

Market Report Structured Products

Quarterly Report

March 2015

Swiss Structured Products Association SSPA



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 2007.....	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 SIX Structured Products Exchange	
4.1 Turnover 2004 – 2014.....	9
4.2 Turnover in the last 12 months.....	10
4.3 Number of listed products 2004 –2014.....	11
4.4 Number of listed products in the last 12 months.....	12
4.5 New issues 2004 – 2014.....	13
4.6 New issues in the last 12 months.....	14
4.7 Market shares of the five largest issuers	15
5. SSPA risk figure	
5.1 Aggregated Market Risk (VaR) during the year.....	16
5.2 Distribution of risk categories at the end of the quarter.....	17
6. Appendix	
6.1 Abbreviations.....	18
6.2 Issued by.....	18
6.3 Data sources.....	18
6.4 Disclaimer.....	18

1. Main points at a glance

1.1 Key figures

- CHF 179.59 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of January 2015 (most recent data from the Swiss National Bank). This is a minus of 10.99%.
- Compared with other types of securities this represents 3.42% of all Swiss deposits.
- Private investors account for a 27.22% share in deposits, institutional investors for 67.78% and commercial clients for 5%.
- The SIX Structured Products Exchange turnover of structured products in March 2015 was CHF 2.94 bn, which is an increase of 56.67% compared to the previous month.
- The category of leverage products holds a share of 38.68% of the total turnover. The share for investment products increased to 61.22%.
- 35'334 products were listed at the end of March 2015 of which 13'666 (38.68%) were issued in the first quarter.
- In March 2015, the five biggest issuers of stock-exchange-listed structured products are UBS (market share total: 46.55%), Bank Vontobel (20.75%), ZKB (12.13%), Bank Julius Baer (5.94%) and Credit Suisse (2.56%). The share of all other issuers is 12.07%.
- By the beginning of the year the VaR values show for the SSPA categories yield enhancement and leverage a slightly increasing trend regarding their risks. In contrast for the category capital protection are still decreasing values observed. The category participation does not show any fundamental changes after a slight rise. The biggest changes concerning risk classes happened to yield enhancement: category 5 continued increasing whereas category 4 decreased heavily.

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 31.03.2015

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

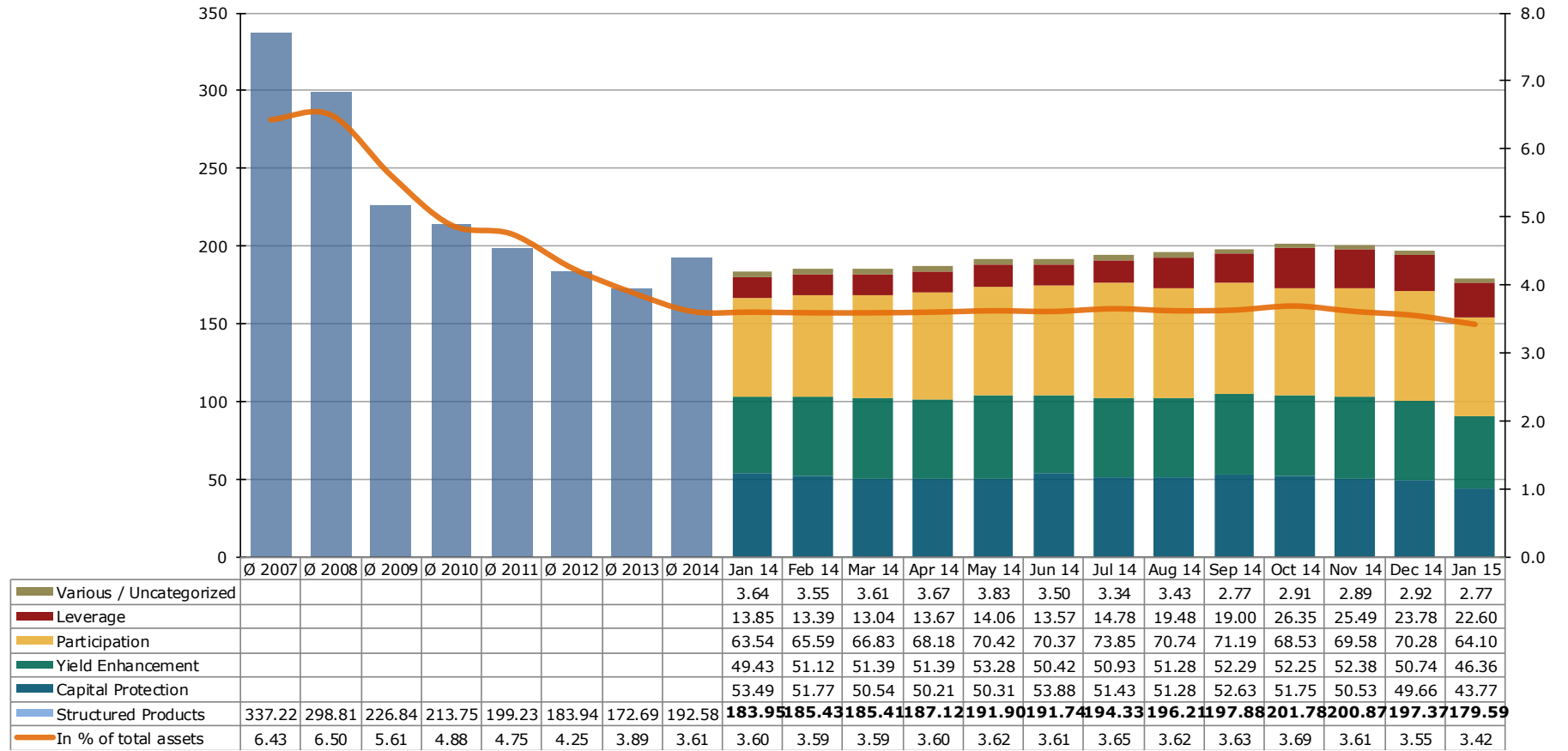
- The Association's product classification comprises five main groups and 26 product types.
- Use the interactive product finder on the Association website: www.sspa-association.ch (product finder).
- Classifications are checked monthly and updated if needed.
- We create new product types when no less 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

Figures in CHF bn

Figures in %



Source: SNB Monthly Statistical Bulletin, latest available figures

3. Securities held in banks' client deposits

3.2 All categories

Figures in CHF bn

Datum	Total	Geldmarkt Papiere	Obligationen	Aktien	Anlagefonds	Strukturierte Produkte	Übrige Wertschriften
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
Ø 2012	4'335	75	1'229	1'489	1'357	184	1
Ø 2013	5'056	67	1'287	1'969	1'538	194	1
Ø 2014	5'336	62	1'265	2'139	1'677	193	0
Jan 14	5'103	64	1'264	2'020	1'571	184	0
Feb 14	5'166	62	1'257	2'077	1'585	185	0
Mar 14	5'164	59	1'232	2'086	1'602	185	0
Apr 14	5'194	61	1'237	2'094	1'616	187	0
Mai 14	5'308	62	1'255	2'151	1'648	192	0
Jun 14	5'314	62	1'259	2'141	1'661	192	0
Jul 14	5'324	63	1'267	2'116	1'685	194	0
Aug 14	5'416	61	1'271	2'169	1'719	196	0
Sep 14	5'456	58	1'285	2'174	1'740	198	0
Okt 14	5'469	64	1'282	2'177	1'745	202	0
Nov 14	5'559	65	1'286	2'244	1'762	201	0
Dez 14	5'565	68	1'284	2'221	1'794	197	0
Jan 15	5'259	62	1'238	2'063	1'715	180	0

Source: SNB Monthly Statistical Bulletin, latest available figures

- Compared to the previous year total securities held increased from CHF 5'103 bn to CHF 5'259 bn in January 2015 (plus CHF 156 bn), which is a non-price-adjusted rise of 3.06%.
- In this period, the market for structured products decreased from CHF 183.95 bn to CHF 179.59 bn. This is a minus of 2.37%.
- On the one hand the market share in investment products (+9.19%) has most remarkably increased whereas on the other hand the market share in money market papers (-2.55%) has slightly decreased.

3. Securities held in banks' client deposits

3.3 All categories in percent

Figures in %

Datum	Geldmarkt Papiere	Obligationen	Aktien	Anlagefonds	Strukturierte Produkte	Übrige Wertschriften
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
Ø 2012	1.73	28.35	34.34	31.30	4.25	0.03
Ø 2013	1.34	25.80	38.64	30.31	3.89	0.03
Ø 2014	1.17	23.70	40.09	31.43	3.61	0.00
Jan 14	1.25	24.77	39.59	30.78	3.60	0.00
Feb 14	1.19	24.32	40.21	30.68	3.59	0.00
Mar 14	1.15	23.85	40.39	31.02	3.59	0.00
Apr 14	1.17	23.82	40.31	31.11	3.60	0.00
Mai 14	1.18	23.64	40.53	31.04	3.62	0.00
Jun 14	1.16	23.69	40.29	31.25	3.61	0.00
Jul 14	1.18	23.79	39.74	31.64	3.65	0.00
Aug 14	1.13	23.47	40.05	31.73	3.62	0.00
Sep 14	1.07	23.55	39.86	31.90	3.63	0.00
Okt 14	1.17	23.44	39.81	31.90	3.69	0.00
Nov 14	1.17	23.14	40.37	31.70	3.61	0.00
Dez 14	1.23	23.07	39.91	32.24	3.55	0.00
Jan 15	1.18	23.55	39.24	32.61	3.42	0.00

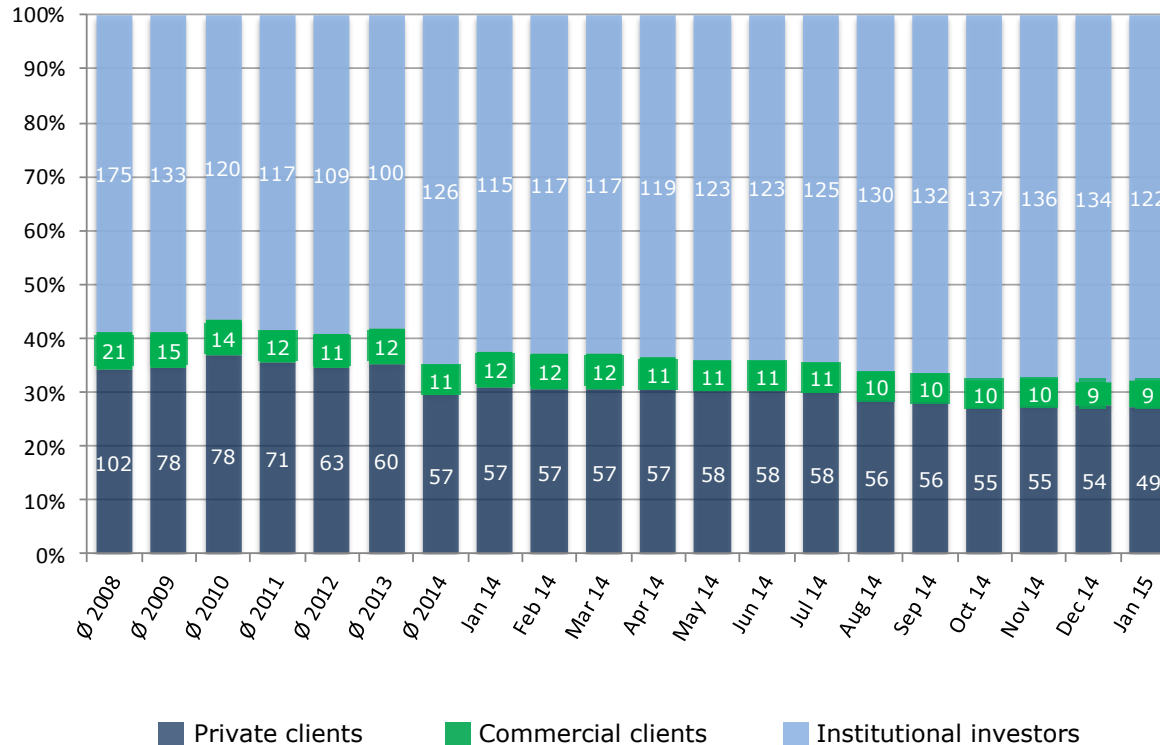
Source: SNB Monthly Statistical Bulletin, latest available figures

- In January 2015 3.42% of all client deposits were invested in Structured Products.
- Compared to the preceding year (3.6%) this is a decrease of 5.26%.
- In the other asset classes there has for the same period been a shift away from money market papers (-5.43%), bonds (-4.94%) and shares (-0.88%) towards the asset class of investment funds (+5.96%).

3. Securities held in banks' client deposits

3.4 By client (deposits holders)

Figures in CHF bn



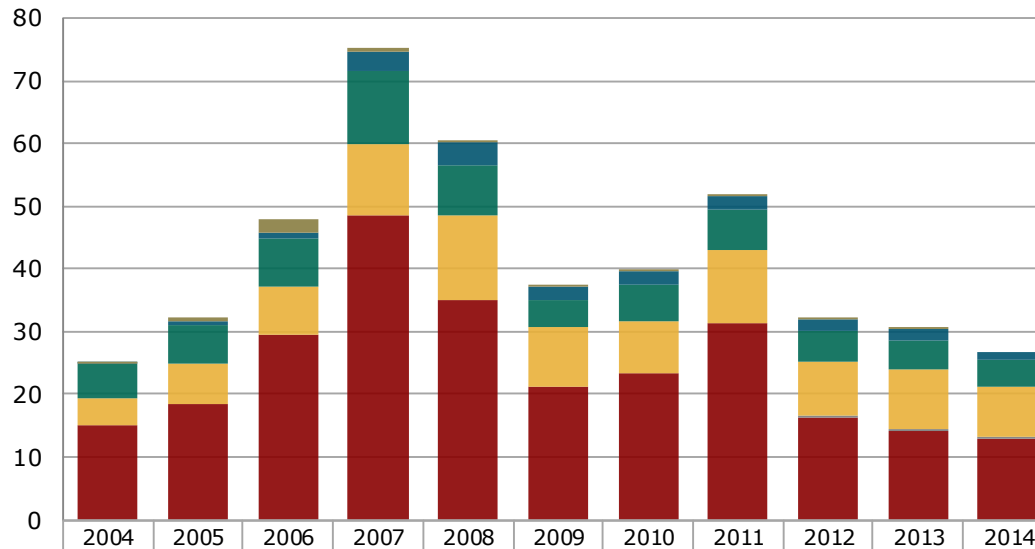
- SSPA estimates that more than half of all Structured Products are placed by investment managers acting on behalf of private investors.

Source: SNB Monthly Statistical Bulletin, latest available figures

4. Structured products at the SIX Structured Products Exchange

4.1 Turnover 2004 - 2014

Figures in CHF bn



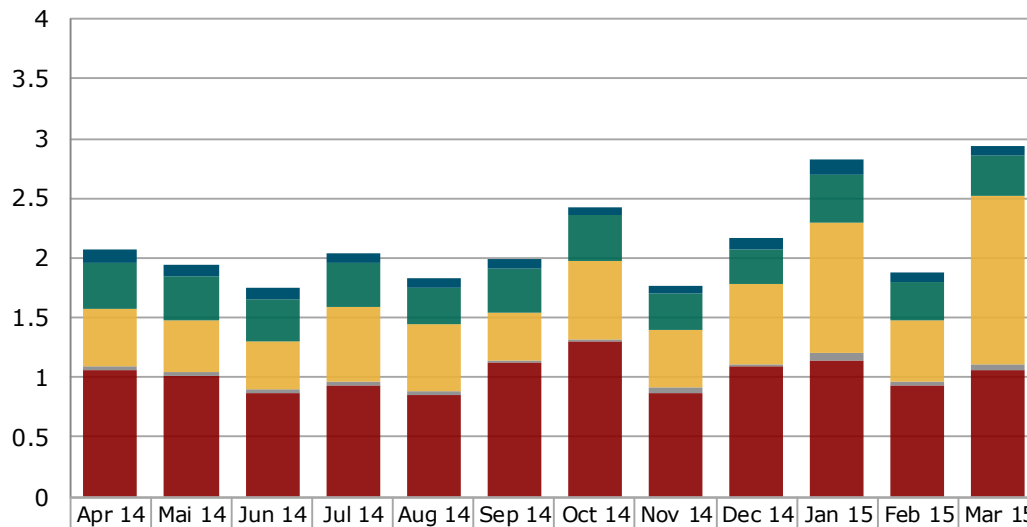
- Compared to the previous year 2013 turnover decreased to CHF 26.83 bn (-11.46%). Measured against the exceptionally strong year 2007 this equals about 35.59% of the turnover at that time.
- Against 2013 in 2014 products with reference entities (+22.54%) could increase their demand, however, especially participation products (-12.64%) and leverage products (-10.39%) were less in demand.

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.2 Turnover in the last 12 months

Figures in CHF bn

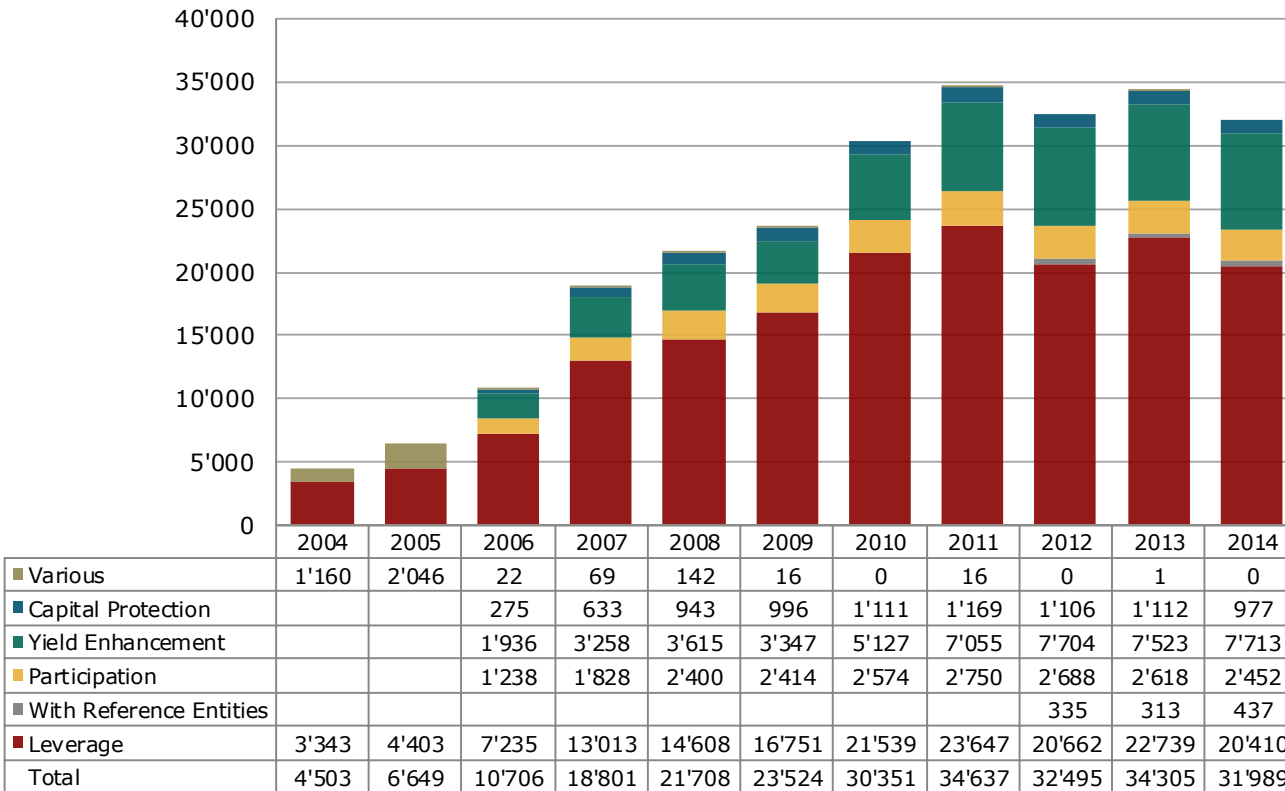


- Compared to the previous year the turnover in March 2015 is higher by 41.66%.
- Compared to the previous month the turnover increased in March 2015 by 56.67%.
- The increase of turnover is clearly due to the category of participation products (+169.72%).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.3 Number of listed products 2004 – 2014

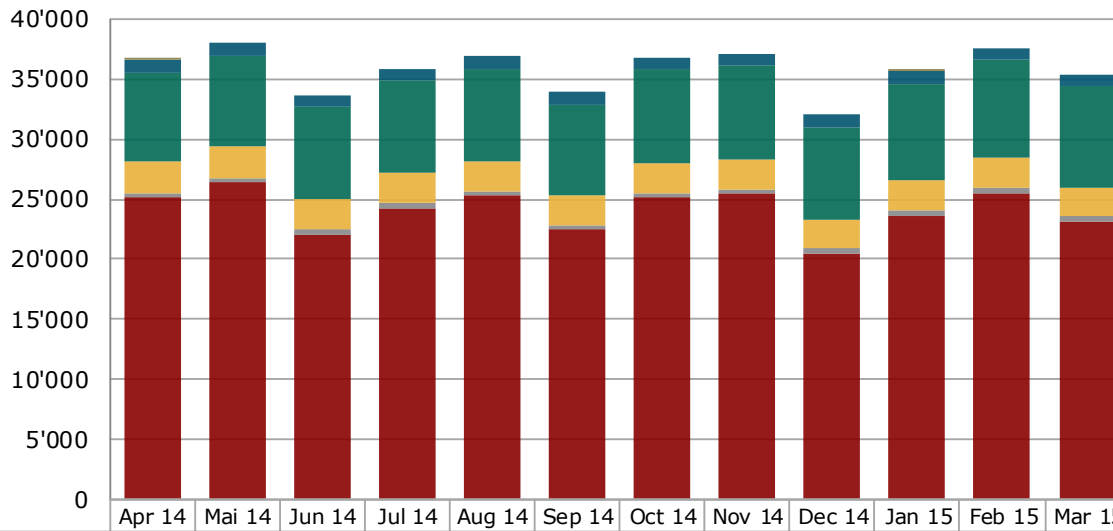


- With an amount of 31'989 products at the end of 2014 there have been fewer products issued compared to the previous year. Compared to 2013 the decrease equals 2'316 products (-6.75%).
- In 2014 capital protection products (-12.14%) have decreased the most.

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.4 Number of listed products in the last 12 months



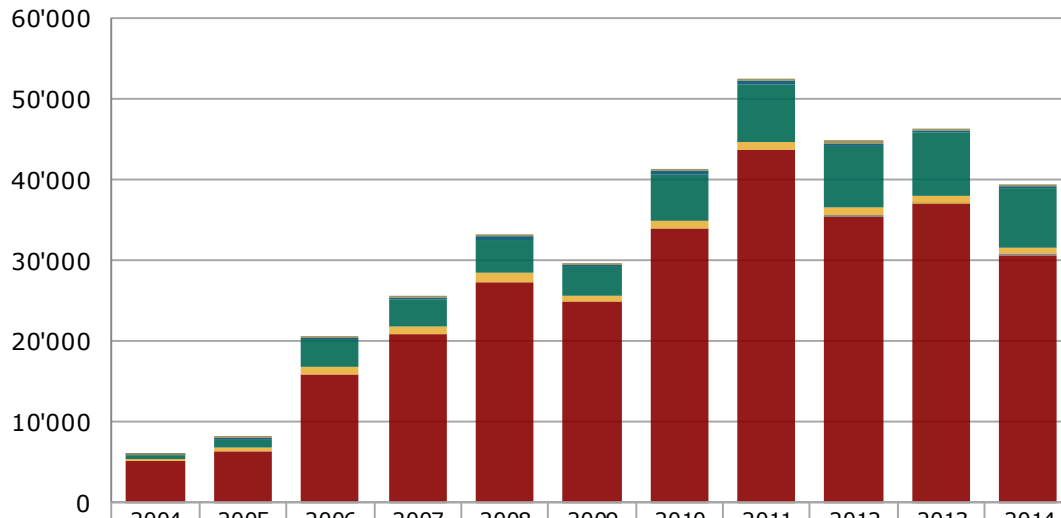
	Apr 14	Mai 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15
■ Various	1	0	0	0	0	0	0	0	0	1	0	0
■ Capital Protection	1'056	1'037	1'042	1'012	999	1'009	982	977	977	968	962	960
■ Yield Enhancement	7'456	7'647	7'598	7'699	7'719	7'514	7'802	7'827	7'713	8'124	8'232	8'363
■ Participation	2'594	2'604	2'575	2'528	2'514	2'498	2'508	2'458	2'452	2'436	2'444	2'360
■ With Reference Entities	354	370	382	388	396	401	413	429	437	437	449	457
■ Leverage	25'141	26'348	22'081	24'232	25'258	22'475	25'087	25'428	20'410	23'641	25'503	23'194
Total	36'602	38'006	33'678	35'859	36'886	33'897	36'792	37'119	31'989	35'606	37'590	35'334

- In the first quarter especially the category of leverage (+13.64%), yield enhancement (+8.43%) and products with reference entities (+4.58%) achieved an increase. However, participation products (-3.75%) and capital protection products (-1.74%) decreased.
- 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 futures exchanges).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.5 New issues 2004 – 2014



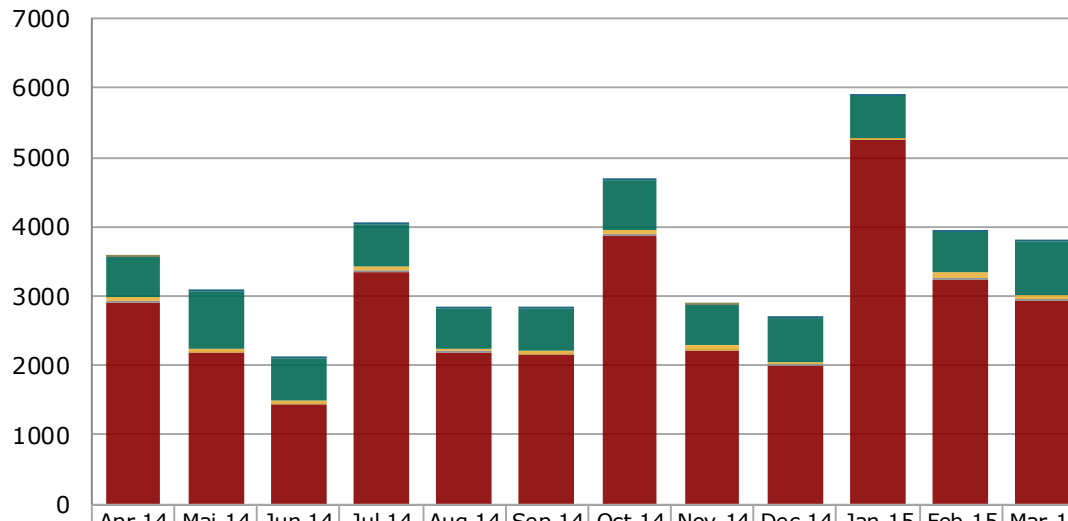
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
■ Various	2	1	21	128	119	158	84	74	493	9	2
■ Capital Protection	4	40	209	247	491	302	514	428	212	223	170
■ Yield Enhancement	499	1'020	3'329	3'316	3'967	3'673	5'658	7'190	7'580	7'789	7'519
■ Participation	197	414	920	865	1'189	636	804	854	988	899	665
■ With Reference Entities									241	148	152
■ Leverage	5'208	6'487	15'919	21'038	27'368	24'984	34'127	43'868	35'493	37'014	30'804
Total	5'910	7'962	20'398	25'594	33'134	29'753	41'187	52'414	45'007	46'082	39'312

- In the year 2014 with 39'312 new issues the previous years could not be outreached. Compared to 2013 it is a decrease of 14.69%.
- Leverage products accounted for the biggest part with 78.36%. Especially yield enhancement products were issued in the category of investment products with a share of 19.13%.

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.6 New issues in the last 12 months



	Apr 14	Mai 14	Jun 14	Jul 14	Aug 14	Sep 14	Oct 14	Nov 14	Dec 14	Jan 15	Feb 15	Mar 15
■ Various	1	0	0	0	0	0	0	1	0	0	0	0
■ Capital Protection	22	8	6	13	14	20	16	18	16	16	14	30
■ Yield Enhancement	571	829	608	624	559	606	725	580	608	613	601	762
■ Participation	56	52	47	46	44	54	58	64	49	37	71	70
■ With Reference Entities	11	6	13	27	8	8	13	17	12	2	24	11
■ Leverage	2'914	2188	1426	3349	2198	2'159	3'874	2'206	1'999	5'240	3237	2938
Total	3'575	3083	2100	4059	2823	2'847	4'686	2'886	2'684	5'908	3947	3811

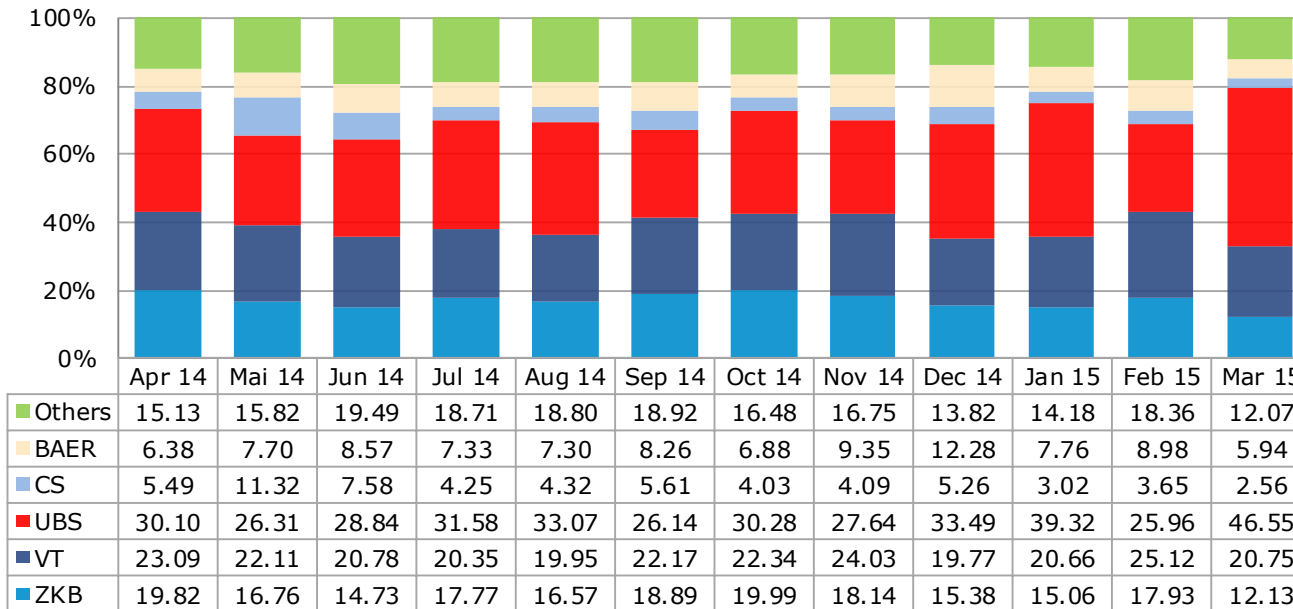
- Whereas 10'256 products were issued in the fourth quarter of 2014 the first quarter 2015 saw an increase of 33.25% to 13'666 products.
- Compared to the previous year (3'494 products) a higher amount of products was issued in March (+9.07%).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.7 Market shares (turnover) of the five largest issuers

Figures in %



- In March 2015, the five biggest issuers of stock-exchange-listed structured products are UBS (market share total: 46.55%), Bank Vontobel (20.75%), ZKB (12.13%), Bank Julius Baer (5.94%) and Credit Suisse (2.56%).
- In the first quarter among the five largest issuers UBS (+39%) and Bank Vontobel (+4.96%) could improve their shares at the expense of Bank Julius Baer (-51.63%), Credit Suisse (-51.33%) and ZKB (-21.13%).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

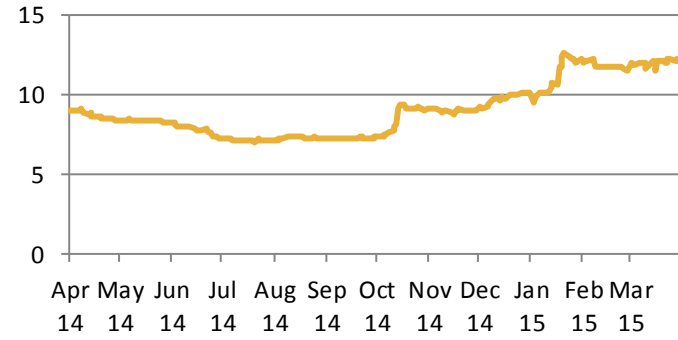
5. SSPA risk figure

5.1 Aggregated Market Risk (VaR) during the year

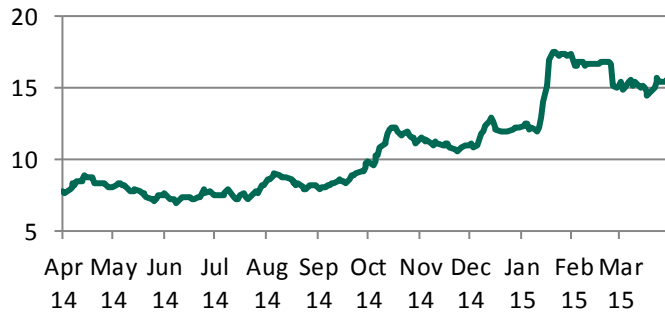
Capital Protection



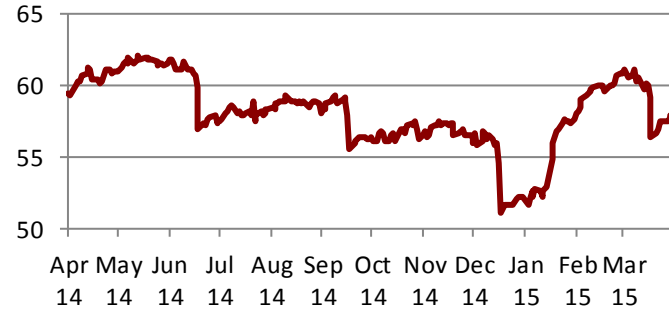
Participation



Yield Enhancement



Leverage

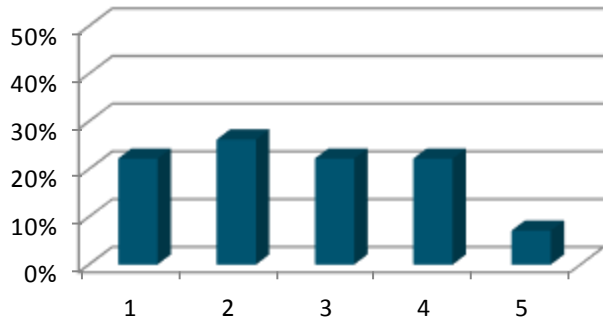


Value at Risk (VaR) Measuring unit of a product's market risk, it describes the loss that will not be exceeded within a specific holding period (i.e. 10 days) with a defined probability (i.e. 99%).

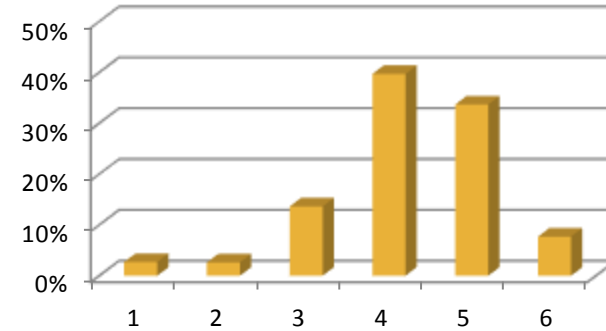
5. SSPA risk figure

5.2 Distribution of risk categories at the end of the quarter

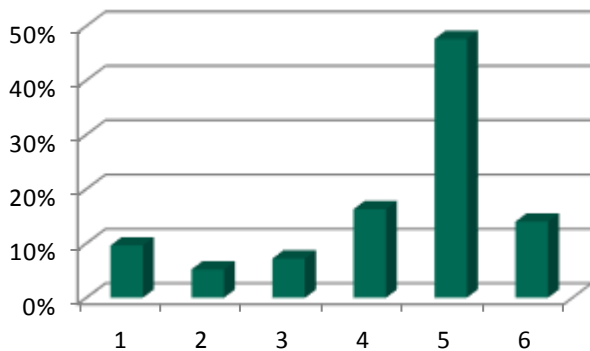
Risc classes Capital Protection



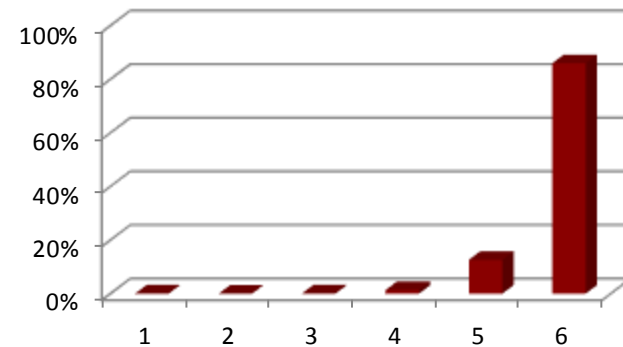
Risc classes Participation



Risc classes Yield Enhancement



Risc classes Leverage



SSPA Risk categories: To facilitate ranking, structured products are allocated to one of six risk categories (classes), category 6 representing the highest risk for investment in a product and category 1 the lowest risk. The intervals of the six risk categories are reviewed weekly. Adjustments are made as needed.

6. Appendix

6.1 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

6.2 Issued by

Swiss Structured Products Association SSPA

Rämistrasse 4, CH-8024 Zurich, Switzerland

www.sspa-association.ch

Contact: peter.keller@svsp-verband.ch

Published monthly / quarterly in more detail

6.3 Data sources

Swiss National Bank: Monthly Statistical Bulletin

SIX Structured Products Exchange AG

Derivative Partners AG

In-house surveys

Key date is 31st March 2015.

6.4 Disclaimer

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

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