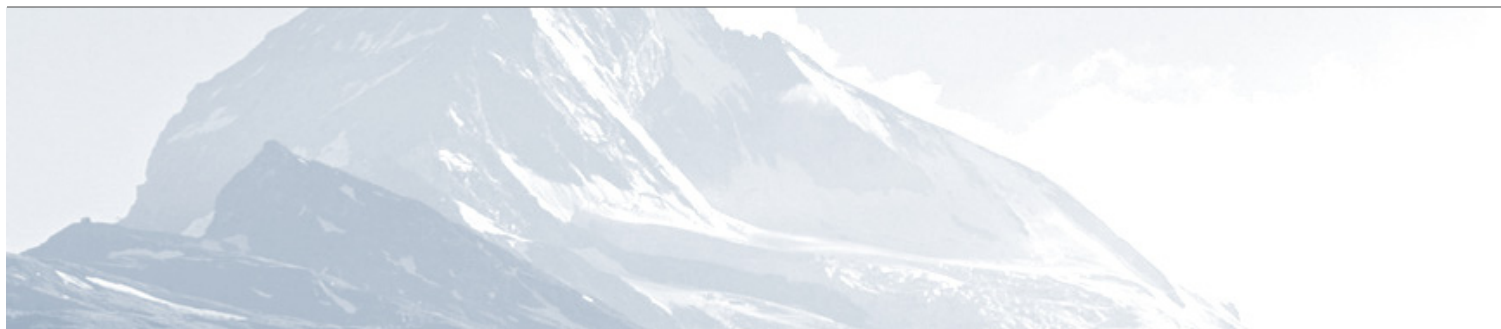


Market Report Structured Products

Quarterly Report

September 2010

Swiss Structured Products Association SSPA



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1. Main points at a glance

1.1 Key figures

- CHF 210.87 bn were invested in structured products in Swiss bank deposits (assets under management) as of the end of July 2010 (most recent data from the Swiss National Bank).
- Compared with other types of securities this represents 4.88% of all Swiss deposits.
- Private investors account for a 37.44% share in deposits, institutional investors for 55.92% and commercial clients for 6.64%.
- The Scoach exchange turnover of structured products in September 2010 was CHF 3.09 bn, which is an increase of 7.78% compared to the previous month.
- The category of leverage products holds a share of 59.30% of the total turnover. The share for investment products fell to 40.70%.
- 29'357 products were listed at the end of September of which 10'708 (36.48%) were issued in the third quarter.
- In September, the five biggest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: 23.54%), ZKB (20.06%), UBS (11.92%), Bank Julius Bär (10.23%) and Deutsche Bank (7.77%). The share of all other issuers increased to 26.48%.

1.2 Information of the SSPA

- Retroactively to July 2009 the Swiss National Bank corrected its data due to an additional differentiation between bonds and structured products in bank deposits which resulted in a shift in product categories. A comparison of the data before and after July 2009 is therefore difficult and the possibility to compare data collected before July 2009 with the SSPA categorization is limited.
- A new version of the Swiss Derivative Map is available since October 2009.
- 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 SVSP Risk Figure (SVSP 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 30.09.2010

INVESTMENT PRODUCTS

11 Capital Protection		12 Yield Enhancement		13 Participation	
1100	Uncapped Capital Protection	1200	Discount Certificates	1300	Tracker Certificates
1110	Exchangeable Certificates	1210	Barrier Discount Certificates	1310	Outperformance Certificates
1120	Capped Capital Protection	1220	Reverse Convertibles	1320	Bonus Certificates
1130	Capital Protection with Knock-Out	1230	Barrier Reverse Convertibles	1330	Outperformance Bonus Certificates
1135	Capital Protection with Double Knock-Out	1240	Capped Outperformance Certificates	1340	Twin-Win Certificates
1140	Capital Protection with Coupon	1250	Capped Bonus Certificates	1399	Various Participation
1199	Various Capital Protection	1260	Express Certificates		
		1299	Various Yield Enhancement		

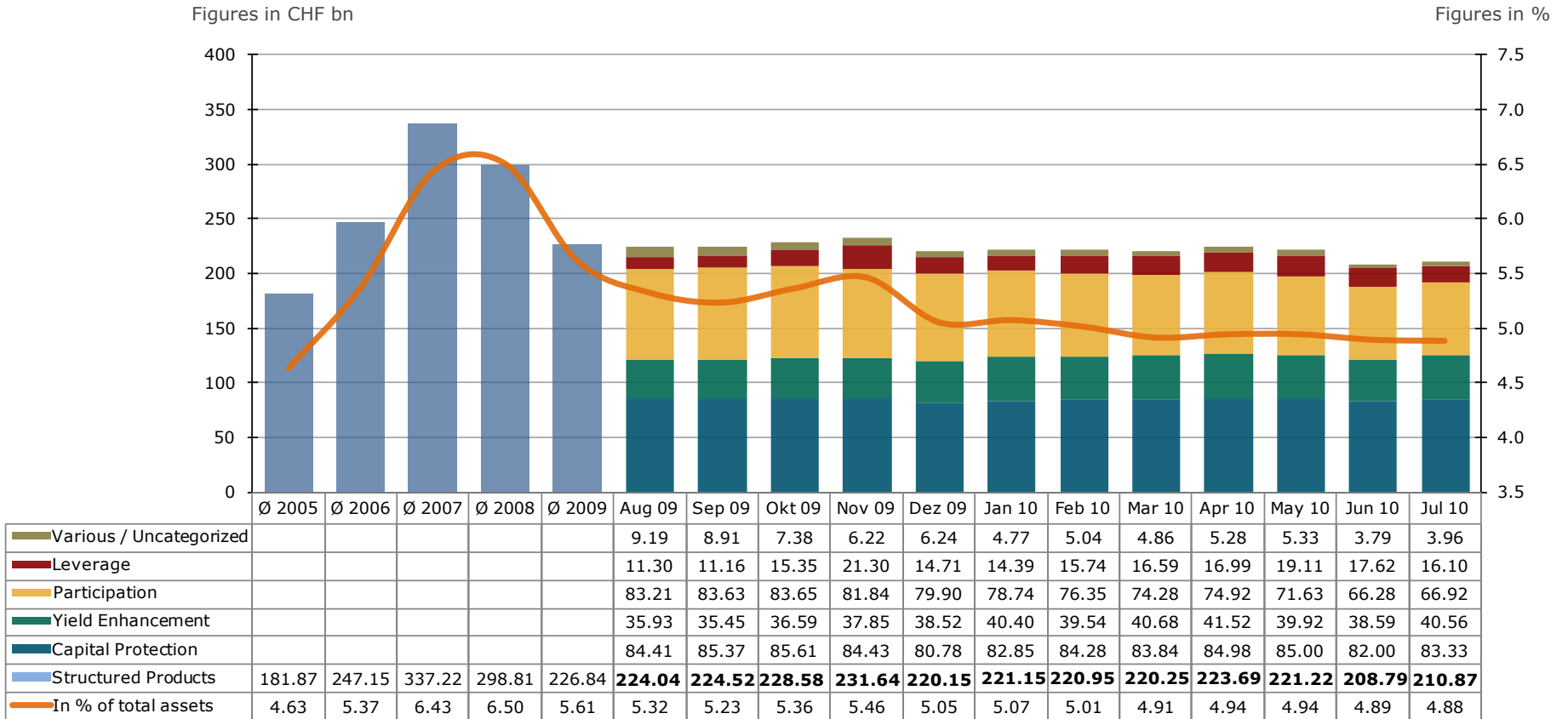
LEVERAGE PRODUCTS

21 Leverage without Knock-Out		22 Leverage with Knock-Out	
2100	Warrants	2200	Knock-Out Warrants
2110	Spread Warrants	2210	Mini-Futures
2199	Various Leverage without Knock-Out	2299	Various Leverage with Knock-Out

- The Association's product classification comprises five main groups and 22 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 2005



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 2005	3'927	58	1'202	1'467	1'012	182	36
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
Aug 09	4'210	125	1'247	1'357	1'255	224	2
Sep 09	4'292	143	1'254	1'397	1'271	225	2
Oct 09	4'264	137	1'253	1'380	1'264	229	2
Nov 09	4'243	108	1'253	1'386	1'263	232	2
Dec 09	4'357	114	1'266	1'457	1'298	220	2
Jan 10	4'362	113	1'275	1'442	1'309	221	2
Feb 10	4'412	111	1'296	1'458	1'325	221	2
Mar 10	4'487	105	1'282	1'529	1'348	220	2
Apr 10	4'528	106	1'295	1'518	1'384	224	2
May 10	4'474	107	1'308	1'451	1'386	221	2
Jun 10	4'271	104	1'259	1'378	1'319	209	2
Jul 10	4'325	100	1'264	1'425	1'323	211	2

- Since January 2010 total securities held decreased from CHF 4'362 bn to CHF 4'325 bn in July 2010 (minus CHF 37 bn), which is a non-price-adjusted minus of 0.85%.
- In this period, the market for structured products declined from CHF 221.15 bn to CHF 210.87 bn. This is a decrease of 4.65%.
- Only investment funds (+1.01%) could profit from increase in deposits, whereas shares (-1.21%) and bonds (-0.80%) declined slightly. Money market papers accounted for major losses (-11.25%).

Source: SNB Monthly Statistical Bulletin, latest available figures

3. Securities held in banks' client deposits

3.3 All categories in percent

Figures in %

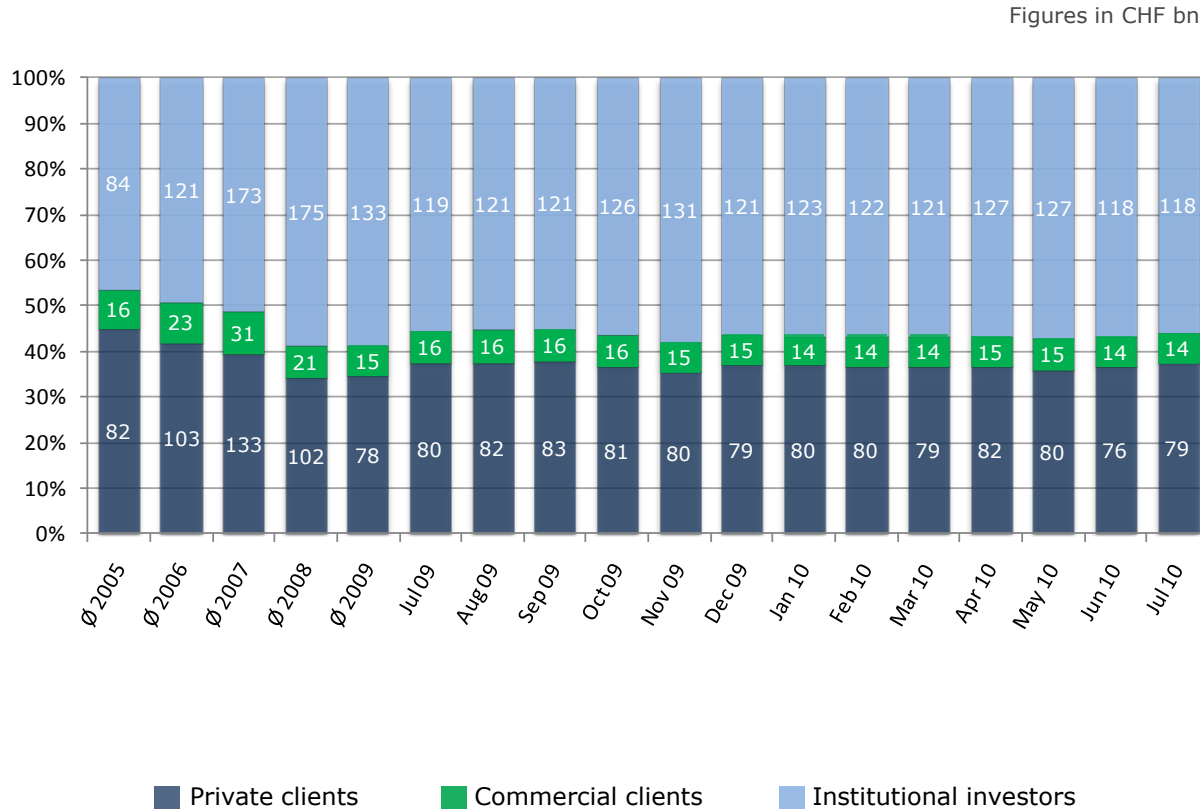
Date	Money Market	Bonds	Shares	Investment Funds	Structured Products	Other Securities
Ø 2005	1.48	30.61	37.36	25.76	4.63	0.92
Ø 2006	1.46	26.16	38.25	28.42	5.37	0.33
Ø 2007	1.57	23.49	37.93	30.48	6.43	0.11
Ø 2008	2.51	25.69	33.37	31.88	6.50	0.06
Ø 2009	3.23	29.84	30.90	30.37	5.61	0.05
Aug 09	2.97	29.62	32.22	29.82	5.32	0.04
Sep 09	3.34	29.22	32.55	29.61	5.23	0.04
Oct 09	3.22	29.38	32.36	29.64	5.36	0.05
Nov 09	2.55	29.53	32.66	29.76	5.46	0.04
Dec 09	2.62	29.04	33.44	29.80	5.05	0.04
Jan 10	2.59	29.22	33.06	30.02	5.07	0.04
Feb 10	2.51	29.37	33.04	30.03	5.01	0.04
Mar 10	2.34	28.58	34.09	30.05	4.91	0.04
Apr 10	2.33	28.61	33.51	30.57	4.94	0.04
May 10	2.38	29.23	32.43	30.97	4.94	0.04
Jun 10	2.44	29.47	32.27	30.89	4.89	0.04
Jul 10	2.32	29.24	32.95	30.58	4.88	0.04

- In July 2010 4.88% of all client deposits were invested in Structured Products.
- Compared to the beginning of the year 2010 (5.07%) this is a decline of 3.75%.
- In all other asset classes there has for the same period been a shift away from money market papers (-10.48%) and other securities (-10.47%). Bonds (+0.07%) and shares (-0.35%) remained relatively stable.

Source: SNB Monthly Statistical Bulletin, latest available figures

3. Securities held in banks' client deposits

3.4 By client (deposits holders)



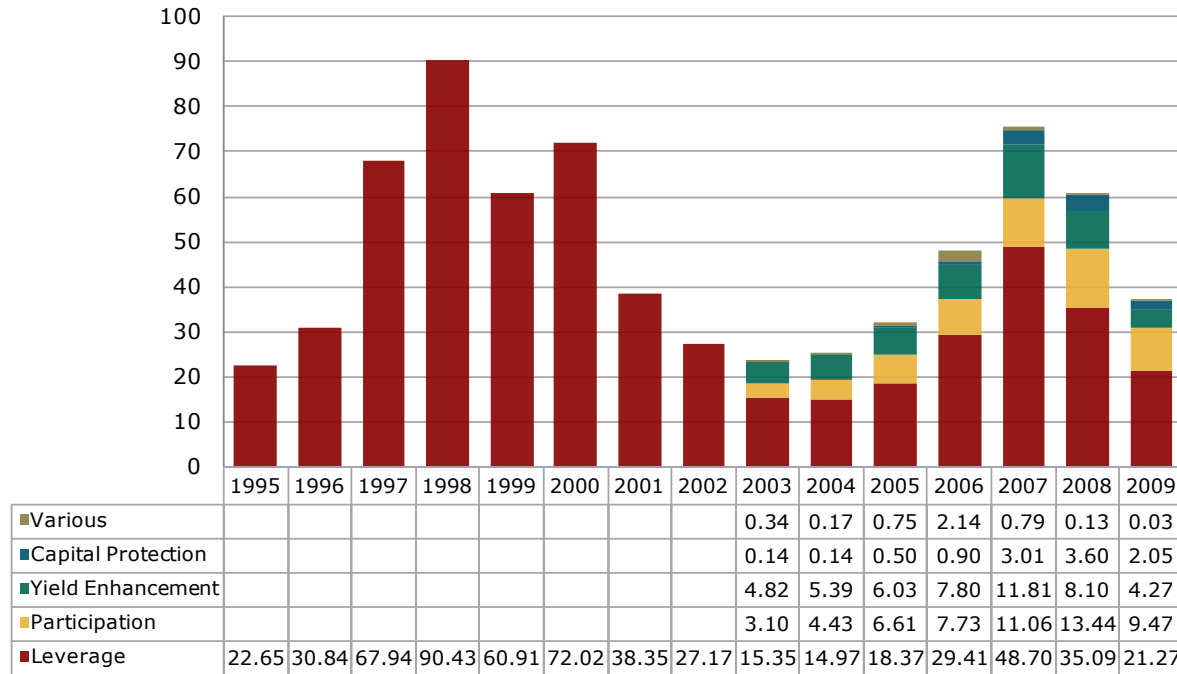
- During 2008 there has been a constant shift in client deposits. Particularly remarkable was the declining market share of private clients. However, this value is rising again since January 2009 and accounts for 37.44% in July 2010. Whereas the share for institutional investors declined to 55.92%, commercial clients newly account for 6.64%.
- 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 Scoach exchange

4.1 Turnover 1995 - 2009

Figures in CHF bn



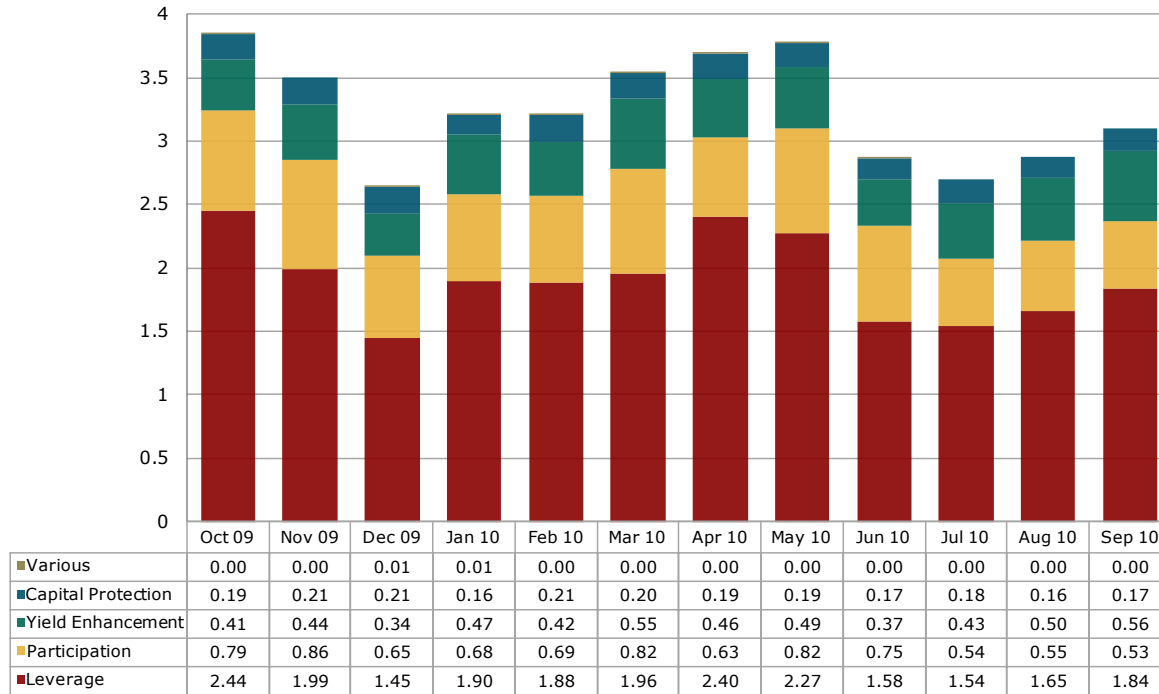
- With a total turnover of CHF 37.09 bn in 2009 on the Scoach exchange it was the weakest-selling year since 2005 (CHF 32.25 bn).
- Compared to the previous year 2008 turnover declined by CHF 23.27 bn (-38.55%). Measured against the exceptionally strong year 2007 it equates to half of the turnover.
- Whereas in 2008 first and foremost leverage products were affected by the decline in turnover (-27.95%) and participation products (+21.52%) as well as capital protection products (+19.6%) gained, in 2009 all categories are declining, especially yield enhancement products (-47.25%) and capital protection products (-43.17%).

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.2 Turnover in the last 12 months

Figures in CHF bn

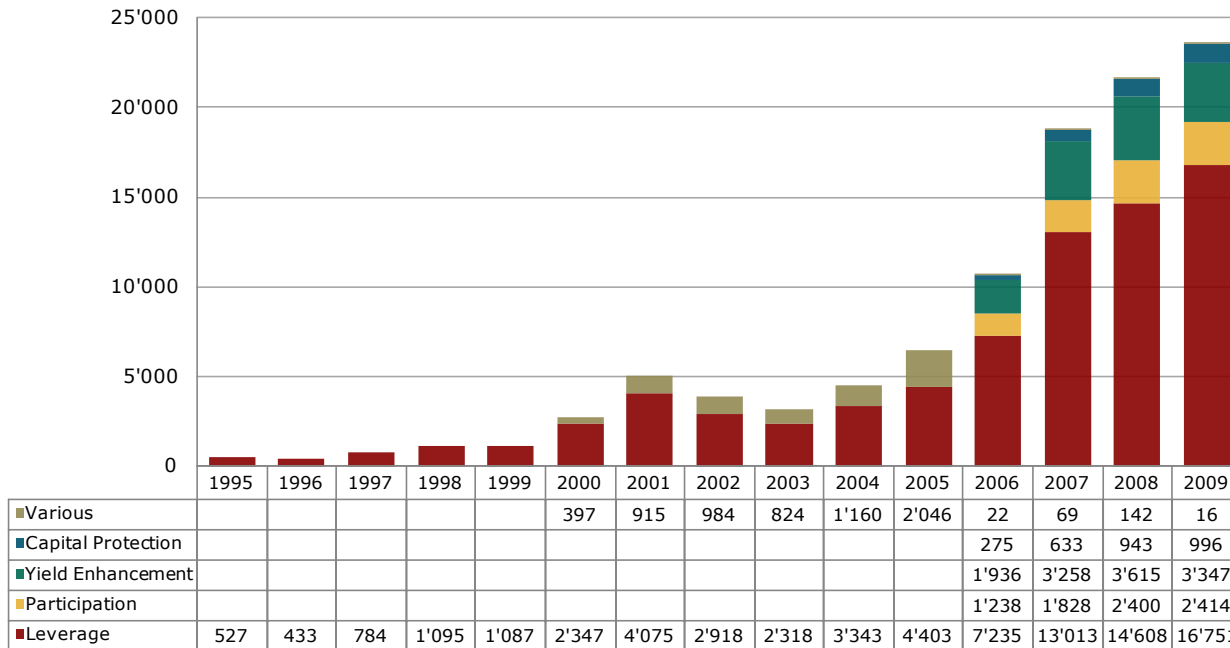


- After a significant growth in the first quarter of 2010 (+33.24%) and a peak in May (CHF 3.77 bn) the total turnover declined to CHF 2.87 bn at the end of the second quarter. Since July the turnover rises however constantly and reaches a new high with CHF 3.09 bn in September.
- Increase in turnover compared to the beginning of the year were generated in the category of yield enhancement products (+19.04%) and capital protection products (+4.65%). The share of participation products declined significantly by 21.70% whereas leverage products remained relatively stable (-3.42%).

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.3 Number of listed products 1995 – 2009*



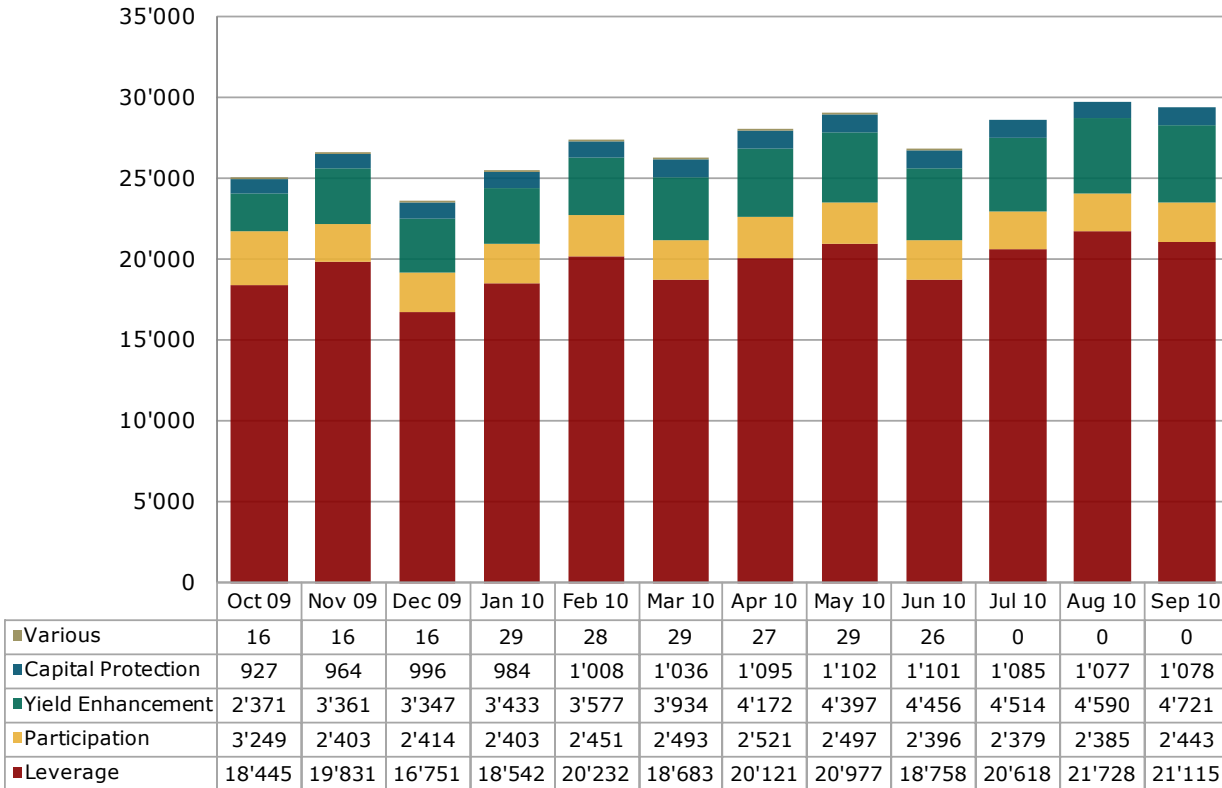
- With an amount of 23'524 products at the end of 2009 the previous year had been exceeded again, following a constant growth. Compared to 2008 the increase totals 1'816 products (+8.36%).
- Whereas in 2008 growth took place in all product categories, last year increasingly leverage products have been issued.

* Number of listed products at the end of each year

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.4 Number of listed products in the last 12 months

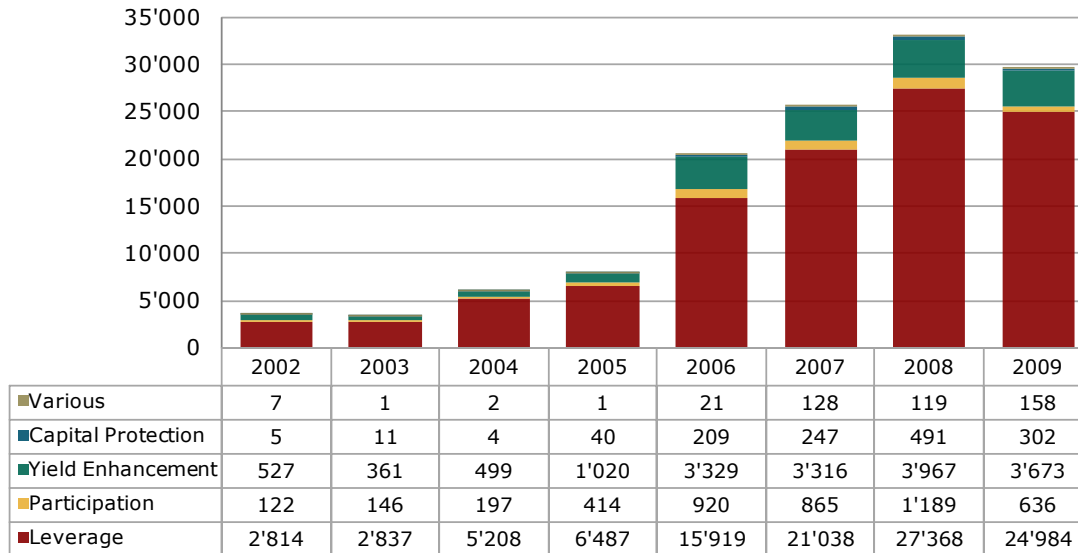


- Compared to the second quarter there are only gains in the category of capital protection products (+2.09%). In all other categories there were less products issued. Mainly leverage products (-12.57%) and yield enhancement products (-5.95%) were affected, whereas the share of participation products remains relatively stable (-1.96%).
- Please note that in March as well as June and September 2010 a large amount of products has been delisted due to scheduled expiration (large expiration at the exchanges).

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.5 New issues 2002 – 2009

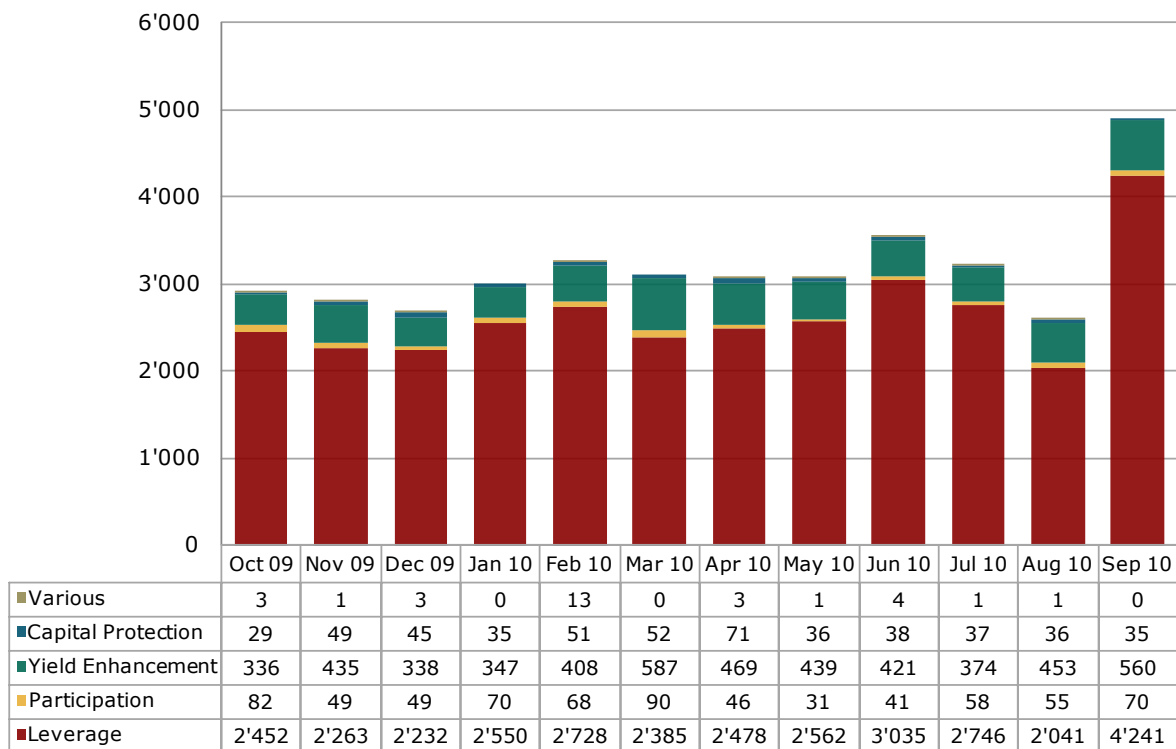


- While 2008 topped all previous years with 33'134 new issues, the amount of newly listed products declined in 2009 for the first time since six years. Compared to 2008 it is a decline of 10.23%.
- Leverage products accounted for the biggest part of the 29'753 products with roughly 84%. Primarily yield enhancement products were issued in the category of investment products.

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.6 New issues in the last 12 months



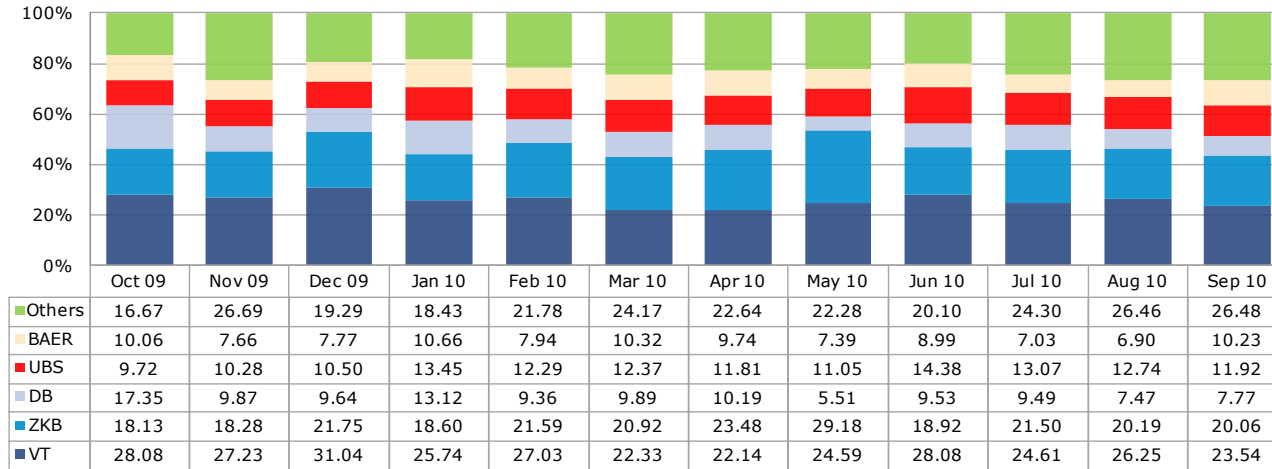
- Whereas 9'675 products were issued in the second quarter of 2010, the third quarter saw an increase of +10.67% to 10'708 products. Compared to the first quarter of the year the rise is even bigger with +14.11%.
- September 2010 was therefore the most successful month in more than two years.

Source: SIX Swiss Exchange, Derivative Partners Research AG

4. Structured products at the Scoach exchange

4.7 Market shares (turnover) of the five largest issuers

Figures in %



- In September 2010, the five largest issuers of stock-exchange-listed structured products are Bank Vontobel (market share total: 23.54%), ZKB (20.06%), UBS (11.92%), Bank Julius Bär (10.23%) and Deutsche Bank (7.77%).
- In the third quarter only Bank Julius Bär improved its share (+45.52). All other lost market shares: Deutsche Bank (-18.12%), UBS (-8.80%), ZKB (-6.70%) and Bank Vontobel (-4.35%). The other issuer could improve their shares by a total of +8.97%.

Source: SIX Swiss Exchange, Derivative Partners Research AG

5. Appendix

5.1 Abbreviations

Leverage Products.....	Leverage
Capital Protection Products.....	Capital Protection
Participation Products.....	Participation
Yield Enhancement Products.....	Yield Enhancement
Other Products.....	Various
Billion.....	bn

5.2 Issued by

Swiss Structured Products Association SSPA

Splügenstrasse 10, CH-8002 Zurich, Switzerland

www.sspa-association.ch

Contact: peter.keller@svsp-verband.ch

Published monthly / quarterly in more detail

5.3 Data sources

Swiss National Bank: Monthly Statistical Bulletin

SIX Swiss Exchange

Derivative Partners Research AG

In-house surveys

Key date is 30th September 2010

5.4 Disclaimer

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

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