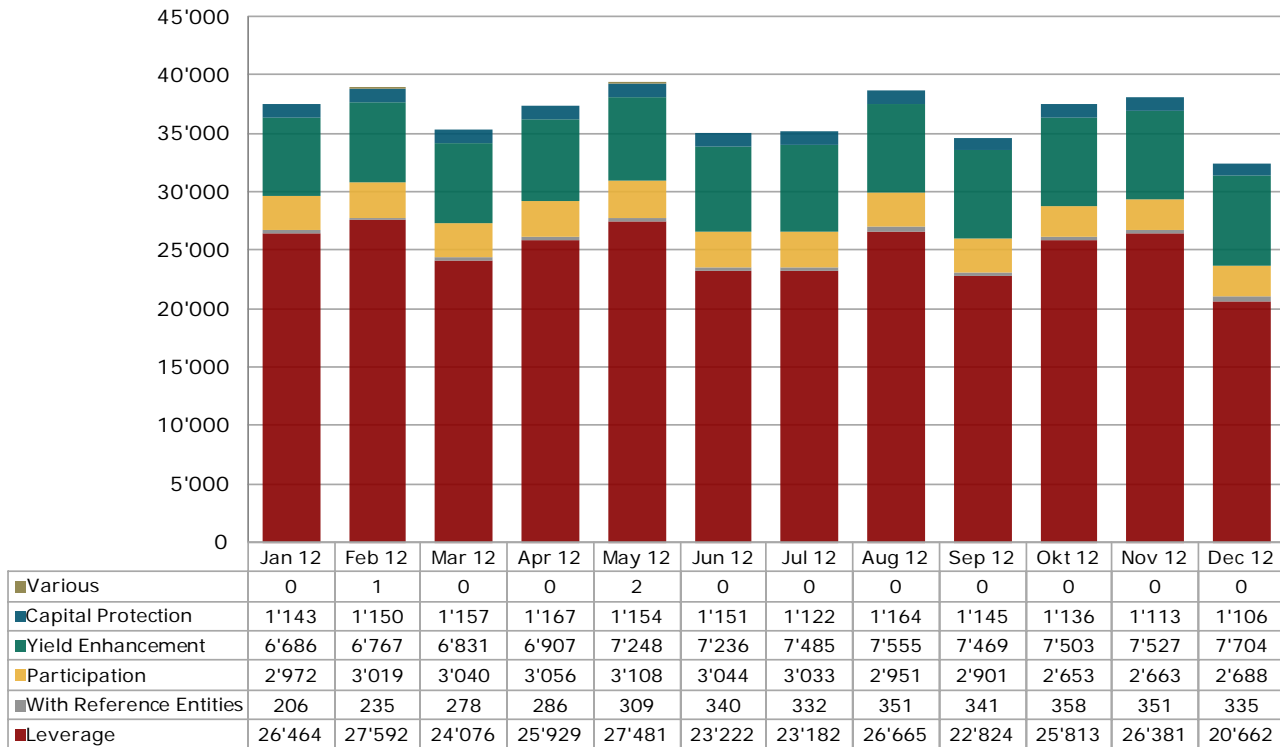


- With an amount of 32'495 products at the end of 2012 there have been less products issued compared to the previous year. Compared to 2011 the decrease totals 2'146 products (-6.18%).
- In 2012 especially leverage products (-12.62%) suffered losses.

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

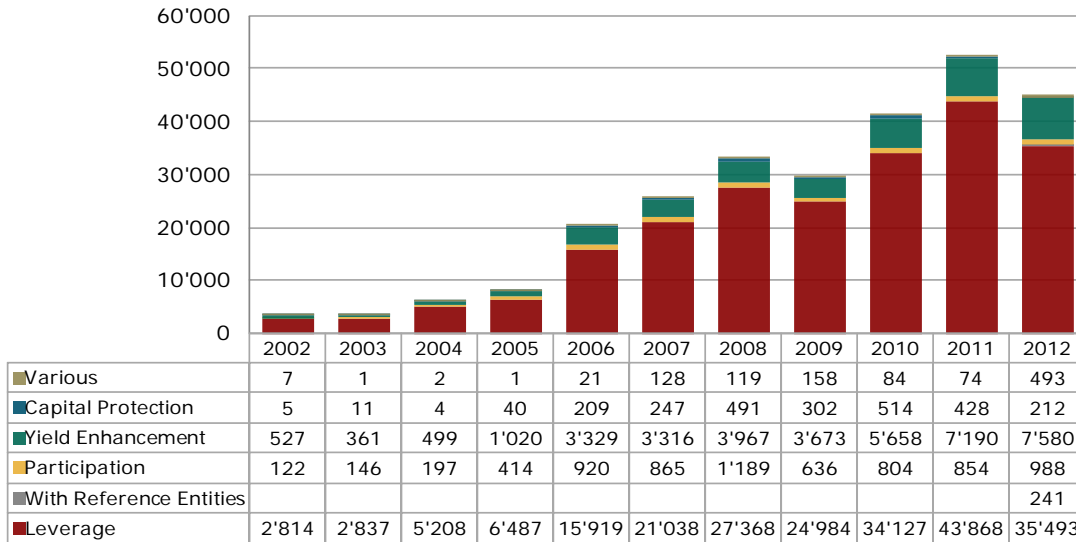


- In the fourth quarter the category yield enhancement (+3.15%) achieved an increase. However, the number of listed products for the leverage category (-9.47%), the participation products (-7.34%) and the category capital protection (-3.41%) decreased.
- The number of listed products with reference entities decreased in December 2012 by 4.56%.
- 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 exchanges).

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.5 New issues 2002 – 2012

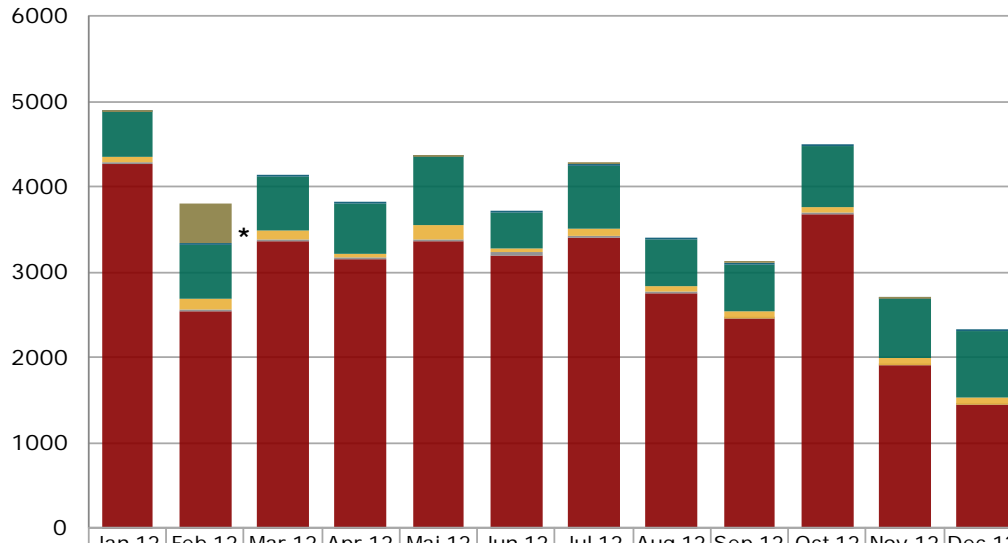


- In the year 2012 with 45'007 new issues the previous years could not be outreached. Compared to 2011 it is a decrease of 14.13%.
- Leverage products accounted for the biggest part with 78.86%. Primarily yield enhancement products were issued in the category of investment products with a share of 16.84%.

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.6 New issues in the last 12 months



	Jan 12	Feb 12	Mar 12	Apr 12	Mai 12	Jun 12	Jul 12	Aug 12	Sep 12	Oct 12	Nov 12	Dec 12
■ Various	18	464	0	0	2	0	7	0	1	0	1	0
■ Capital Protection	19	21	29	28	11	17	24	27	11	14	8	3
■ Yield Enhancement	512	627	627	577	785	428	739	552	564	714	687	768
■ Participation	72	114	102	55	164	48	84	60	65	63	84	77
■ With Reference Entities	21	31	31	15	28	31	14	10	19	19	7	15
■ Leverage	4'263	2537	3350	3150	3363	3194	3404	2759	2446	3679	1909	1439

* One day listed: 400 products by UBS

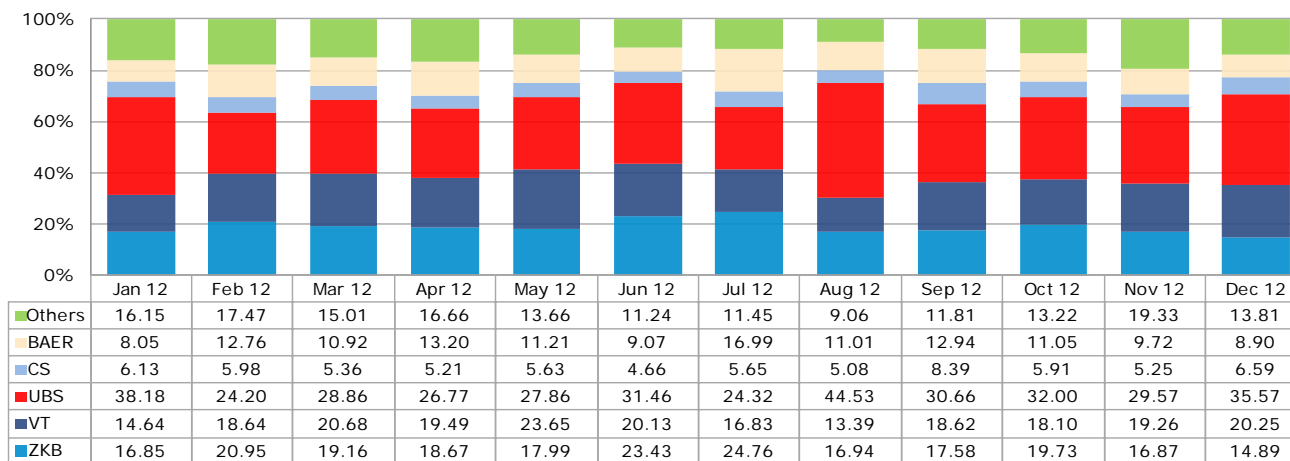
Source: SIX Swiss Exchange, Derivative Partners Research AG

- Whereas 10'786 products were issued in the third quarter of 2012 the fourth quarter 2012 saw an decrease of 12.04% to 9'487 products.
- Compared to the beginning of the year 2012 (4'905 products) a lesser amount of products was issued in December (-46.93%).

4. Structured products at the Scoach exchange

4.7 Market shares (turnover) of the five largest issuers

Figures in %



- In December 2012, the five biggest issuers of stock-exchange-listed structured products are UBS (market share total: 35.57%), Bank Vontobel (20.25%), ZKB (14.89%), Bank Julius Baer (8.90%) and Credit Suisse (6.59%).
- The market shares of Credit Suisse and Clariden Leu have been consolidated due to the realized takeover.
- In the fourth quarter among the five largest issuers UBS (+16.03%) and Bank Vontobel (+8.71%) improved their shares. ZKB (-15.29%), Bank Julius Baer (-31.24%) and Credit Suisse (-21.46%) accounted for losses.

Source: SIX Swiss Exchange, Derivative Partners Research AG

5. Appendix

5.1 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

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 28th December 2012.

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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