

Media release

Swiss Structured Products Association (SSPA)

SSPA introduces risk category interval-adjustment rules

The Committee of SSPA, Swiss Structured Products Association, has introduced rules governing automatic interval adjustment of SSPA risk categories. The six risk categories' intervals are now checked weekly.

Zurich, January 29, 2010. Structured products listed in Switzerland fall into six risk categories – from 1, or low risk, to 6 for very high risk. SSPA, the Swiss Structured Products Association, assigns each structured product a Risk Rating based on its risk category. With the introduction of Risk Figures and Risk Ratings SSPA has rendered structured products markedly more transparent for investors and other market participants alike. SSPA president Roger Studer: “We are proud to report that SSPA’s Risk Ratings have become the accepted risk factor assessment standard for structured products.”

Weekly monitoring by the Risk Commission

SSPA’s Risk Commission determines dynamic risk rating threshold values and regularly monitors and corrects intervals for the six risk categories as needed. According to SSPA Vice-President Paolo Vanini, “That way, structured products’ Risk Ratings are in the correct relation with each other.” Furthermore, for the sake of greater transparency and understanding, SSPA has ruled that Risk Commission changes are to be based on the above-mentioned rules, which are derived from a series of benchmark indices. Benchmark index Value-at-Risk figures are calculated weekly and the six risk categories automatically adjusted according to the resulting interval limits. The Risk Commission may decide to take ad hoc action in the case of events of unforeseeable impact on market risk, for instance systemic risk.

More information on rule-based interval adjustments and risk categories are available on the SSPA website as of February 1, 2010 (www.svsp-verband.ch/riskrating).

*** Value at Risk (VaR):**

VaR, the financial industry's most widely used method of assessing an investment's market risk, systematically examines the effect of a product's or portfolio's risk mutations, including volatility, interest rates and price of underlying, to infer likelihood and extent of possible loss.

For more information, please contact

SSPA – Swiss Structured Products Association
Paolo Vanini, Vice-President SSPA
Peter Keller, Director Operations & Standards SSPA

Splügenstrasse 10
CH-8002 Zurich
Switzerland
Phone +41 (0)43 534 97 72
Fax +41 (0)43 540 57 73
info@sspa-association.ch
www.sspa-association.ch

Structured products

Structured products are investment instruments available to the public whose repayment value is determined by their underlying shares, interest, foreign currency or raw materials such as gold or crude oil.

The Association

Your contact of choice for all questions relating to structured products is the Swiss Structured Products Association (SSPA). It represents the shared interests of 19 members, together making up 95 percent of Switzerland's market volume for structured products. The Association is domiciled in Zurich. For more information, please visit www.sspa-association.ch.