



Structured Products Value Creation Q1 2021

April 2021

Executive Summary

Turnover of Swiss structured products of the major SSPA members amounted to CHF 94 bn in Q1 2021

- Turnover decreased by -20% compared to Q1 2020 (CHF 117 bn) to CHF 94 bn

Yield enhancement products leading, leveraged products growing turnover share

- Yield enhancement products made up nearly half of the total turnover in Q1 2021 (CHF 46 bn)
- In Q1 2021, turnover of leveraged products amounted to CHF 26 bn (prior year: CHF 29 bn), constituting the second largest group with a share of 28% (prior year: 24%)
- Compared to the prior year, turnover of participation products fell from CHF 17 bn to CHF 13 bn, the share of participation products remained constant at 14%
- Turnover of capital protection products decreased to CHF 7 bn in Q1 2021 (prior year: CHF 18 bn)

Equity and foreign exchange dominating asset classes, fixed income declined

- Despite a turnover decrease from CHF 69 bn in Q1 2020 to CHF 57 bn in Q1 2021, equity products responsible for the largest share with 61% (prior year: 59%)
- Nominal turnover of foreign exchange products fell from CHF 23 bn to CHF 20 bn, but share increased slightly from 20% to 22%
- Compared to Q1 2020, total turnover of fixed income products decreased from CHF 15 bn to CHF 8 bn, with the share declining from 12% to 8%

Turnover of shares of listed products raising in Q1 2021

- Non-listed products with CHF 59 bn amounted to 63% in Q1 2021, this corresponded to a 4 percentage points drop compared to the previous year
- In Q1 2021 turnover of listed products decreased from CHF 39 bn to CHF 35 bn, but turnover share rose to 37% (prior year: 33%)

Primary market with the highest turnover share

- Compared to the prior year, turnover of the primary market fell by CHF 8 bn to CHF 49 bn in Q1 2021, which translated into 52% of total turnover (prior year: 49%)
- The turnover of the secondary market dropped from CHF 59 bn to CHF 45 bn, share reached 51% (prior year: 48%)

With a turnover share of 85% USD, EUR and CHF were the main currencies in Q1 2021 – EUR share remained constant while CHF and USD lost share

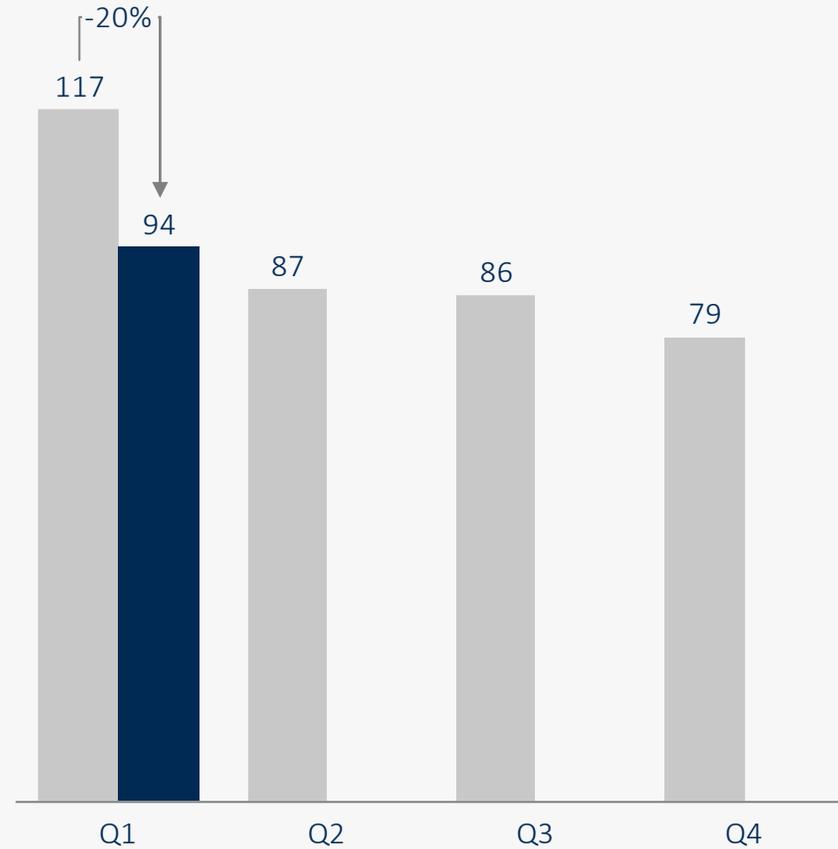
- Turnover of CHF fell to CHF 12 bn (prior year: CHF 18 bn), CHF lost 3 percentage points in turnover share (current: 13%, prior year: 16%)
- Turnover of USD decreased to CHF 35 bn (prior year: 46 bn) and the share slightly decreased from 39% to 38% compared to the previous year
- Turnover of EUR amounted to CHF 32 billion, with the turnover share remaining constant at 34%

Note: Numbers are commercially rounded. Potential changes were applied retroactively to 2019 data.

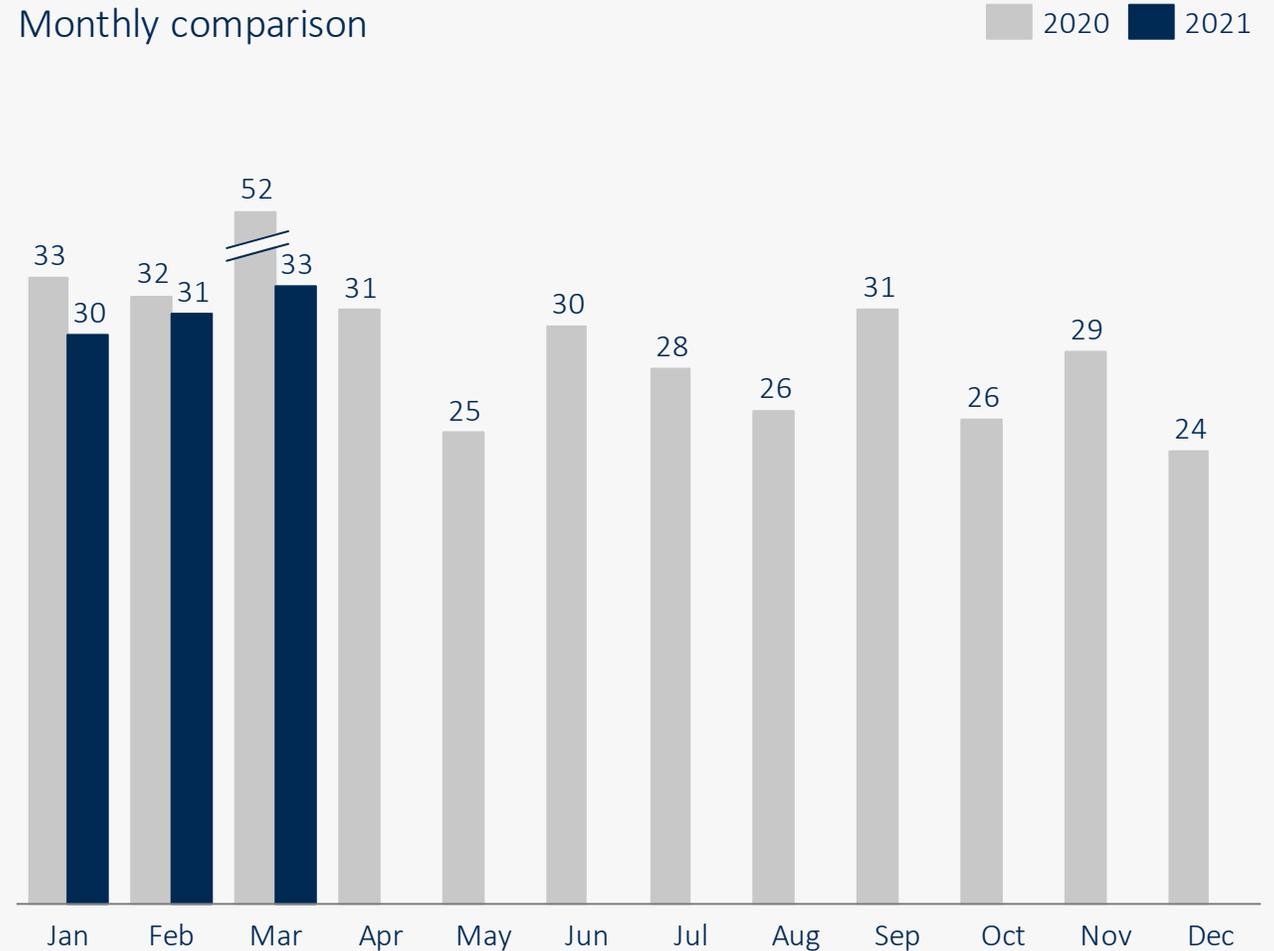
Overall turnover development of structured products in 2020 and 2021

Turnover in respective time frame in CHF bn

Quarterly comparison



Monthly comparison



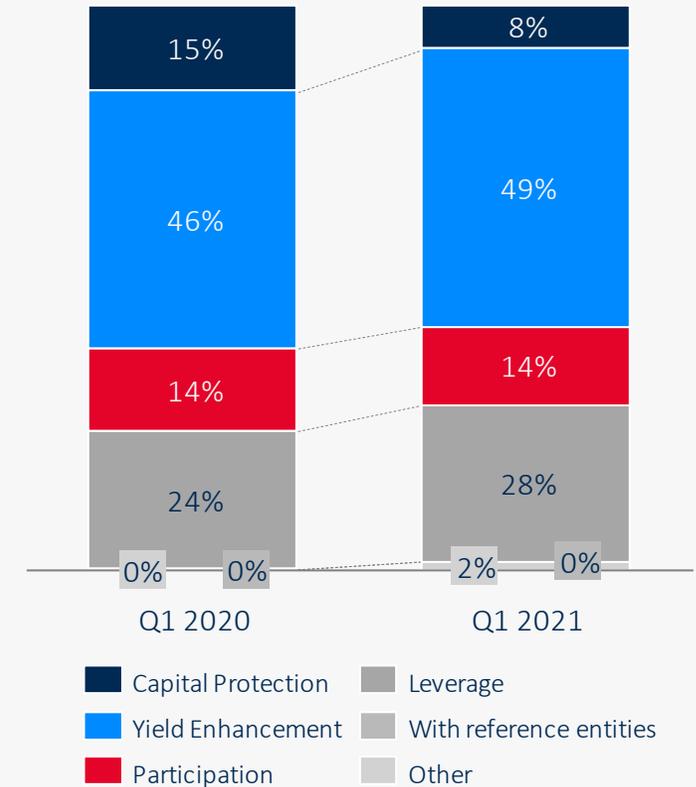
Source: Data collected monthly from SSPA member institutes.

Turnover of structured products split by product group

Split by product group

Product group	Q1	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Capital Protection	2020	17.7	15.1%	9	0.2%
	2021	7.1	7.6%	3	0.0%
Yield Enhancement	2020	53.3	45.6%	209	3.9%
	2021	46.1	49.2%	235	3.8%
Participation	2020	16.9	14.5%	190	3.5%
	2021	12.9	13.8%	203	3.3%
Leverage	2020	28.6	24.5%	4,974	92.4%
	2021	25.9	27.7%	5,700	92.8%
With reference entities	2020	0.0	0.0%	1	0.0%
	2021	0.0	0.0%	0	0.0%
Other	2020	0.3	0.3%	0	0.0%
	2021	1.6	1.7%	3	0.0%
Total	2020	116.9	100.0%	5,384	100.0%
	2021	93.6	100.0%	6,144	100.0%

Quarterly turnover split



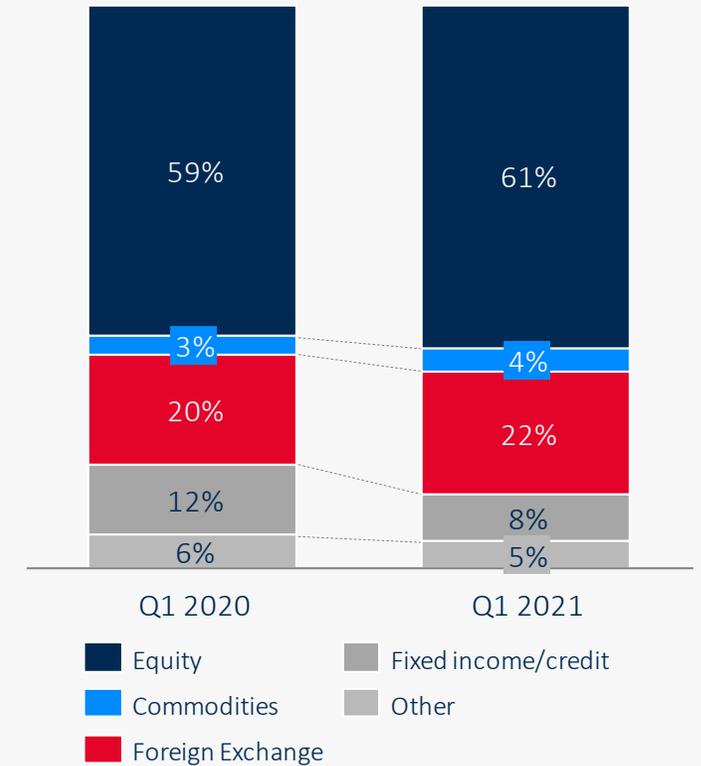
Source: Data collected monthly from SSPA member institutes.

Turnover of structured products split by asset class

Split by asset class

Asset class	Q1	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Equity	2020	68.7	58.8%	4,478	83.2%
	2021	56.9	60.7%	5,243	85.3%
Commodity	2020	3.8	3.2%	672	12.5%
	2021	4.0	4.3%	655	10.7%
Foreign Exchange	2020	22.9	19.6%	108	2.0%
	2021	20.5	21.9%	127	2.1%
Fixed Income/ Credit	2020	14.5	12.4%	15	0.3%
	2021	7.7	8.2%	10	0.2%
Other	2020	7.0	6.0%	111	2.1%
	2021	4.6	4.9%	108	1.8%
Total	2020	116.9	100.0%	5,384	100.0%
	2021	93.6	100.0%	6,144	100.0%

Quarterly turnover split



Turnover of structured products split by trade type and market

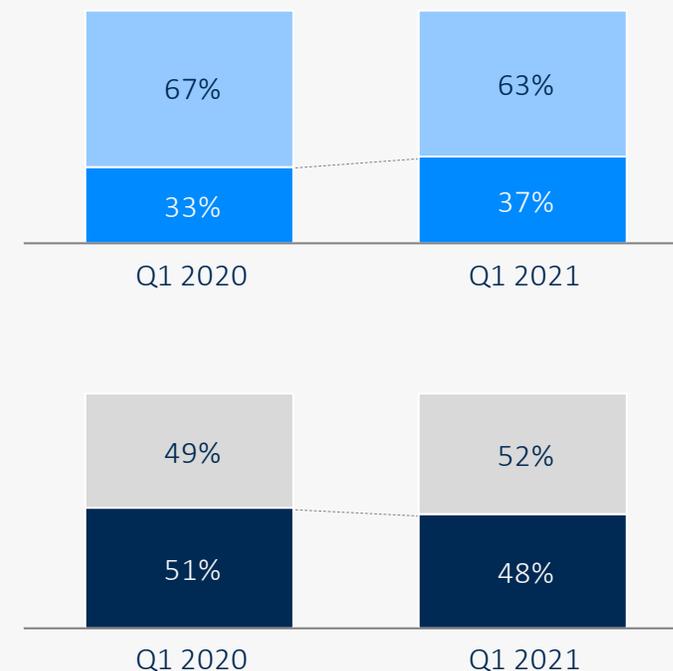
Split by trade type and market

Trade type	Q1	Turnover	
		in CHF bn	in %
Non-listed	2020	78.3	66.9%
	2021	59.0	63.0%
Listed	2020	38.7	33.1%
	2021	34.7	37.0%

Market	Q1	in CHF bn	
		in CHF bn	in %
Primary	2020	57.5	49.2%
	2021	48.6	51.9%
Secondary	2020	59.4	50.8%
	2021	45.1	48.1%
Total	2020	116.9	100.0%
	2021	93.6	100.0%

Transactions	
# in k	in %
1,311	24.3%
1,243	20.2%
4,073	75.7%
4,901	79.8%

Quarterly turnover split

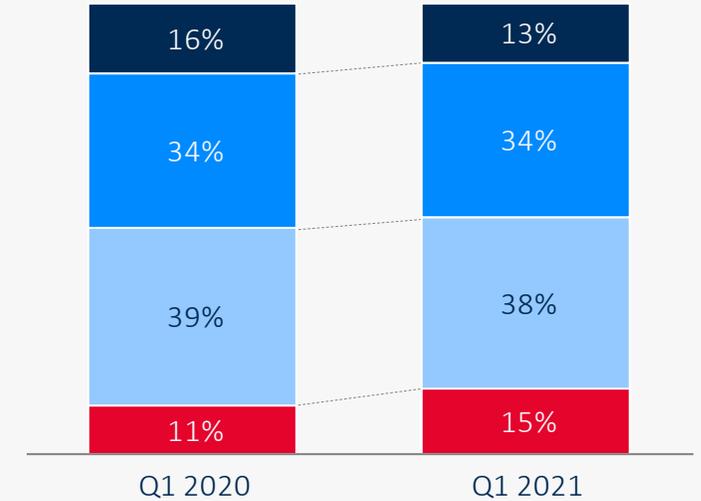


Turnover of structured products split by investment currency

Split by investment currency

Investment currency	Q1	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
CHF	2020	18.2	15.5%	500	9.3%
	2021	12.2	13.1%	447	7.3%
EUR	2020	40.0	34.2%	3,725	69.2%
	2021	32.2	34.4%	3,869	63.0%
USD	2020	45.9	39.3%	87	1.6%
	2021	35.4	37.8%	112	1.8%
Other	2020	12.8	11.0%	1,072	19.9%
	2021	13.8	14.7%	1,716	27.9%
Total	2020	116.9	100.0%	5,384	100.0%
	2021	93.6	100.0%	6,144	100.0%

Quarterly turnover split



Data collection methods and definitions (I/II)

Data collection and verification

Issuers provide data on monthly basis

Requested data points include

- Product group
- Asset class
- Trade type
- Market
- Investment currency
- Transactions
- Turnover in investment currency
- Turnover in CHF

Data verification

- Selected data points are verified during the data collection process and checked against historical data

Product groups¹ (I/II)

Capital protection products

- Capital Protection Certificate with Participation (1100)
- Barrier Capital Protection Certificate (1130)
- Capital Protection Certificate with Twin Win (1135)
- Capital Protection Certificate with Coupon (1140)

Yield enhancement products

- Discount Certificate (1200)
- Barrier Discount Certificate (1210)
- Reverse Convertible (1220)
- Barrier Reverse Convertible (1230)
- Express Certificate without Barrier (1255)
- Express-Barrier Certificate (1260)

Product groups¹ (II/II)

Participation products

- Tracker Certificate (1300)
- Outperformance Certificate (1310)
- Bonus Certificate (1320)
- Bonus Outperformance Certificate (1330)
- Twin Win Certificate (1340)

Leverage products

- Warrant (2100)
- Spread Warrant (2110)
- Warrant with Knock-Out (2200)
- Mini-Future (2210)
- Constant Leverage Certificate (2300)

Products with reference entities

- Credit linked Note (1400)
- Reference Entity Certificate with Conditional Capital Protection (1410)
- Reference Entity Certificate with Yield Enhancement (1420)
- Reference Entity Certificate with Participation (1430)

Other products

- Miscellaneous Certificates (9999)

Data collection methods and definitions (II/II)

Market

Primary

- Product volume of products newly issued on primary market

Secondary

- Product volume of products traded on secondary markets (e.g. stock exchanges)

Asset class

Equity

- Stocks, shares of ownership in publicly held companies

Commodities

- Goods traded on a commodity exchange

Foreign Exchange

- Foreign exchange

Fixed Income / Credit

- Asset in which real return rates or periodic income is received at regular intervals

Other

- Any other asset class not covered above

Trade type¹

Listed

- Products listed on exchanges

Non-listed

- Products not listed on exchanges

Other

Transactions

- Number of transactions for products engineered or sold in Switzerland during a specified month

Turnover

- Volume of all transactions of products engineered or sold in Switzerland considered
- Origin of customer (i.e. domestic vs. international) not taken into account
- Third party market transactions are not considered

1. Including primary and secondary market.

Appendix

Issued by

Swiss Structured Products Association SSPA

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Participating banks

Banque Cantonale Vaudoise

Barclays Capital

Credit Suisse

Goldman Sachs

Julius Bär

Leonteq

Raiffeisen Schweiz

Société Générale

UBS

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Data as of March 31st, 2021.

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