



BELSIPA Market Report **on retail structured products**

Q1/2019 | Public Version

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1. Introductory remark

BELSIPA, the association of issuers of structured products in Belgium, publishes with this document the regular update of its regular market report on the sale and trade of structured products to retail investors in Belgium. The reporting period is the first quarter of 2019 (January to March).

The commercial entities submitting data to the report comprise BELSIPA's members and a number of other important market participants. A complete list of the entities submitting data can be taken from the appendix section at the end of the report.

The reported categories are:

- Turnover (primary and secondary market transactions),
- Outstanding volume (retail customer assets invested, which equals “AuM”/”Assets under Management” for funds),
- Number of new products launched on the retail market and
- Total number of products (meaning the total of non-matured products on the secondary retail market) at the end of December.

These data are compared in the overview pages on product categories and underlying.

Please enjoy reading.

2. Highlights

Market Turnover: Increasing turnover primary market

In the first quarter of 2019 the turnover on the primary market accounted for 1.56 bn EUR, which is an increase of 12% compared to Q4 2018 and 69% compared to the equivalent first quarter of 2018. The turnover of structured products sold (back) on the secondary market in Belgium amounted to 0.86 bn EUR, a decrease of 18% compared to Q4 2018 and 19% compared to last year equivalent Q1 2018. Underlying-wise, the turnover in equity-linked products in Q1 2019 accounted for 0.93 bn EUR (primary market) and 0.70 bn EUR (secondary market), respectively. In Q1/2019 primary market sales of structured products with a capital protection feature further in particular increased (by 115%) compared with last year equivalent timespan Q1 2018.

Outstanding Volume: Increase, probably indicating trend change

At the end of March 2019, the outstanding volume in structured products held by customers of the data-submitting entities was 31.2 bn EUR, which is a significant change compared to the end of the last quarter of 2018 (where the volume stood at 30.3 bn EUR), signifying almost a billion Euro (or 3%) more assets invested. This is the first quarter-on quarter increase for more than two years.

Number of New Products: Decreasing number of leverage products

The number of new structured products issued in Belgium between January and March 2019 decreased by 30% in Q1 2019 compared against Q4 2018. 82% of all new products were issued in the leverage products segment. Compared to the preceding quarter Q4 2018, leverage products issues decreased by 35% (and by 25% compared to Q1 2018).

On the investment (non-leverage) products side, the number of structured insurance products increased by 90% while the number structured notes increased by 32% compared with the last year equivalent quarter of Q1 2018. Measured by underlying type, equity-linked instruments represented a share of 80% of all newly issued products.

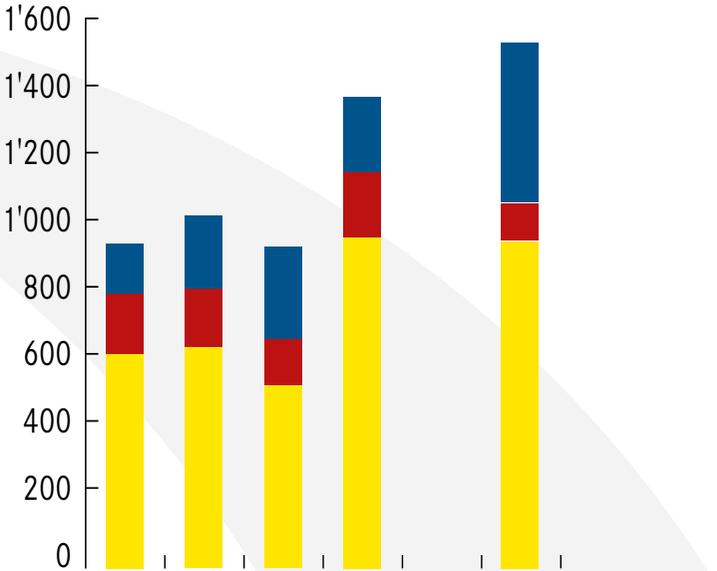
Total Number of Products: Slight decrease compared to the previous quarter

At the end of March 2019, a total of 3'125 products were open/non-matured on the Belgian market. The number of products slightly decreased by 4% compared to Q4/2018 (3'252). With 51% of all non-matured products at the end of March 2019 (1'587 products out of 3'125), structured notes are by and large the dominating format of structured products in the Belgian market.

BELSIPA Market Report Q1/2019 per Product Category

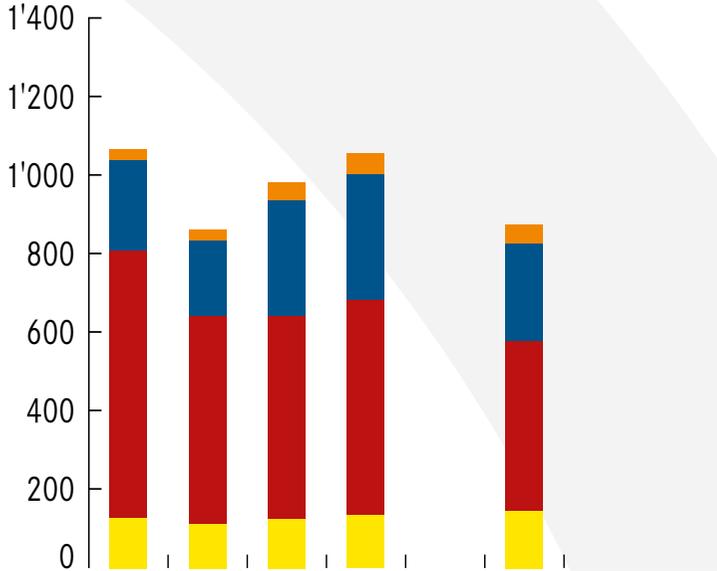
January - March 2019

Turnover primary market
in Mio. EUR



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
Leverage Products	0	0	0	0	0	0	0%	0%
Structured Insurance Products	145	211	259	239	854	466	221%	95%
Structured Funds	164	173	123	160	620	113	-31%	-29%
Structured Notes	613	646	532	994	2'785	978	60%	-2%
Other Structured Products	0	0	0	0	0	0	0%	0%
Total	922	1'030	914	1'393	4'259	1'557	69%	12%
Total Turnover (primary + secondary market)	1'992	1'887	1'912	2'441	8'232	2'420	21%	-1%
Share Primary vs. Total Market	46%	55%	48%	57%	52%	64%	39%	13%

Turnover secondary market
in Mio. EUR



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
Leverage Products	36	25	30	40	131	29	-19%	-28%
Structured Insurance Products	231	186	322	309	1'048	255	10%	-17%
Structured Funds	672	525	544	572	2'313	417	-38%	-27%
Structured Notes	128	118	102	127	475	162	27%	28%
Other Structured Products	3	3	0	0	6	0	-100%	0%
Total	1'070	857	998	1'048	3'973	863	-19%	-18%
Total Turnover (primary + secondary market)	1'992	1'887	1'912	2'441	8'232	2'420	21%	-1%
Share Secondary vs. Total Market	54%	45%	52%	43%	48%	36%	-34%	-17%

Source: Submitting Entities, Derivative Partners

* The field indicates per cent change between reporting the first quarter 2018 and the first quarter 2019.
 ** The field indicates per cent change between reporting the fourth quarter 2018 and the first quarter 2019.

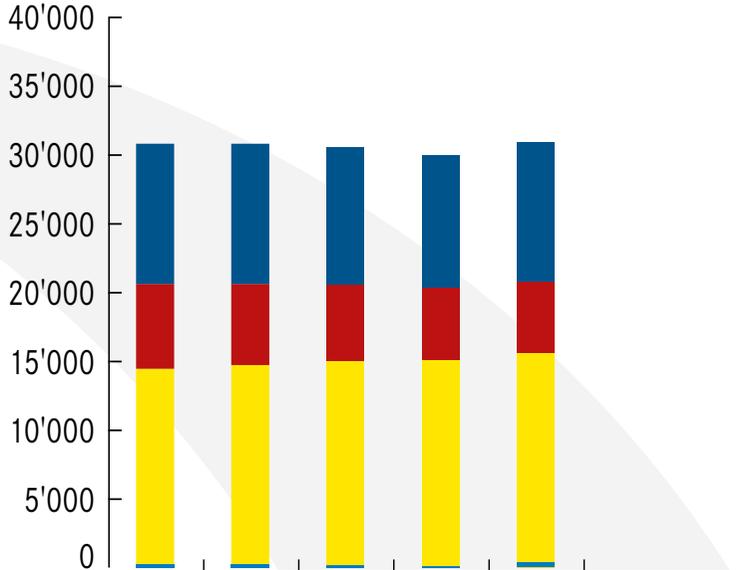
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BELSIPA Market Report Q1/2019 per Product Category

January - March 2019

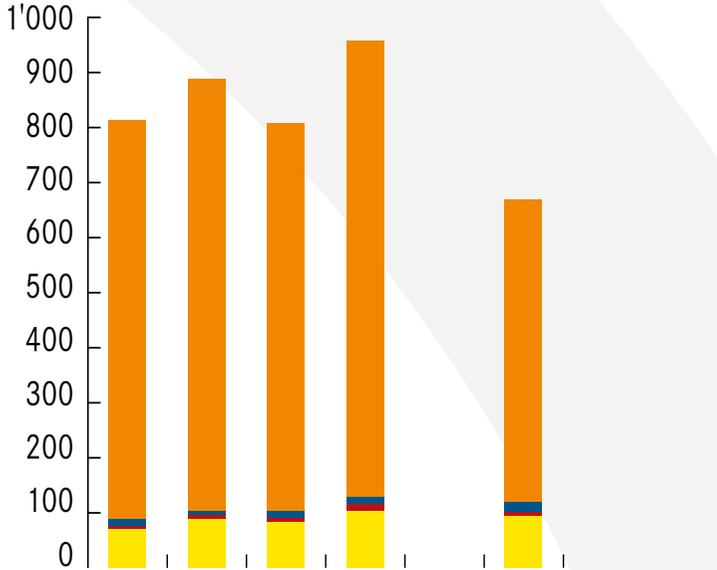
Outstanding Volume

in Mio. EUR



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
Leverage Products	3	4	3	2	2	-33%	0%
Structured Insurance Products	10'325	10'353	10'307	9'987	10'386	1%	4%
Structured Funds	6'356	6'037	5'743	5'116	5'133	-19%	0%
Structured Notes	14'364	14'588	14'859	15'156	15'676	9%	3%
Other Structured Products	154	154	97	78	18	-88%	-77%
Total	31'202	31'137	31'009	30'339	31'215	0%	3%

Number of New Products



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
Leverage Products	731	785	704	835	3'055	545	-25%	-35%
Structured Insurance Products	10	11	13	9	43	19	90%	111%
Structured Funds	6	8	7	7	28	6	0%	-14%
Structured Notes	71	87	78	101	337	94	32%	-7%
Other Structured Products	0	0	0	0	0	0	0%	0%
Total	818	891	802	952	3'463	664	-19%	-30%

Source: Submitting Entities, Derivative Partners

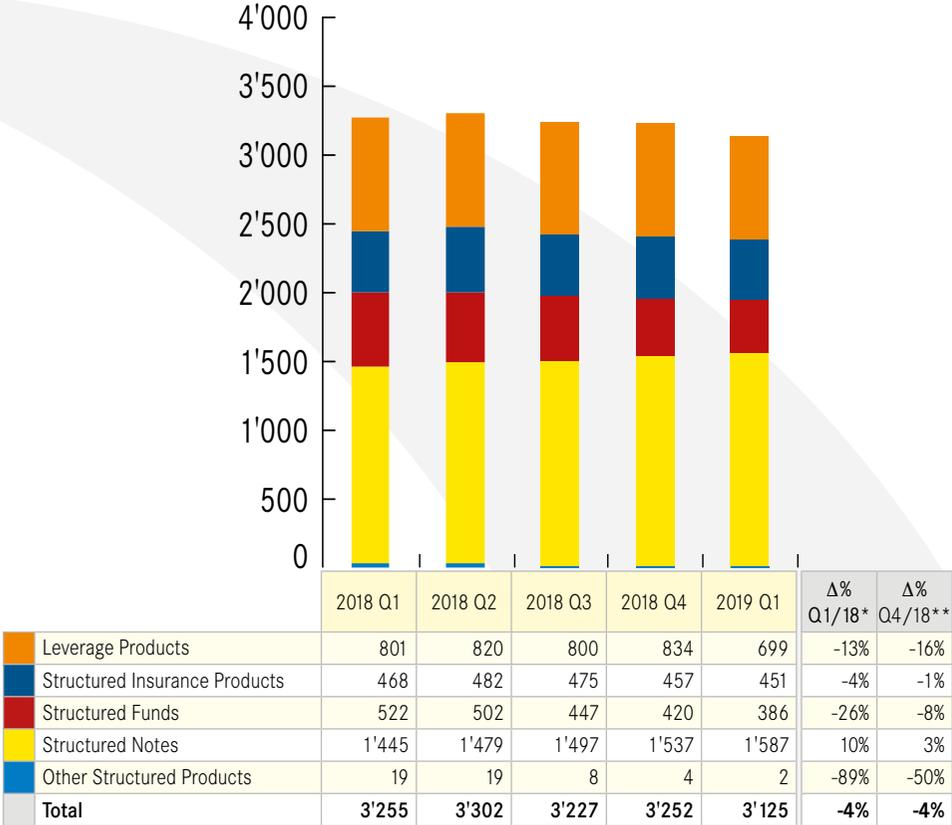
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BELSIPA Market Report Q1/2019 per Product Category

January - March 2019

Total Number of Products



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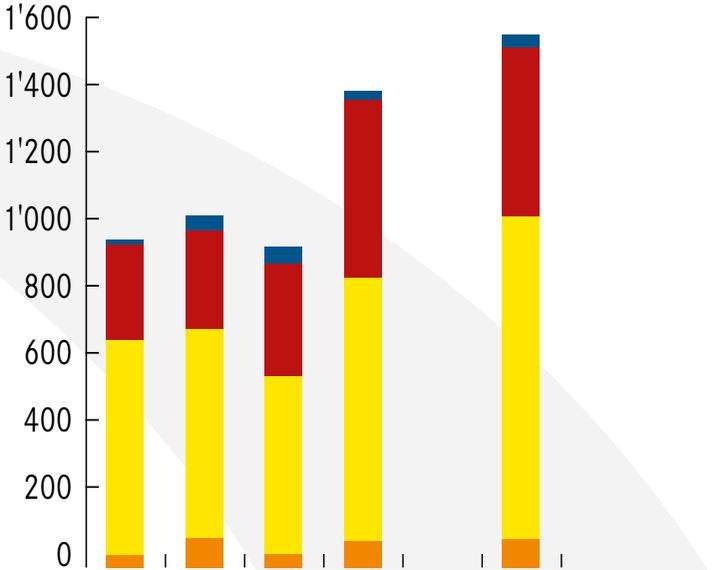
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BELSIPA Market Report Q1/2019 per Underlying Type

January - March 2019

Turnover primary market

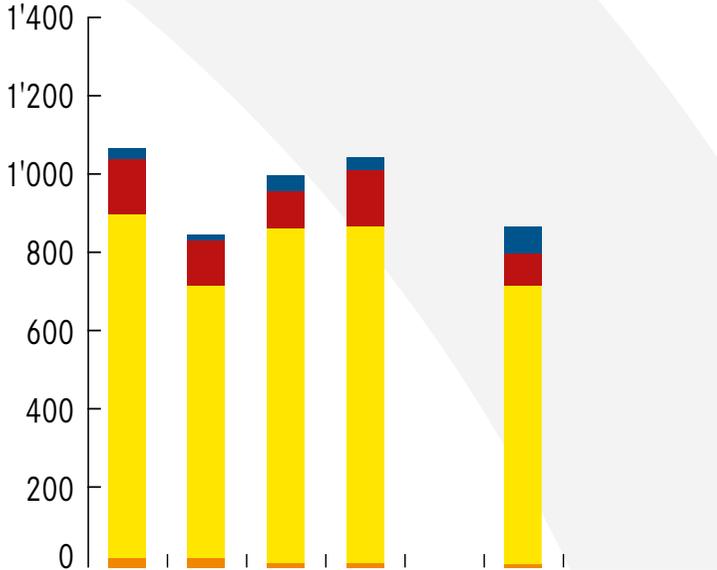
in Mio. EUR



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
with commodity underlying	11	20	17	25	73	41	273%	64%
with fixed-income underlying	276	307	301	550	1'434	500	81%	-9%
with equity-linked underlying	597	616	560	737	2'510	933	56%	27%
with various underlying	38	87	36	81	242	83	118%	2%
Total	922	1'030	914	1'393	4'259	1'557	69%	12%
(with capital protection feature)	(611)	(779)	(550)	(1'034)	(2'975)	(1'314)	115%	27%
Total Turnover (primary + secondary market)	1'992	1'887	1'913	2'441	8'233	2'420	21%	-1%

Turnover secondary market

in Mio. EUR



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
with commodity underlying	29	21	29	30	109	72	148%	140%
with fixed-income underlying	138	110	76	142	466	82	-41%	-42%
with equity-linked underlying	880	705	874	859	3'318	697	-21%	-19%
with various underlying	23	21	19	17	80	13	-43%	-24%
Total	1'070	857	998	1'048	3'973	864	-19%	-18%
(with capital protection feature)	(456)	(400)	(468)	(482)	(1'806)	(415)	-9%	-14%
Total Turnover (primary + secondary market)	1'992	1'887	1'913	2'441	8'233	2'420	21%	-1%

Source: Submitting Entities, Derivative Partners

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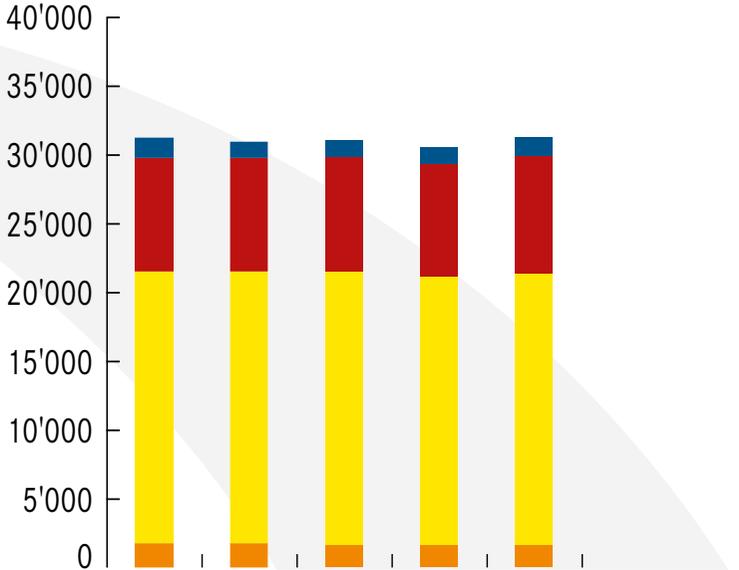
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BELSIPA Market Report Q1/2019 per Underlying Type

January - March 2019

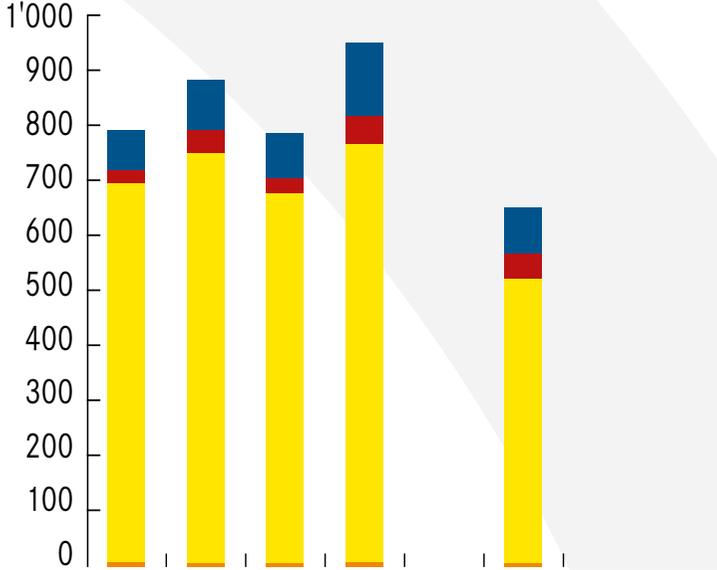
Outstanding Volume

in Mio. EUR



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
with commodity underlying	1'330	1'231	1'205	1'169	1'300	-2%	11%
with fixed-income underlying	8'223	8'321	8'316	8'269	8'682	6%	5%
with equity-linked underlying	20'021	19'947	19'665	19'227	19'634	-2%	2%
with various underlying	1'628	1'638	1'823	1'674	1'599	-2%	-4%
Total	31'202	31'137	31'009	30'339	31'215	0%	3%
(with capital protection feature)	(18'065)	(18'298)	(18'337)	(19'537)	(20'199)	12%	3%

Number of New Products



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
with commodity underlying	75	87	85	113	360	79	5%	-30%
with fixed-income underlying	21	39	31	50	141	43	105%	-14%
with equity-linked underlying	719	757	679	782	2'937	534	-26%	-32%
with various underlying	3	8	7	7	25	8	167%	14%
Total	818	891	802	952	3'463	664	-19%	-30%
(with capital protection feature)	(52)	(75)	(68)	(92)	(287)	(91)	75%	-1%

Source: Submitting Entities, Derivative Partners

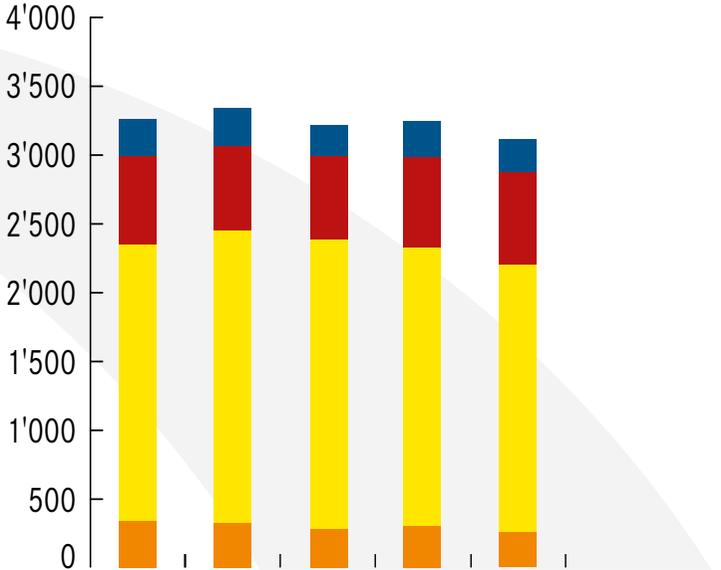
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BELSIPA Market Report Q1/2019 per Underlying Type

January - March 2019

Total Number of Products



	2018 Q1	2018 Q2	2018 Q3	2018 Q4	2019 Q1	Δ% Q1/18*	Δ% Q4/18**
with commodity underlying	266	243	222	264	267	0%	1%
with fixed-income underlying	621	632	618	636	659	6%	4%
with equity-linked underlying	2'072	2'141	2'126	2'078	1'931	-7%	-7%
with various underlying	296	286	261	274	268	-9%	-2%
Total	3'255	3'302	3'227	3'252	3'125	-4%	-4%
(with capital protection feature)	(1'403)	(1'451)	(1'412)	(1'533)	(1'536)	9%	0%

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7. Appendix

Data sources

BELSIPA Members
Derivative Partners AG
Cut-off date is 29th of March 2019

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