



Structured Products Value Creation Q2 2021

July 2021

Executive Summary

Turnover of Swiss structured products of the major SSPA members amounted to CHF 81 bn in Q2 2021

- In Q2 2021, total turnover was CHF 81 bn, a decrease of 6% compared to Q2 2020 (CHF 87 bn)
- For the first half of 2021 turnover was 14% below H1 2020; total turnover reached CHF 175 bn (prior year: CHF 204 bn)

Yield enhancement products led, capital protection lost considerably

- Turnover share of yield enhancement products increased to 54% (prior year: 45%), turnover was CHF 44 bn (prior year: CHF 39 bn)
- Leveraged products constituted the second largest group with a share of 22% (prior year: 28%), despite a decrease in turnover to CHF 18 bn (prior year: CHF 24 bn)
- In Q2 2021, the turnover of participation products rose to CHF 13 bn (prior year: CHF 9 bn), the turnover share increased from 11% to 16%
- Demand for capital protection products was muted in Q2 2021 with a turnover of CHF 6 bn (prior year: CHF 14 bn), which represented a turnover share of 7% (prior year: 16%)

Equity remained largest asset class

- Driven by an increase in turnover from CHF 43 bn in Q2 2020 to CHF 48 bn in Q2 2021, equity products accounted for the largest turnover share with 59% (prior year: 50%)
- The turnover share of foreign exchange products decreased slightly from 26% to 25%, turnover was CHF 20 bn (prior year: 22 bn)
- Total turnover of fixed income products amounted to CHF 6 bn (prior year: CHF 11 bn) with the share declining from 13% in Q2 2020 to 7% in Q2 2021

Turnover of share of listed products grew in Q2 2021

- In Q2 2021, non-listed products had a turnover share of 64% (prior year: 66%), which represented a turnover of CHF 52 bn (prior year: CHF 58 bn)
- The turnover of listed products remained at CHF 29 bn in Q2 2021, turnover share increased from 34% to 36%

Primary market with highest turnover share

- Compared to the prior year, turnover of the primary market was constant at CHF 45 bn in Q2 2021, which translated to 56% of total turnover (prior year: 52%)
- The turnover share of the secondary market dropped from 48% to 44%, total turnover reached CHF 36 bn (prior year: CHF 41 bn)

USD denominated products captured the largest share followed by products denominated in EUR and CHF

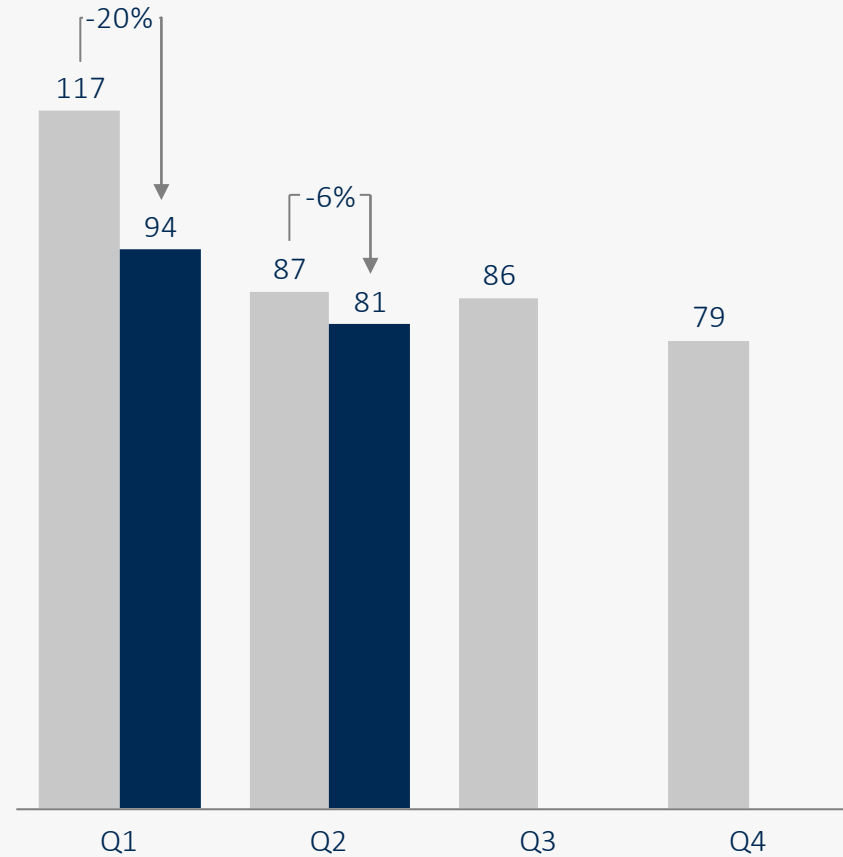
- Although the turnover of the USD decreased slightly to CHF 31 bn (prior year: 32 bn) in Q2 2021, the USD replaced the EUR as the main currency with a turnover share of 38% (prior year: 37%)
- The turnover share of the EUR fell from 39% to 36%, which represented a turnover of CHF 29 bn (prior year CHF 34 bn)
- Compared to Q2 2020, the CHF slightly gained turnover share and reached 12% in Q2 2021 (prior year: 11%), turnover remained at CHF 10 bn

Note: Numbers are commercially rounded. Potential changes were applied retroactively to 2020 data.

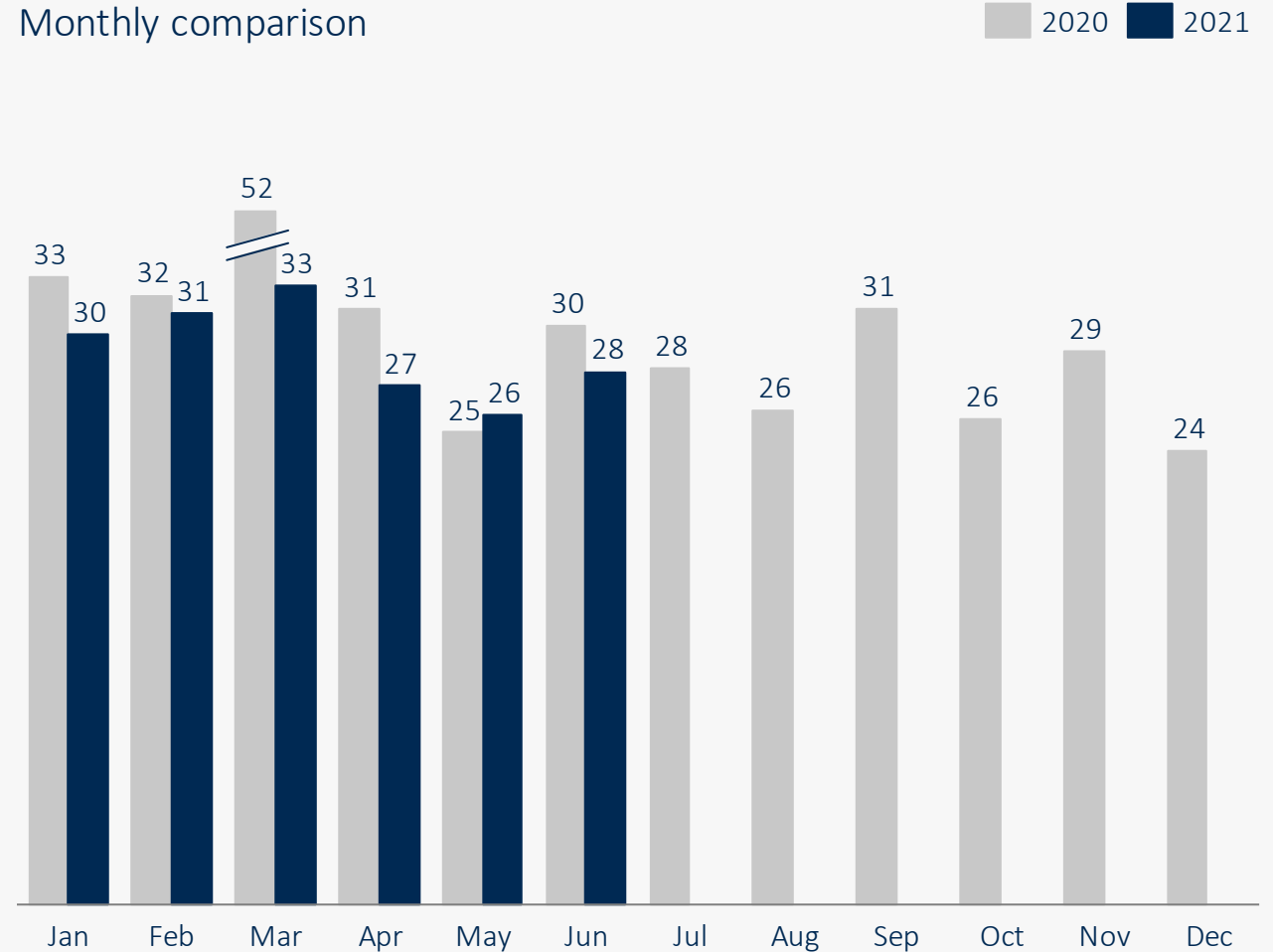
Overall turnover development of structured products in 2020 and 2021

Turnover in respective time frame in CHF bn

Quarterly comparison



Monthly comparison



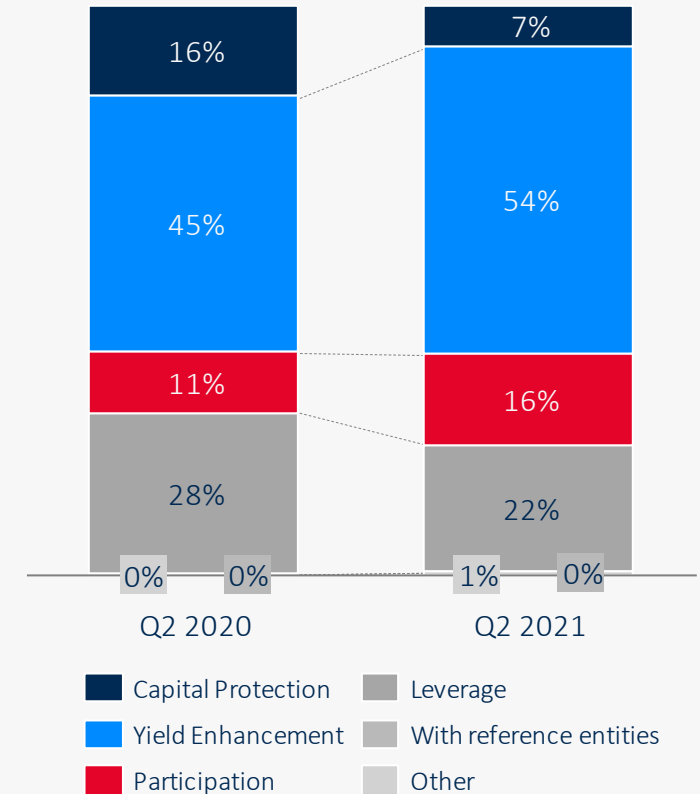
Source: Data collected monthly from SSPA member institutes.

Turnover of structured products split by product group

Split by product group

Product group	Q2	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Capital Protection	2020	13.8	15.9%	5	0.1%
	2021	5.8	7.1%	3	0.1%
Yield Enhancement	2020	38.9	44.9%	176	3.2%
	2021	43.8	54.0%	219	4.5%
Participation	2020	9.2	10.7%	135	2.4%
	2021	12.8	15.8%	178	3.7%
Leverage	2020	24.5	28.2%	5,224	94.2%
	2021	18.2	22.4%	4,430	91.7%
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%	2	0.0%
	2021	0.5	0.6%	3	0.1%
Total	2020	86.6	100.0%	5,543	100.0%
	2021	81.1	100.0%	4,832	100.0%

Quarterly turnover split



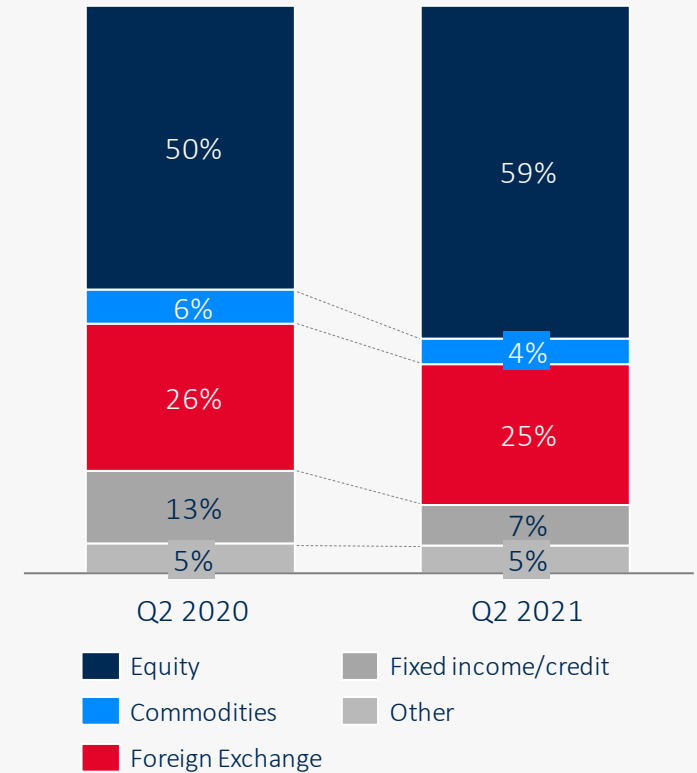
Source: Data collected monthly from SSPA member institutes.

Turnover of structured products split by asset class

Split by asset class

Asset class	Q2	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Equity	2020	43.5	50.2%	4,472	80.7%
	2021	47.6	58.7%	4,148	85.8%
Commodity	2020	5.0	5.8%	913	16.5%
	2021	3.5	4.4%	542	11.2%
Foreign Exchange	2020	22.4	25.9%	114	2.1%
	2021	20.0	24.7%	112	2.3%
Fixed Income/ Credit	2020	11.2	12.9%	10	0.2%
	2021	5.8	7.2%	8	0.2%
Other	2020	4.5	5.2%	34	0.6%
	2021	4.1	5.0%	23	0.5%
Total	2020	86.6	100.0%	5,543	100.0%
	2021	81.1	100.0%	4,832	100.0%

Quarterly turnover split



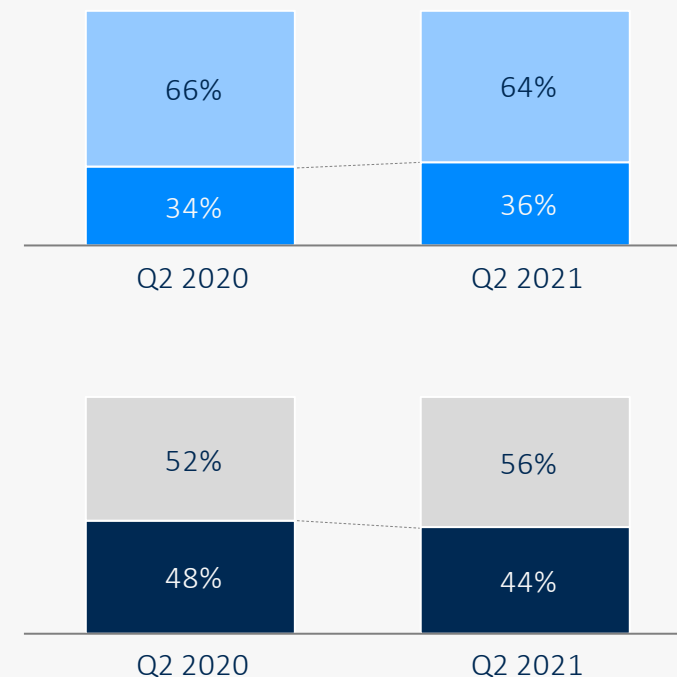
Turnover of structured products split by trade type and market

Split by trade type and market

Trade type	Q2	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
Non-listed	2020	57.5	66.4%	1,074	19.4%
	2021	51.9	64.0%	825	17.1%
Listed	2020	29.1	33.6%	4,470	80.6%
	2021	29.2	36.0%	4,007	82.9%

Market	Q2	in CHF bn		# in k	
		in CHF bn	in %	# in k	in %
Primary	2020	45.4	52.4%	80	1.4%
	2021	45.1	55.6%	91	1.9%
Secondary	2020	41.2	47.6%	5,463	98.6%
	2021	36.0	44.4%	4,742	98.1%
Total	2020	86.6	100.0%	5,543	100.0%
	2021	81.1	100.0%	4,832	100.0%

Quarterly turnover split

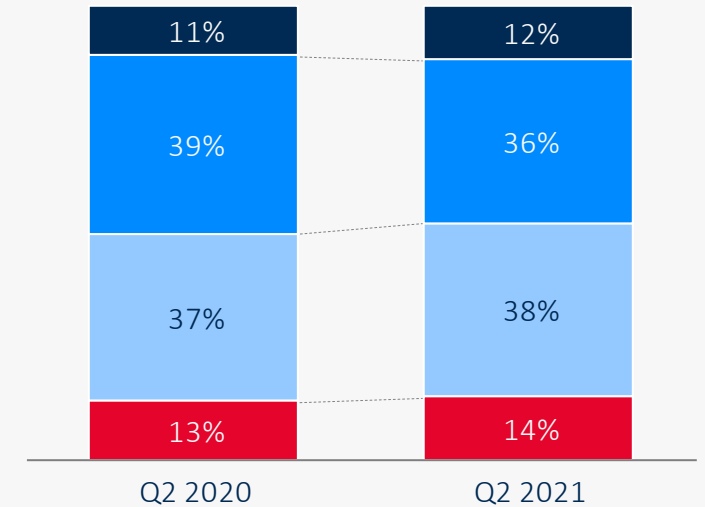


Turnover of structured products split by investment currency

Split by investment currency

Investment currency	Q2	Turnover		Transactions	
		in CHF bn	in %	# in k	in %
CHF	2020	9.6	11.1%	401	7.2%
	2021	9.7	11.9%	279	5.8%
EUR	2020	33.9	39.1%	3,874	69.9%
	2021	29.1	35.9%	2,998	62.0%
USD	2020	31.9	36.9%	69	1.3%
	2021	31.0	38.3%	87	1.8%
Other	2020	11.2	13.0%	1,199	21.6%
	2021	11.3	13.9%	1,468	30.4%
Total	2020	86.6	100.0%	5,543	100.0%
	2021	81.1	100.0%	4,832	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

Appendix

Issued by

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Participating banks

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Data as of June 30th, 2021.

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