

# SBI Spread Indices

Quantifying the Spread (or “Risk Premium”) for Swiss Bond Indices vs. Swiss Government Bond Yields or Swap Yields.

The SBI Spread Indices aim to measure the riskiness, and therefore the additional yield, of the Swiss Bond Indices relative to assets with low risk, such as Swiss government bonds or CHF SARON-based swaps.

## Introduction

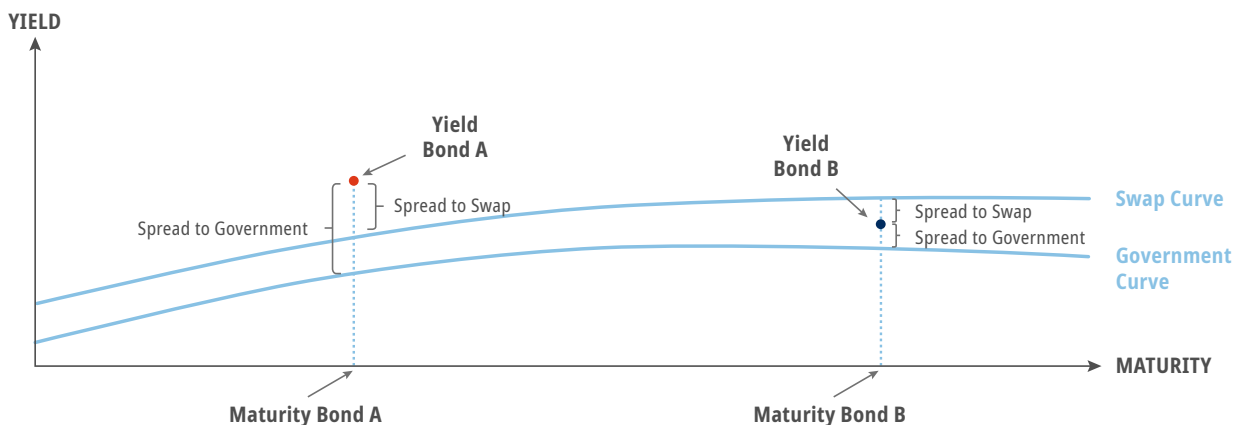
The riskiness of a fixed income instrument can be expressed in the additional yield the instrument provides relative to a risk-free or low-risk asset. This additional yield is also referred to as “risk premium”. Within the fixed income space this kind of risk premium is often measured against government bonds or asset swaps.

The SBI Spread Indices aim to measure the risk premium of the Swiss Bond Index family. The risk is measured relative to a Yield Curve, which is a graphical representation of the yield of an interest-bearing financial instrument on

the vertical axis and the maturities of these instruments on the horizontal axis.

SBI Spread Indices are available in two versions: The “Spread to Government” indices are measured against the Swiss government curve, while the “Spread to Swap” indices are measured against the CHF SARON-based swap curve.

To calculate the spread measure of an individual bond, it is necessary to have the respective yields of the Government- and Swap-Curve at the maturity point of the individual bond. The spread is then calculated by a simple subtraction and is shown in the graph below:



## Market Context

With the provision of SBI Spread Indices, clients can now easily look up risk premia for many bond segments represented by SBI indices. It makes it easy to compare different types of bonds, such as secured bonds, corporate bonds, or the risk premia for all bonds within a specific credit rating bucket to the yield of Swiss government bonds or CHF SARON-based swaps.

The spread indices are used to analyze the Swiss franc bond market from this additional perspective, to gain an overview of investment opportunities, but also to understand changes in the underlying economy and financial markets.

## Governance and Advisory Board

The Bond Index Commission advises SIX on all index-related issues for Swiss Bond Indices. SIX is committed to EU Benchmark Regulation and the IOSCO Principles for Financial Benchmarks. The validity of the index concepts and rules is reviewed on a regular basis and at least annually by SIX. For material changes a broad market consultation is conducted. A change of index methodology requires approval according to the SIX internal governance processes.

## Licensing

The SBI Spread Indices are part of an index data package comprising all SBI Spread Indices calculated by SIX. The index data can be obtained from the SIX website and are made available to and through vendors such as SIX, Bloomberg or Refinitiv. The index data for SBI Spread Indices is subject to licensing.

### Advantages

- ☆ Spread indices for the widely used SBI Index family now available from SIX
- ☆ Index levels of SBI indices as well as Spread to Government and Spread to Swap data available from a single source
- ☆ Consistent comparison between the development of SBI indices and the development of spreads
- ☆ Independent and transparent index calculation

## Available SBI Spread Indices (Selection)<sup>1</sup>

| Name  | ISIN         | Symbol |
|---|--------------|--------|
| SBI® AAA-BBB Spread to Government                   | CH1347051224 | SBR14G |
| SBI® AAA-BBB Spread to Swap                         | CH1347051265 | SBR14S |
| SBI® Domestic AAA-BBB Spread to Government          | CH1347051141 | SBD14G |
| SBI® Domestic AAA-BBB Spread to Swap                | CH1347051158 | SBD14S |
| SBI® Domestic Government Spread to Government       | CH1359981813 | SBIDGG |
| SBI® Domestic Government Spread to Swap             | CH1359982548 | SBIDGS |
| SBI® Domestic Swiss Pfandbrief Spread to Government | CH1359981870 | SML14G |
| SBI® Domestic Swiss Pfandbrief Spread to Swap       | CH1359982605 | SML14S |
| SBI® Foreign AAA-BBB Spread to Government           | CH1347051273 | SBF14G |
| SBI® Foreign AAA-BBB Spread to Swap                 | CH1347051208 | SBF14S |
| SBI® Securitised Spread to Government               | CH1359982282 | S60G   |
| SBI® Securitised Spread to Swap                     | CH1359983017 | S60S   |
| SBI® Corporate Spread to Government                 | CH1359982308 | S71G   |
| SBI® Corporate Spread to Swap                       | CH1359983033 | S71S   |

<sup>1</sup> All SBI Spread Indices are available as Spread to Government and Spread to Swap types. In the interest of a clear presentation, a list of all indices is not shown.

For further information, please visit our website: <https://www.six-group.com/en/market-data/indices/bond-indices/sbi-swiss-bond-indices.html>

None of the information contained herein constitutes an offer or a recommendation to buy or sell or take any other action regarding financial instruments. SIX Group Ltd or its direct and indirect subsidiaries (hereafter: SIX) are liable neither for the completeness, accuracy, currentness and continuous availability of the information given, nor for any loss incurred as a result of action taken on the basis of information provided in this or any other SIX publication. SIX expressly reserves the right to alter prices or composition of products or services at any time. © SIX Group Ltd, 2024. All rights reserved.

Please contact: [www.six-group.com/contacts](http://www.six-group.com/contacts)

SIX Group Ltd  
Hardturmstrasse 201  
P.O. Box  
CH-8021 Zurich

T + 41 58 399 2111  
[info@six-group.com](mailto:info@six-group.com)  
[www.six-group.com](http://www.six-group.com)