



# **BELSIPA Market Report** **on retail structured products**

**Q4/2018 | 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 fourth quarter of 2018 (October to December).

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 and secondary market

In the fourth quarter of 2018 the turnover in the primary market accounted for 1.40 bn EUR, which is a high increase of 52% compared to Q3 2018 and 1% compared to the equivalent fourth quarter of 2017. The turnover of structured products sold (back) on the secondary market in Belgium amounted to 1.05 bn EUR, an increase both of 5% compared to Q3 2018 and 2% compared to last year equivalent Q4 2017. Underlying-wise, the turnover in equity-linked products in Q4 2018 accounted for 0.74 bn EUR (primary market) and 0.86 bn EUR (secondary market), respectively. In Q4 2018 there are significantly more structured products sold on the primary market with a capital protection feature in then there were in Q3 2018 (88% more).

### Outstanding Volume: Slight increase compared to the previous quarter

At the end of December 2018, the outstanding volume in structured products held by customers of the data-submitting entities was 30.3 bn EUR, which is no significant change compared to the end of the third quarter of 2018 (where the volume stood at 31 bn EUR).

### Number of New Products: Increasing number of leverage products

The number of new structured products issued in Belgium between October and December 2018 increased by 19% in Q4 2018 compared against Q3 2018. In line with long-term market trends 88% of all new products were issued in the leverage products segment. Compared to the last year equivalent quarter the number of new leverage products increased by 82%.

On the investment (non-leverage) products side, the number of structured notes increased by 36%, while the number of structured insurance products decreased by 47%, both measured on a year-to-year basis. As per underlying type, equity-linked instruments represented a share of 82% of all newly issued products.

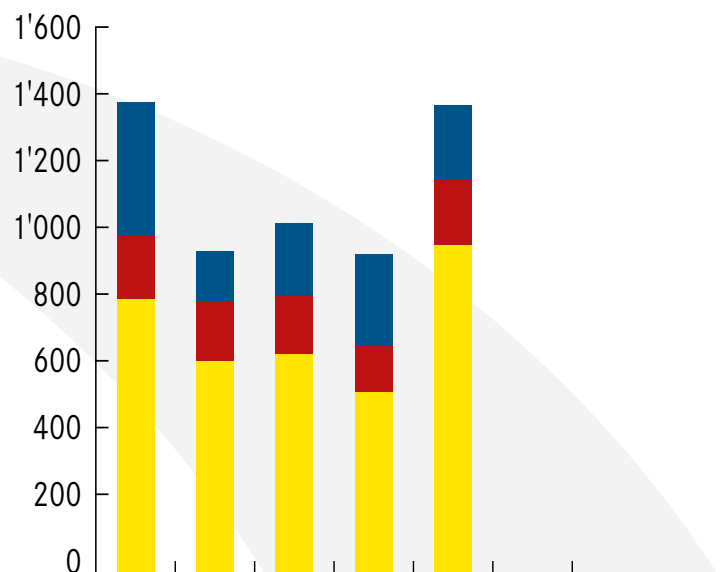
### Total Number of Products: Slight increase compared to the previous quarter

At the end of December 2018, a total of 3'252 products were open/non-matured on the Belgian market. The number of products hence remains roughly the same as at the end of the third quarter of 2018 (3'227). With their presence amounting to 47% of all non-matured structured products at the end of December 2018 (1'537 products out of 3'252), structured notes are by large the dominating format of structured products in the Belgian market.

# BELSIPA Market Report Q4/2018 per Product Category

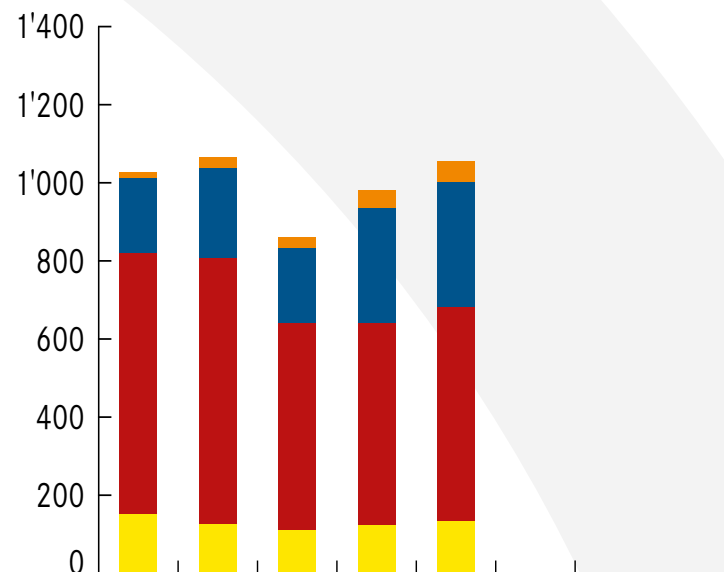
October - December 2018

Turnover primary market  
in Mio. EUR



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	Δ% Q4/17*	Δ% Q3/18**
Leverage Products	0	0	0	0	0	0	0%	0%
Structured Insurance Products	387	145	211	259	239	854	-38%	-8%
Structured Funds	190	164	173	123	160	620	-16%	30%
Structured Notes	804	613	646	532	994	2'785	24%	87%
Other Structured Products	0	0	0	0	0	0	0%	0%
<b>Total</b>	<b>1'381</b>	<b>922</b>	<b>1'030</b>	<b>914</b>	<b>1'393</b>	<b>4'259</b>	<b>1%</b>	<b>52%</b>
<b>Total Turnover (primary + secondary market)</b>	<b>2'407</b>	<b>1'992</b>	<b>1'887</b>	<b>1'912</b>	<b>2'441</b>	<b>8'232</b>	<b>1%</b>	<b>28%</b>
<b>Share Primary vs. Total Market</b>	<b>57%</b>	<b>46%</b>	<b>55%</b>	<b>48%</b>	<b>57%</b>	<b>52%</b>	<b>0%</b>	<b>19%</b>

Turnover secondary market  
in Mio. EUR



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	Δ% Q4/17*	Δ% Q3/18**
Leverage Products	18	36	25	30	40	131	122%	33%
Structured Insurance Products	184	231	186	322	309	1'048	68%	-4%
Structured Funds	679	672	525	544	572	2'313	-16%	5%
Structured Notes	145	128	118	102	127	475	-12%	25%
Other Structured Products	0	3	3	0	0	6	0%	0%
<b>Total</b>	<b>1'026</b>	<b>1'070</b>	<b>857</b>	<b>998</b>	<b>1'048</b>	<b>3'973</b>	<b>2%</b>	<b>5%</b>
<b>Total Turnover (primary + secondary market)</b>	<b>2'407</b>	<b>1'992</b>	<b>1'887</b>	<b>1'912</b>	<b>2'441</b>	<b>8'232</b>	<b>1%</b>	<b>28%</b>
<b>Share Secondary vs. Total Market</b>	<b>43%</b>	<b>54%</b>	<b>45%</b>	<b>52%</b>	<b>43%</b>	<b>48%</b>	<b>1%</b>	<b>-18%</b>

Source: Submitting Entities, Derivative Partners

\* The field indicates per cent change between reporting the fourth quarter 2017 and the fourth quarter 2018.

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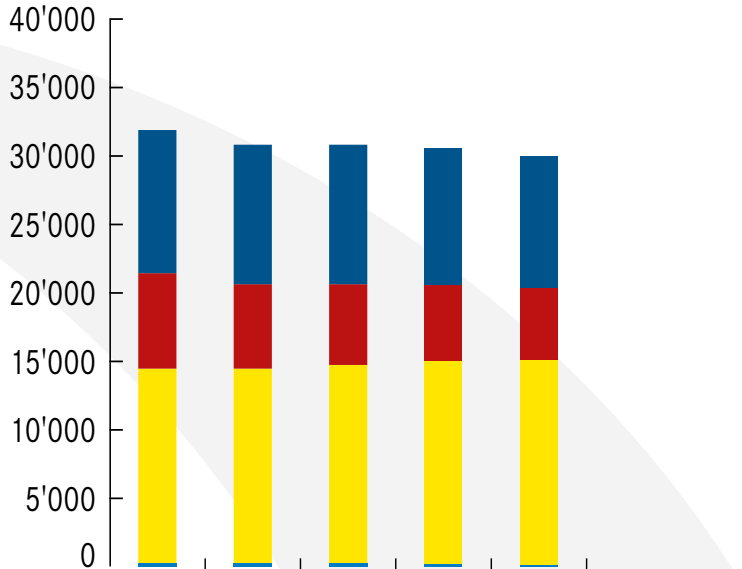
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# BELSIPA Market Report Q4/2018 per Product Category

October - December 2018

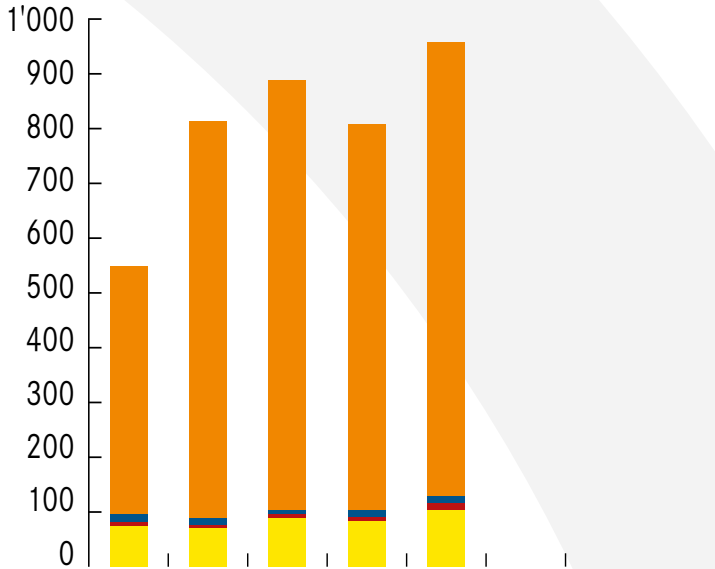
## Outstanding Volume

in Mio. EUR



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Δ% Q4/17*	Δ% Q3/18**
Leverage Products	4	3	4	3	2	-50%	-33%
Structured Insurance Products	10'599	10'325	10'353	10'307	9'987	-6%	-3%
Structured Funds	7'183	6'356	6'037	5'743	5'116	-29%	-11%
Structured Notes	14'372	14'364	14'588	14'859	15'156	5%	2%
Other Structured Products	156	154	154	97	78	-50%	-20%
<b>Total</b>	<b>32'314</b>	<b>31'202</b>	<b>31'137</b>	<b>31'009</b>	<b>30'339</b>	<b>-6%</b>	<b>-2%</b>

## Number of New Products



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	Δ% Q4/17*	Δ% Q3/18**
Leverage Products	459	731	785	704	835	3'055	82%	19%
Structured Insurance Products	17	10	11	13	9	43	-47%	-31%
Structured Funds	6	6	8	7	7	28	17%	0%
Structured Notes	74	71	87	78	101	337	36%	29%
Other Structured Products	0	0	0	0	0	0	0%	0%
<b>Total</b>	<b>556</b>	<b>818</b>	<b>891</b>	<b>802</b>	<b>952</b>	<b>3'463</b>	<b>71%</b>	<b>19%</b>

Source: Submitting Entities, Derivative Partners

\* The field indicates per cent change between reporting the fourth quarter 2017 and the fourth quarter 2018.

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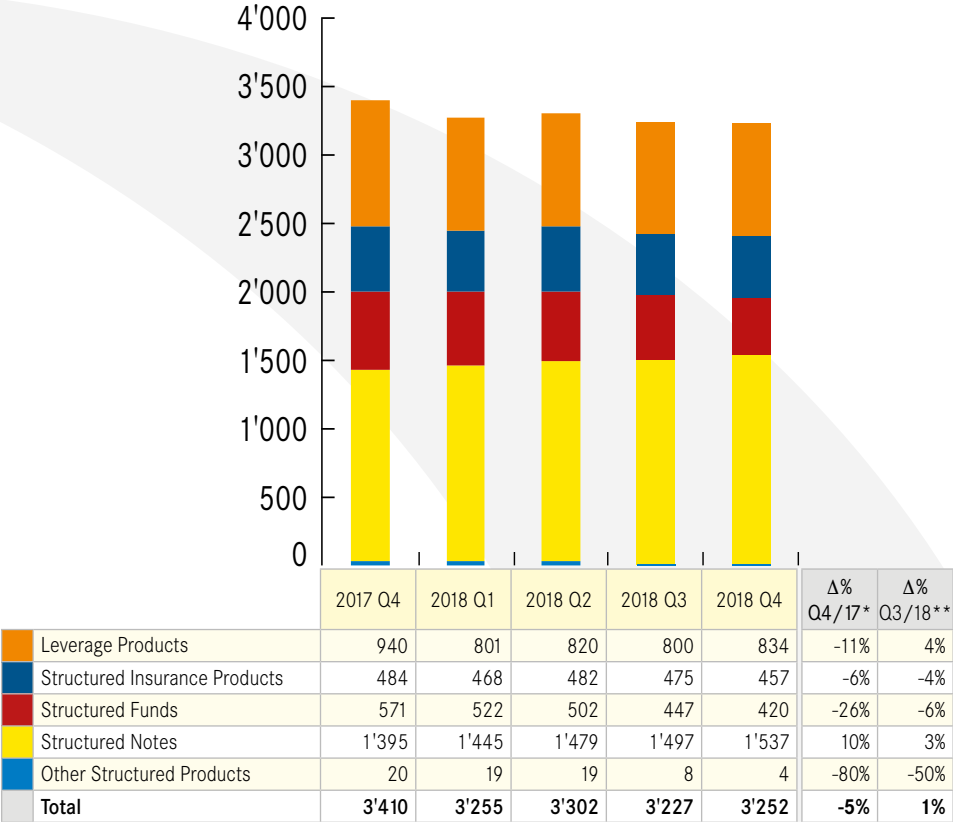
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# BELSIPA Market Report Q4/2018 per Product Category

October - December 2018

Total Number of Products



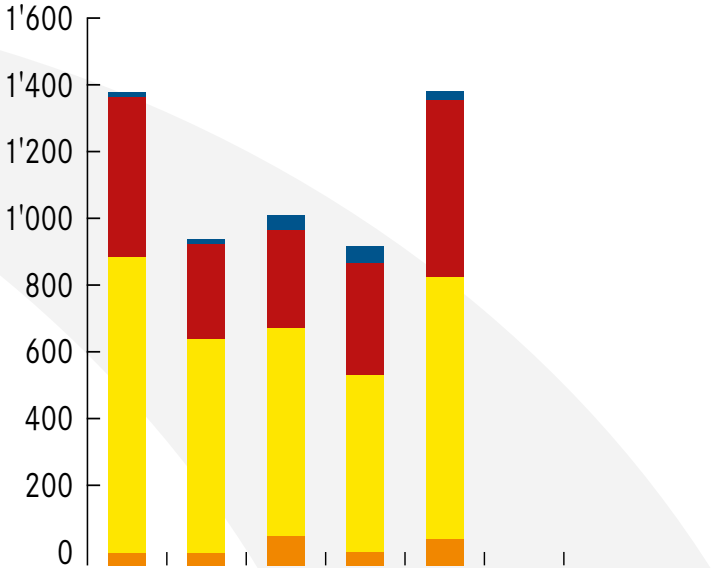
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# BELSIPA Market Report Q4/2018 per Underlying Type

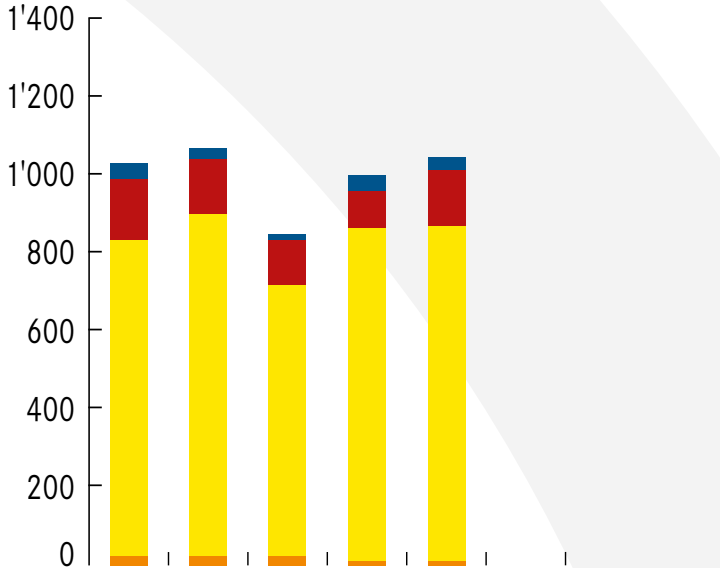
October - December 2018

Turnover primary market  
in Mio. EUR



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	Δ% Q4/17*	Δ% Q3/18**
with commodity underlying	8	11	20	17	25	73	213%	47%
with fixed-income underlying	469	276	307	301	550	1'434	17%	83%
with equity-linked underlying	862	597	615	560	737	2'510	-15%	32%
with various underlying	42	38	87	36	81	242	93%	125%
<b>Total</b>	<b>1'381</b>	<b>922</b>	<b>1'030</b>	<b>914</b>	<b>1'393</b>	<b>4'259</b>	<b>1%</b>	<b>52%</b>
(with capital protection feature)	(865)	(611)	(779)	(550)	(1'034)	(2'975)	19%	88%
<b>Total Turnover</b> (primary + secondary market)	<b>2'407</b>	<b>1'992</b>	<b>1'887</b>	<b>1'912</b>	<b>2'441</b>	<b>8'232</b>	<b>1%</b>	<b>28%</b>

Turnover secondary market  
in Mio. EUR



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	Δ% Q4/17*	Δ% Q3/18**
with commodity underlying	27	29	21	29	30	109	11%	3%
with fixed-income underlying	164	138	110	76	142	466	-13%	87%
with equity-linked underlying	803	880	705	874	859	3'318	7%	-2%
with various underlying	32	23	21	19	17	80	-47%	-11%
<b>Total</b>	<b>1'026</b>	<b>1'070</b>	<b>857</b>	<b>998</b>	<b>1'048</b>	<b>3'973</b>	<b>2%</b>	<b>5%</b>
(with capital protection feature)	(539)	(456)	(400)	(468)	(482)	(1'806)	-11%	3%
<b>Total Turnover</b> (primary + secondary market)	<b>2'407</b>	<b>1'992</b>	<b>1'887</b>	<b>1'912</b>	<b>2'441</b>	<b>8'232</b>	<b>1%</b>	<b>28%</b>

Source: Submitting Entities, Derivative Partners

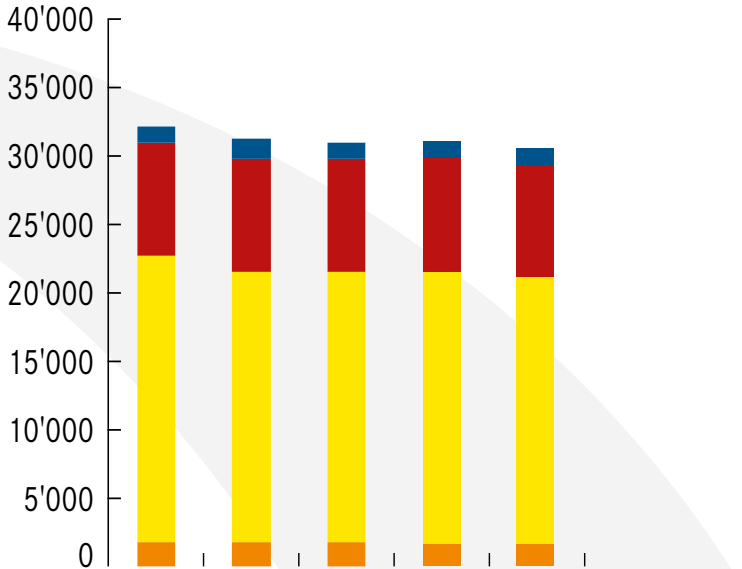
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# BELSIPA Market Report Q4/2018 per Underlying Type

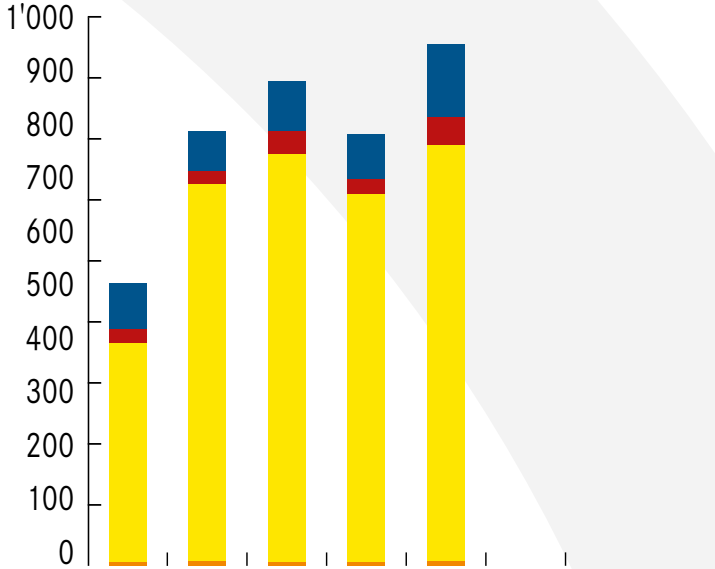
October - December 2018

**Outstanding Volume**  
in Mio. EUR



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Δ% Q4/17*	Δ% Q3/18**
with commodity underlying	1'369	1'330	1'231	1'205	1'169	-15%	-3%
with fixed-income underlying	8'203	8'223	8'321	8'316	8'269	1%	-1%
with equity-linked underlying	21'048	20'021	19'947	19'665	19'227	-9%	-2%
with various underlying	1'695	1'628	1'638	1'823	1'674	-1%	-8%
<b>Total</b>	<b>32'315</b>	<b>31'202</b>	<b>31'137</b>	<b>31'009</b>	<b>30'339</b>	<b>-6%</b>	<b>-2%</b>
(with capital protection feature)	(18'604)	(18'065)	(18'298)	(18'337)	(19'537)	5%	7%

**Number of New Products**



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Total 2018	Δ% Q4/17*	Δ% Q3/18**
with commodity underlying	67	75	87	85	113	360	69%	33%
with fixed-income underlying	29	21	39	31	50	141	72%	61%
with equity-linked underlying	453	719	757	679	782	2'937	73%	15%
with various underlying	7	3	8	7	7	25	0%	0%
<b>Total</b>	<b>556</b>	<b>818</b>	<b>891</b>	<b>802</b>	<b>952</b>	<b>3'463</b>	<b>71%</b>	<b>19%</b>
(with capital protection feature)	(59)	(52)	(75)	(68)	(92)	(287)	56%	35%

Source: Submitting Entities, Derivative Partners

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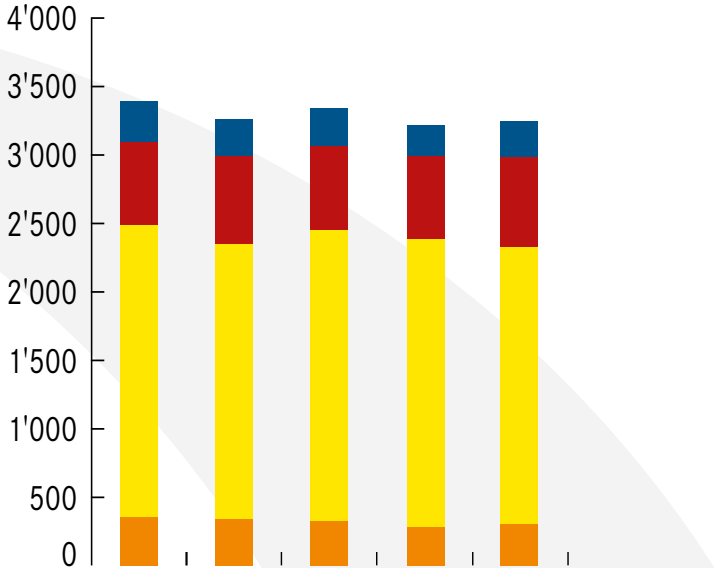
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# BELSIPA Market Report Q4/2018 per Underlying Type

October - December 2018

Total Number of Products



	2017 Q4	2018 Q1	2018 Q2	2018 Q3	2018 Q4	Δ% Q4/17*	Δ% Q3/18**
with commodity underlying	275	266	243	222	264	-4%	19%
with fixed-income underlying	624	621	632	618	636	2%	3%
with equity-linked underlying	2'200	2'072	2'141	2'126	2'078	-6%	-2%
with various underlying	311	296	286	261	274	-12%	5%
<b>Total</b>	<b>3'410</b>	<b>3'255</b>	<b>3'302</b>	<b>3'227</b>	<b>3'252</b>	<b>-5%</b>	<b>1%</b>
(with capital protection feature)	(1'405)	(1'403)	(1'451)	(1'412)	(1533)	9%	9%

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## 7. Appendix

### Data sources

BELSIPA Members  
Derivative Partners AG  
Cut-off date is 31st of December 2018

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