Value Creation Report of the Swiss Structured Products Association (SSPA):

Growth rate of 4% compared to 2019 – total turnover of CHF 368 bn in 2020

Turnover for Swiss structured products of the major SSPA members increased again in 2020, not least due to record turnover in March 2020. At CHF 368 bn, total turnover is 4% or CHF 16 bn above the previous year's figure. The total quarterly turnover in Q4 2020 is 8% below the previous year's level and declines to CHF 79 bn. Yield enhancement products continue to be the most popular investment category (46%) and increased slightly to CHF 171 bn. Leveraged products replace participation products in second place in terms of total share of turnover, with a 27% share of total turnover. Equity (56%) and foreign exchange (24%) continue to dominate as asset classes in 2020. Non-listed products constitute 65% of turnover (2019: 63 %). The most important currencies for structured products continue to be USD, EUR and CHF, accounting for a total turnover share of 88%.

Zurich, 2 February 2021. Structured product value creation statistics drawn up by the Boston Consulting Group take account of listed as well as unlisted products created in Switzerland that are sold nationally as well as internationally. SSPA members Barclays Capital, Banque Cantonale Vaudoise, Commerzbank, Credit Suisse, Goldman Sachs, Julius Baer, Leonteq, Raiffeisen Switzerland, UBS, Vontobel as well as Zürcher Kantonalbank took part in the survey for the fourth quarter of 2020. They represent a majority of the Swiss market.

Performance 2020 versus 2019:

- At 368 bn, turnover is CHF 16 bn higher than the annual results for 2019 (CHF 352 bn), with 4% growth on the previous year.
- Compared to the prior-year quarter, turnover in Q4 2020 decreases 8% and declines to CHF 79 bn.
- With 46%, yield enhancement products continue to hold the largest share of total turnover in 2020. The nominal turnover of leveraged products increases to CHF 98 bn in 2020 and reaches a share of turnover of 27%. Leveraged products replace participation products (14% share of turnover in 2020) in second place in terms of total share of turnover. Capital protection products remain constant, accounting for a 13% share of turnover.
- On a yearly basis, equity products made up more than half of the yearly turnover (56%) while foreign exchange and fixed income products held shares of 24% and 11%.
- Growing the turnover share by two percentage points to 65% compared to last year, non-listed products dominated the yearly turnover for 2020.
- In 2020, the shares of yearly turnover on the primary and on the secondary market reached 51% and 49% respectively (previous year: 55% and 45% respectively).
- The main currencies had a combined share of yearly turnover of 88%, USD led with 40%, while EUR increased by two percentage points to 35% and CHF decreased to 13%.

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SSPA Chairman Markus Pfister on the developments in the industry: "In the unprecedented market environment of 2020, structured products were sought after to take advantage of investment opportunities amid volatile market conditions. Leveraged products in particular enjoyed a surge in popularity during the market turbulence. Secondary market activity increased significantly, particularly during the first wave of the pandemic. In light of the continuing volatile market environment characterised by low interest rates, structured products remain attractive to investors, not least in that they enable them to take advantage of short-term investment opportunities with thematic investments."

Click on the link below for the full set of statistics: www.sspa.ch/media

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About structured products
Structured products are investment instruments publicly issued by an issuer whose redemption value is derived from the performance of one or more underlying securities. Equities, interest rates, foreign exchange or commodities such as gold or oil may serve as underlying securities.

About the Association
The Swiss Structured Products Association (SSPA) is the first port of call for all questions associated with structured products. It represents the collective interests of the key market players who bring together over 95 percent of the market volume for structured products in Switzerland. The headquarters of the association are located in Zurich. Further information is available at www.sspa.ch.