

Market Report Structured Products

Quarterly Report

December 2015

Swiss Structured Products Association SSPA



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1. Main points at a glance

1.1 Key figures

- CHF 165.13 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of October 2015 (most recent data from the Swiss National Bank). This is a minus of 24.13% compared to July 2015.
- Compared with other types of securities this represents 2.97% of all Swiss deposits.
- Private investors account for a 30.12% share in deposits, institutional investors for 65.06% and commercial clients for 4.82%.
- The SIX Structured Products Exchange turnover of structured products in December 2015 was CHF 1.42 bn, which is an increase of 8.4% compared to the third quarter.
- The category of leverage products holds a share of 41.55% of the total turnover. The share for investment products increased to 58.45%.
- 31'837 products were listed at the end of December 2015 of which 9'186 (-8.31%) were issued in the fourth quarter.
- In December 2015, the five biggest issuers of stock-exchange-listed structured products are UBS (market share total: 31.88%), Bank Vontobel (22.13%), ZKB (19.92%), Bank Julius Baer (9.16%) and Credit Suisse (3.60%). The share of all other issuers is 13.30%.
- By the end of the fourth quarter the VaR values show for the SSPA category leverage after some fluctuations a slightly increasing trend regarding their risks. The categories capital protection, participation and yield enhancement do not show any fundamental changes. A big change concerning risk classes happened to the participation products: category 6 rose heavily whereas categories 3, 4 and 5 decreased. The capital protection products show a minor increase in category 2 and categories 1 and 3 decreased slightly.

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 31.12.2015

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

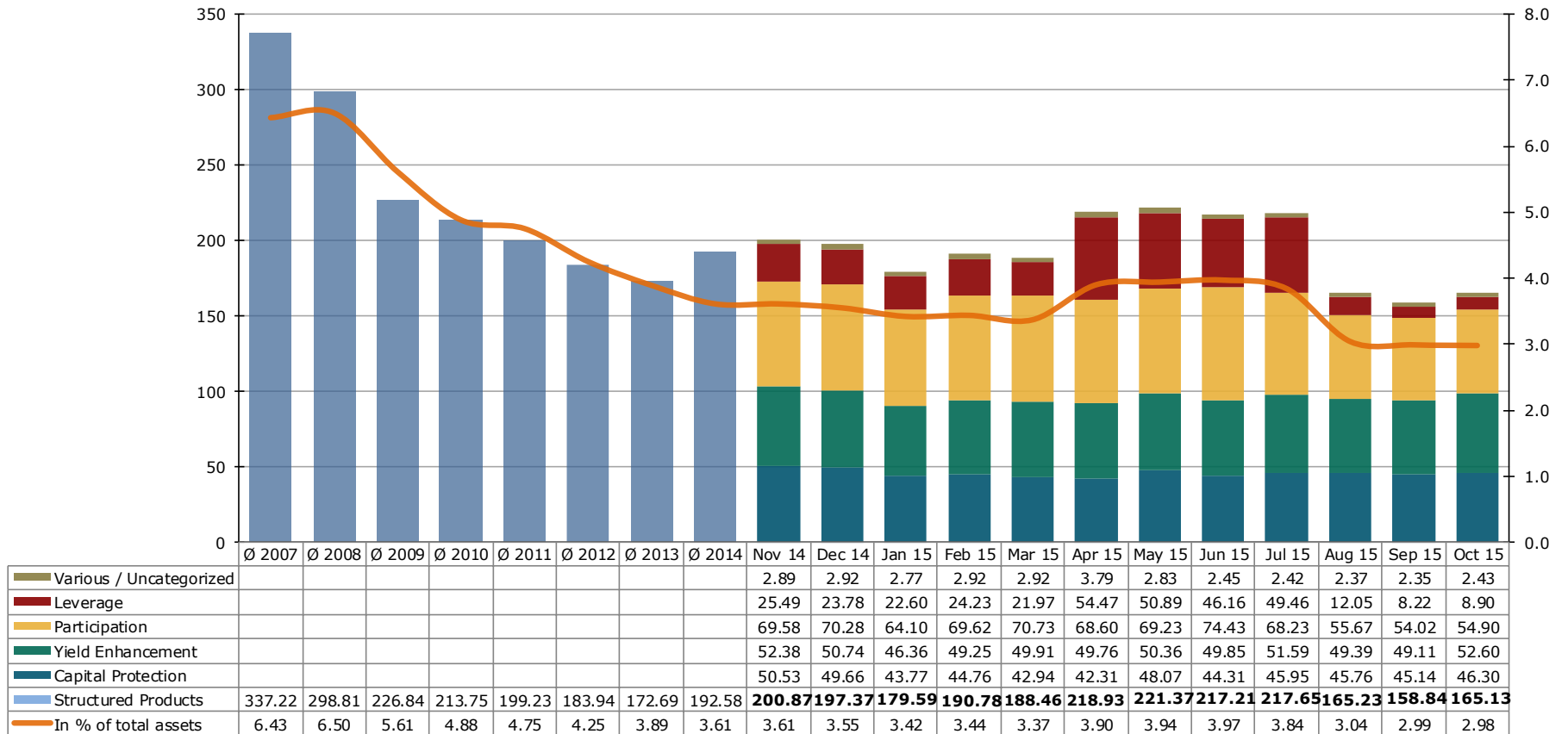
- The Association's product classification comprises five main groups and 26 product types.
- Use the interactive product finder on the Association website: www.sspa-association.ch (product finder).
- Classifications are checked monthly and updated if needed.
- We create new product types when no less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

Fiaures in CHF bn

Fiaures in %



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 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
Nov 14	5'559	65	1'286	2'244	1'762	201	0
Dec 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
Feb 15	5'552	67	1'264	2'242	1'788	191	0
Mar 15	5'589	65	1'270	2'256	1'811	188	0
Apr 15	5'608	63	1'268	2'249	1'808	219	0
May 15	5'625	64	1'271	2'260	1'808	221	0
Jun 15	5'477	62	1'247	2'174	1'776	217	0
Jul 15	5'656	61	1'256	2'298	1'822	218	0
Aug 15	5'435	61	1'261	2'165	1'783	165	0
Sep 15	5'321	61	1'247	2'070	1'784	159	0
Okt 15	5'550	56	1'269	2'215	1'845	165	0

- Compared to the previous year total securities held decreased from CHF 5'559 bn to CHF 5'550 bn in October 2015 (minus CHF 9 bn), which is a non-price-adjusted decrease of 0.16%.
- In this period, the market for structured products decreased from CHF 201 bn to CHF 165 bn. This is a minus of 17.91%.
- The market share in structured products (-17.91%) has most remarkably decreased. Investment funds increased by 4.71%.

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 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
Nov 14	1.17	23.14	40.37	31.70	3.61	0.00
Dec 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
Feb 15	1.20	22.77	40.38	32.21	3.44	0.00
Mar 15	1.16	22.71	40.36	32.39	3.37	0.00
Apr 15	1.13	22.62	40.12	32.25	3.90	0.00
May 15	1.14	22.60	40.18	32.14	3.93	0.00
Jun 15	1.13	22.24	38.77	31.66	3.87	0.00
Jul 15	1.09	22.21	40.64	32.22	3.85	0.00
Aug 15	1.12	23.20	39.83	32.80	3.04	0.00
Sep 15	1.14	23.44	38.91	33.53	2.99	0.00
Okt 15	1.01	22.86	39.91	33.24	2.97	0.00

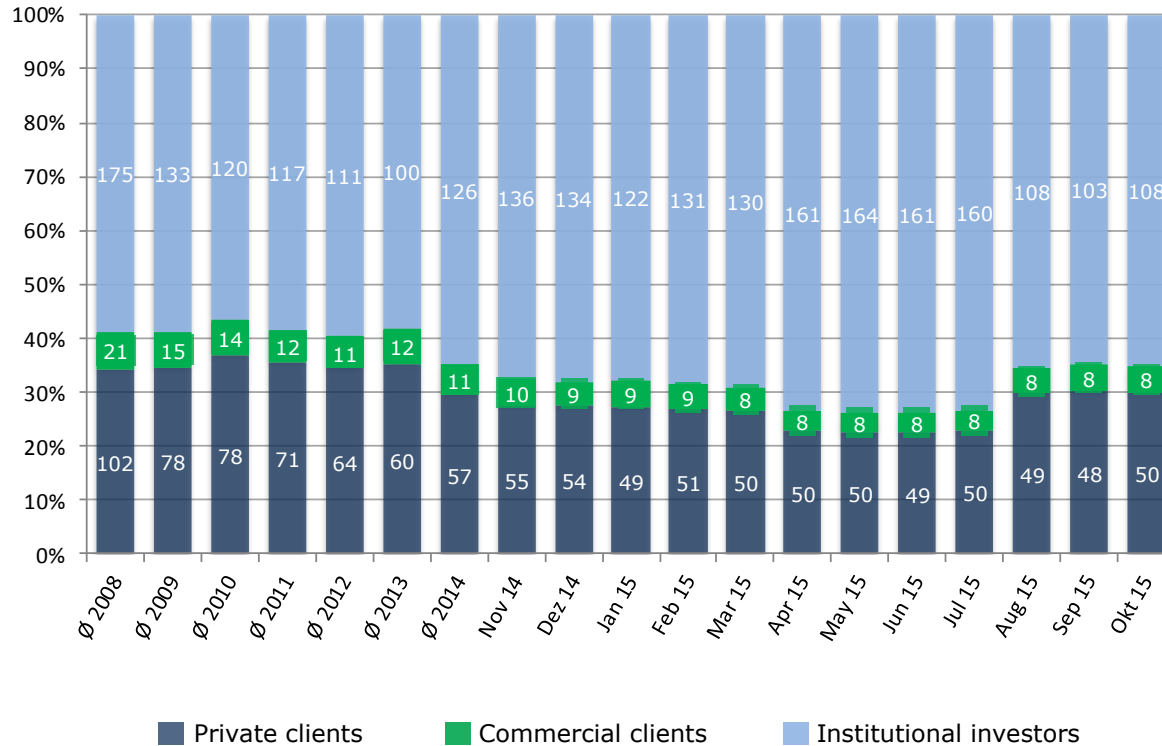
- In October 2015 2.97% of all client deposits were invested in Structured Products.
- Compared to the preceding year (3.12%) this is a decrease of 17.73%.
- In the other asset classes there has for the same period been a shift away from money market papers (-13.68%), bonds (-1.21%) and shares (-1.14%) towards the asset class of investment funds (+4.86%).

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

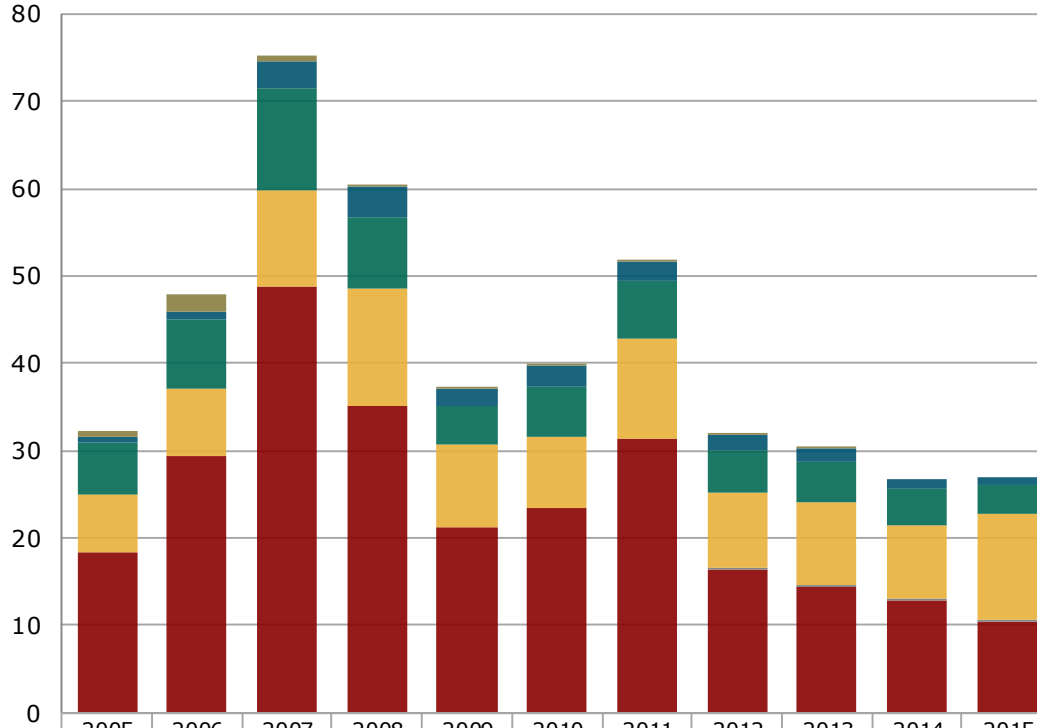


- SSPA estimates that more than half of all Structured Products are placed by investment managers acting on behalf of private investors.

Source: SNB Monthly Statistical Bulletin, latest available figures

4. Structured products at the SIX Structured Products Exchange

4.1 Turnover 2005 - 2015



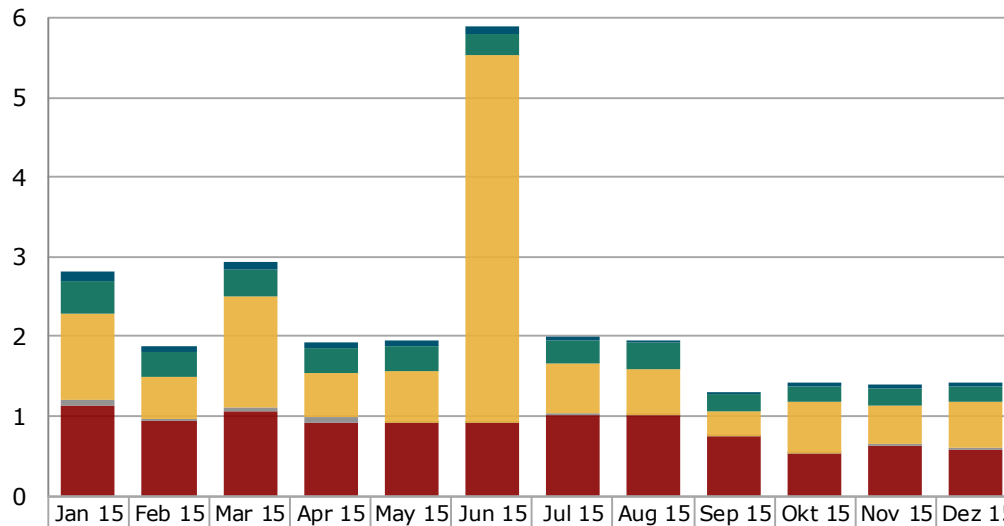
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Various	0.75	2.14	0.79	0.13	0.03	0.03	0.11	0.08	0.06	0.00	0.00
Capital Protection	0.50	0.90	3.01	3.60	2.05	2.31	2.21	1.84	1.63	1.22	0.75
Yield Enhancement	6.03	7.80	11.81	8.10	4.27	5.83	6.62	4.93	4.71	4.25	3.42
Participation	6.61	7.73	11.06	13.44	9.47	8.16	11.65	8.47	9.40	8.22	12.03
With Reference Entities								0.33	0.28	0.35	0.31
Leverage	18.37	29.41	48.70	35.09	21.27	23.40	31.27	16.30	14.27	12.79	10.38
Total	32.25	47.99	75.37	60.36	37.09	39.73	51.86	31.87	30.30	26.83	26.88

- Compared to the previous year the turnover in 2015 increased to CHF 26.88 bn (+0.19%). Measured against the exceptionally strong year 2007 this equals about 35.66% of the turnover at that time.
- Against 2014 in 2015 participation products (+46.35%) could increase their demand, however, especially capital protection products (-38.52%) were less in demand.

4. Structured products at the SIX Structured Products Exchange

4.2 Turnover in the last 12 months

Figures in CHF bn



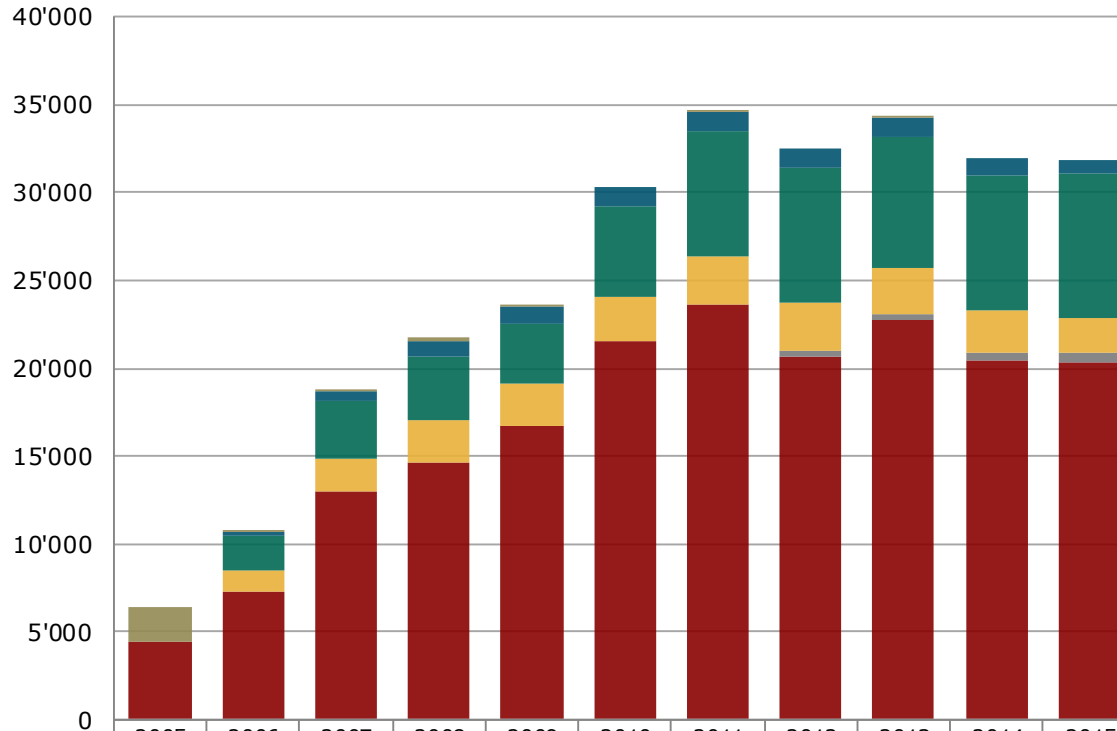
	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Okt 15	Nov 15	Dez 15
■ Various	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
■ Capital Protection	0.13	0.07	0.09	0.07	0.07	0.09	0.05	0.04	0.03	0.04	0.04	0.04
■ Yield Enhancement	0.40	0.32	0.34	0.31	0.30	0.27	0.29	0.34	0.23	0.20	0.22	0.19
■ Participation	1.09	0.52	1.41	0.55	0.65	4.60	0.63	0.56	0.30	0.64	0.50	0.58
■ With Reference Entities	0.07	0.03	0.05	0.05	0.01	0.02	0.02	0.01	0.01	0.01	0.01	0.02
■ Leverage	1.13	0.93	1.06	0.93	0.91	0.91	1.02	1.00	0.74	0.52	0.63	0.59
Total	2.82	1.87	2.94	1.92	1.94	5.89	2.00	1.96	1.31	1.41	1.40	1.42

- Compared to the previous year the turnover in December 2015 is lower by 34.26%.
- Compared to the previous quarter the turnover increased in December 2015 by 8.4%.
- The increase of turnover in the fourth quarter is clearly due to the category of participation products (+93.33%).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

4. Structured products at the SIX Structured Products Exchange

4.3 Number of listed products 2005 – 2015

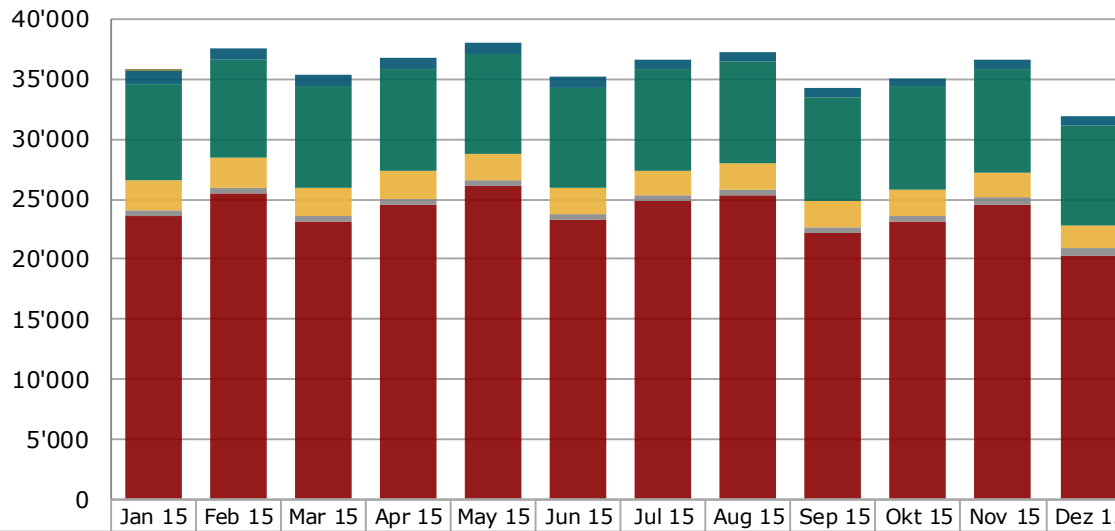


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
■ Various	2'046	22	69	142	16	0	16	0	1	0	0
■ Capital Protection		275	633	943	996	1'111	1'169	1'106	1'112	977	737
■ Yield Enhancement		1'936	3'258	3'615	3'347	5'127	7'055	7'704	7'523	7'713	8'296
■ Participation		1'238	1'828	2'400	2'414	2'574	2'750	2'688	2'618	2'452	1'940
■ With Reference Entities								335	313	437	505
■ Leverage	4'403	7'235	13'013	14'608	16'751	21'539	23'647	20'662	22'739	20'410	20'359
Total	6'649	10'706	18'801	21'708	23'524	30'351	34'637	32'495	34'305	31'989	31'837

- With an amount of 31'837 products at the end of 2015 there have been fewer products issued compared to the previous year. Compared to 2014 the decrease equals 152 products (-0.48%).
- In 2015 capital protection products (-24.56%) have decreased the most.

4. Structured products at the SIX Structured Products Exchange

4.4 Number of listed products in the last 12 months



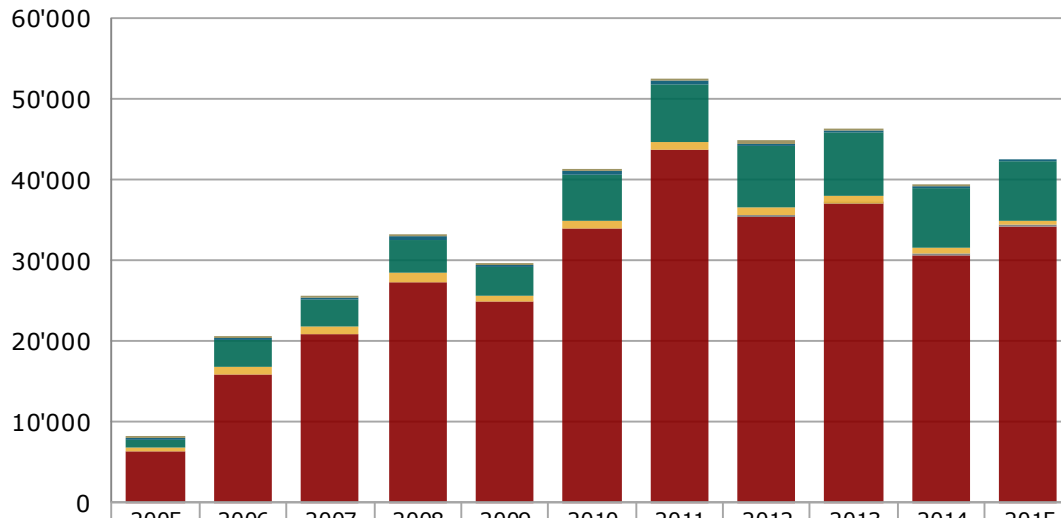
	Jan 15	Feb 15	Mar 15	Apr 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Okt 15	Nov 15	Dez 15
■ Various	1	0	0	0	0	0	0	0	0	0	0	0
■ Capital Protection	968	962	960	924	908	888	842	827	805	782	770	737
■ Yield Enhancement	8'124	8'232	8'363	8'432	8'309	8425	8'421	8'423	8'608	8'593	8'628	8'296
■ Participation	2'436	2'444	2'360	2'345	2'219	2200	2'182	2'161	2'111	2'082	2'073	1'940
■ With Reference Entities	437	449	457	457	461	468	474	479	495	505	504	505
■ Leverage	23'641	25'503	23'194	24'608	26'095	23227	24'766	25'326	22'206	23'160	24'594	20'359
Total	35'606	37'590	35'334	36'766	37'992	35'208	36'685	37'216	34'225	35'122	36'569	31'837

- In the fourth quarter especially the category of products with reference entities (+2.02%) achieved an increase.
- However, capital protection products (-8.45%), leverage (-8.32%), participation products (-8.1%) and yield enhancement (-3.62%) 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 2005 – 2015



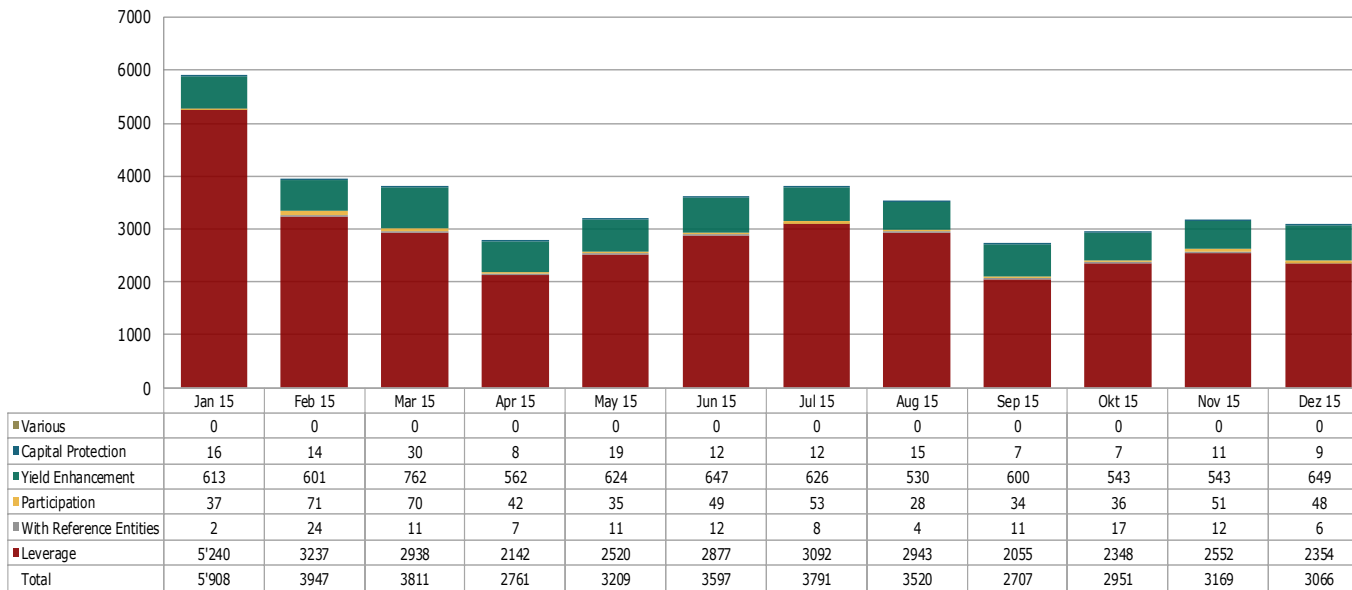
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
■ Various	1	21	128	119	158	84	74	493	9	2	0
■ Capital Protection	40	209	247	491	302	514	428	212	223	170	160
■ Yield Enhancement	1'020	3'329	3'316	3'967	3'673	5'658	7'190	7'580	7'789	7'519	7'300
■ Participation	414	920	865	1'189	636	804	854	988	899	665	554
■ With Reference Entities								241	148	152	125
■ Leverage	6'487	15'919	21'038	27'368	24'984	34'127	43'868	35'493	37'014	30'804	34'298
Total	7'962	20'398	25'594	33'134	29'753	41'187	52'414	45'007	46'082	39'312	42'437

- In the year 2015 with 42'437 new issues the previous year was outreached. Compared to 2014 it is an increase of 7.95%.
- Leverage products accounted for the biggest part with 80.82%. Especially yield enhancement products were issued in the category of investment products with a share of 17.20%.

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



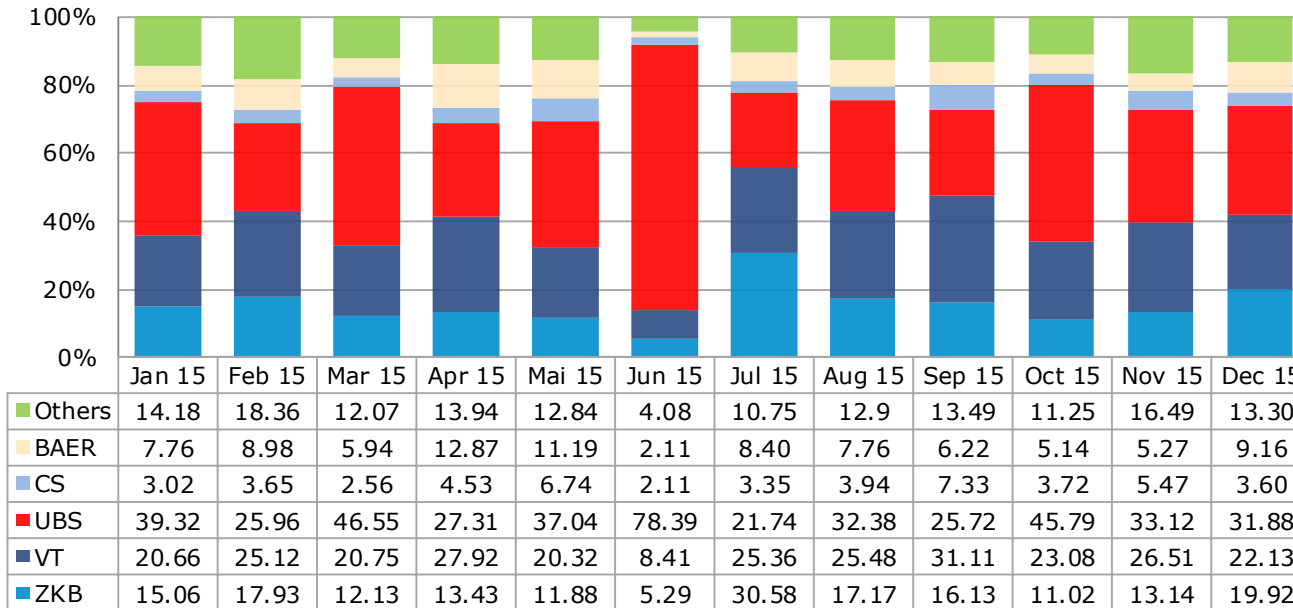
- Whereas 10'018 products were issued in the third quarter of 2015 the fourth quarter of 2015 saw a decrease of 8.31% to 9'186 products.
- Compared to the previous year (2'847 products) a higher amount of products was issued in December 2015 (+14.23%).

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 %



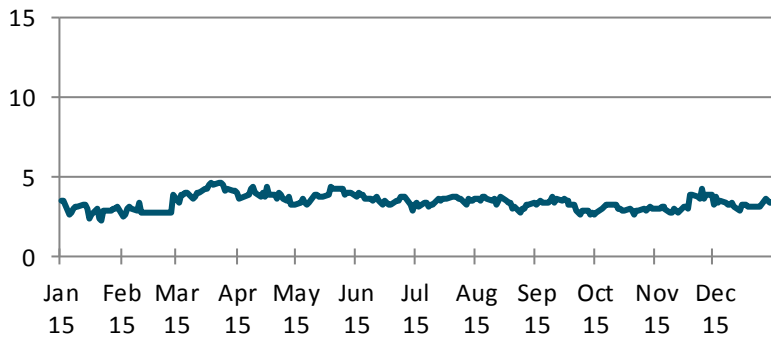
- In December 2015, the five biggest issuers of stock-exchange-listed structured products are UBS (market share total: 31.88%), Bank Vontobel (22.13%), ZKB (19.92%), Bank Julius Baer (9.16%) and Credit Suisse (3.60%).
- In the fourth quarter among the five largest issuers Bank Julius Baer (+47.27%), UBS (+23.95%) and ZKB (+23.50%) could improve their shares at the expense of Bank Vontobel (-28.87%) and Credit Suisse (-50.89%).

Source: SIX Structured Products Exchange AG, Derivative Partners AG

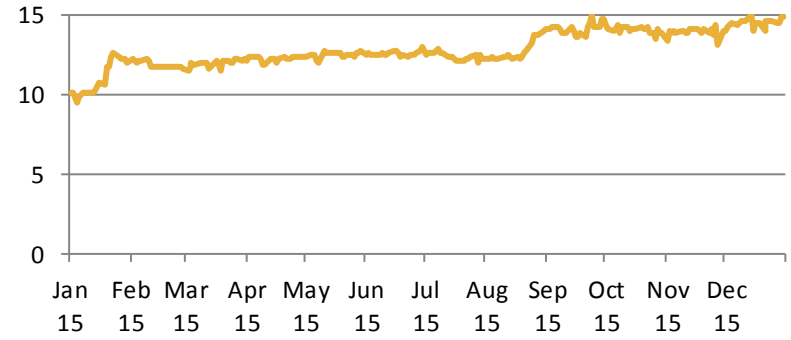
5. SSPA risk figure

5.1 Aggregated Market Risk (VaR) during the year

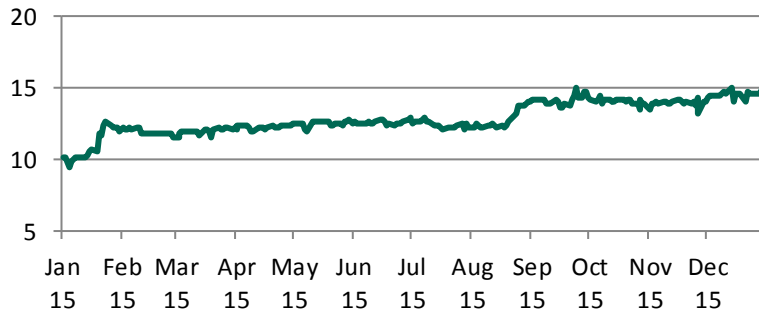
Capital Protection



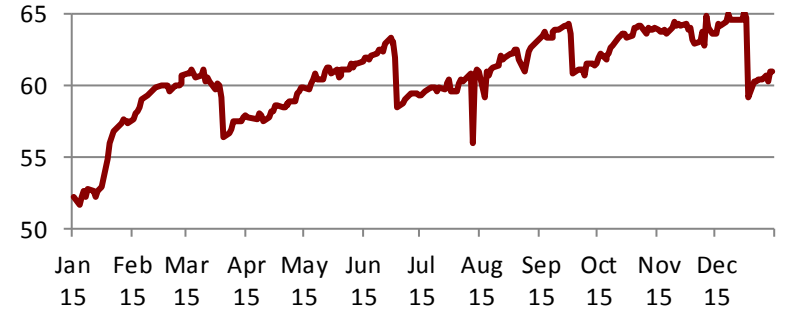
Participation



Yield Enhancement



Leverage

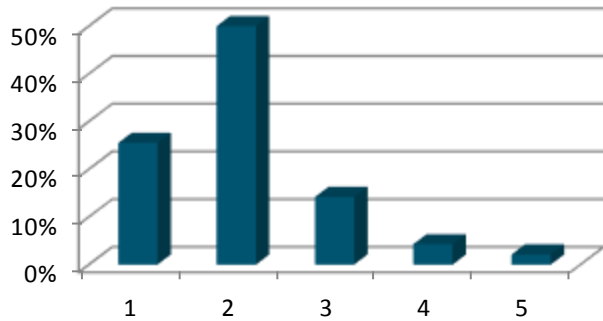


Value at Risk (VaR) Measuring unit of a product's market risk, it describes the loss that will not be exceeded within a specific holding period (i.e. 10 days) with a defined probability (i.e. 99%).

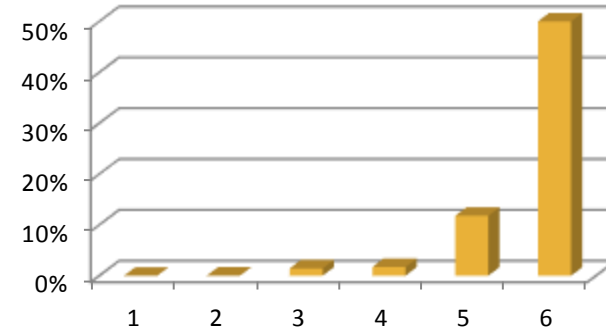
5. SSPA risk figure

5.2 Distribution of risk categories at the end of the quarter

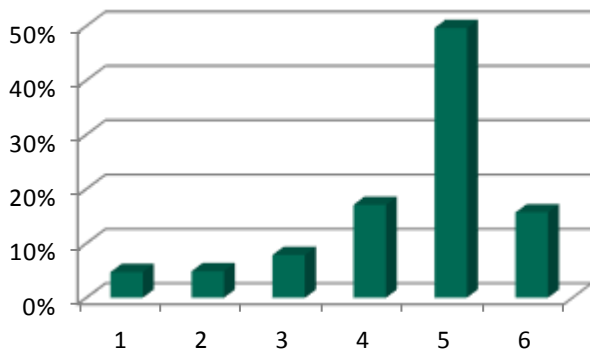
Risc classes Capital Protection



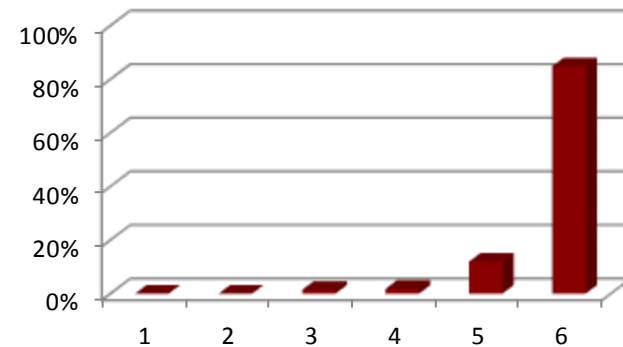
Risc classes Participation



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 31th December 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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