



BELSIPA Market Report **on retail structured products**

Q2/2019 | 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 second quarter of 2019 (April to June).

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 June.

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

Please enjoy reading.

2. Highlights

Market Turnover: Decreasing turnover on primary markets

In the second quarter of 2019 the turnover on the primary market accounted for 860 million (0.86 bn) EUR, which is a decrease of 45% compared to Q1 2019 and 17% compared to the equivalent second quarter of 2018. This decrease is mainly driven by structured insurance products, which were less in demand by 71% measured on a quarter-by-quarter basis.

The turnover of structured products sold (back) on the secondary market in Belgium amounted to 800 million (0.8 bn) EUR, a moderate decrease of 8% compared to Q1 2019 and of 7% compared to last year equivalent Q2 2018.

Underlying-wise, the turnover in equity-linked products in Q1 2019 accounted for 480 million (0.48 bn) EUR on the primary markets and 680 million (0.68 bn) EUR on the secondary market, respectively.

Outstanding Volume: No significant change

At the end of June 2019, the outstanding volume in structured products held by customers of the data-submitting entities was 31.2 bn EUR, which is no significant change compared to the last quarter of Q1 2019.

Number of New Products: overall decreasing trend

The number of new structured products issued in Belgium between April and June 2019 decreased by 31% in Q2 2019 compared against Q1 2019. Within the reporting period, 80% of all new products were issued, as is a normal business trend, in the leverage products segment.

On the investment (non-leverage) products side, the number of structured insurance products increased, as an exception in this reporting period, by 18% while the number structured notes and funds decreased by 14% and 25%, each time compared with the last year equivalent quarter of Q2 2018. Measured by underlying type, equity-linked instruments represented a share of 73% of all newly issued products.

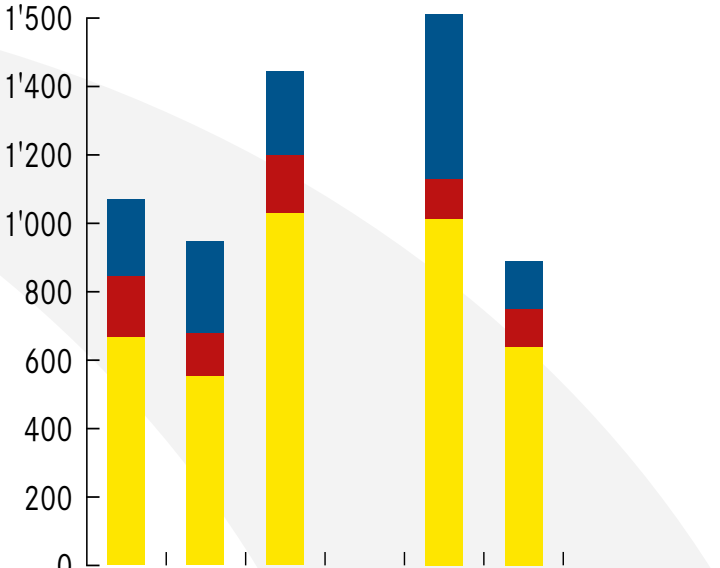
Total Number of Products: Slight decrease compared to the previous quarter

At the end of June 2019, a total of 3'044 products were open/non-matured on the Belgian market. The number of products slightly decreased by 3% compared to Q1/2019 (3'125). With 51% of all non-matured products at the end of June 2019 (1'562 products out of 3'044), structured notes are by and large still the dominating format of structured products in the Belgian market.

BELSIPA Market Report Q2/2019 per Product Category

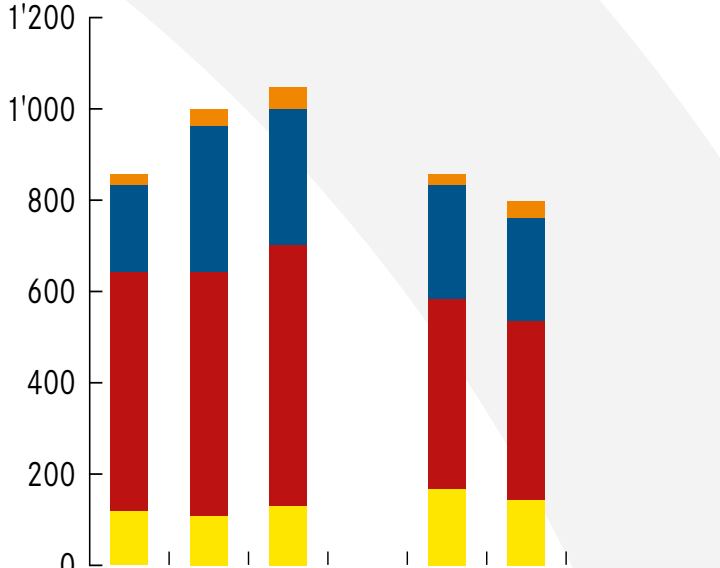
April - June 2019

Turnover primary market
in Mio. EUR



| | 2018 Q2 | 2018 Q3 | 2018 Q4 | Total 2018 | 2019 Q1 | 2019 Q2 | Δ% Q2/18* | Δ% Q1/19** |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| Leverage Products | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0% |
| Structured Insurance Products | 211 | 259 | 239 | 854 | 466 | 134 | -36% | -71% |
| Structured Funds | 173 | 123 | 160 | 620 | 113 | 108 | -38% | -4% |
| Structured Notes | 646 | 532 | 994 | 2'785 | 978 | 618 | -4% | -37% |
| Other Structured Products | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0% |
| Total | 1'030 | 914 | 1'393 | 4'259 | 1'557 | 860 | -17% | -45% |
| Total Turnover (primary + secondary market) | 1'887 | 1'912 | 2'441 | 8'232 | 2'420 | 1'656 | -12% | -32% |
| Share Primary vs. Total Market | 55% | 48% | 57% | 52% | 64% | 52% | -5% | 0% |

Turnover secondary market
in Mio. EUR



| | 2018 Q2 | 2018 Q3 | 2018 Q4 | Total 2018 | 2019 Q1 | 2019 Q2 | Δ% Q2/18* | Δ% Q1/19** |
|--|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| Leverage Products | 25 | 30 | 40 | 131 | 29 | 31 | 24% | 7% |
| Structured Insurance Products | 186 | 322 | 309 | 1'048 | 255 | 225 | 21% | -12% |
| Structured Funds | 525 | 544 | 572 | 2'313 | 417 | 401 | -24% | -4% |
| Structured Notes | 118 | 102 | 127 | 475 | 162 | 139 | 18% | -14% |
| Other Structured Products | 3 | 0 | 0 | 6 | 0 | 0 | -100% | 0% |
| Total | 857 | 998 | 1'048 | 3'973 | 863 | 796 | -7% | -8% |
| Total Turnover (primary + secondary market) | 1'887 | 1'912 | 2'441 | 8'232 | 2'420 | 1'656 | -12% | -32% |
| Share Secondary vs. Total Market | 45% | 52% | 43% | 48% | 36% | 48% | 6% | 35% |

Source: Submitting Entities, Derivative Partners

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

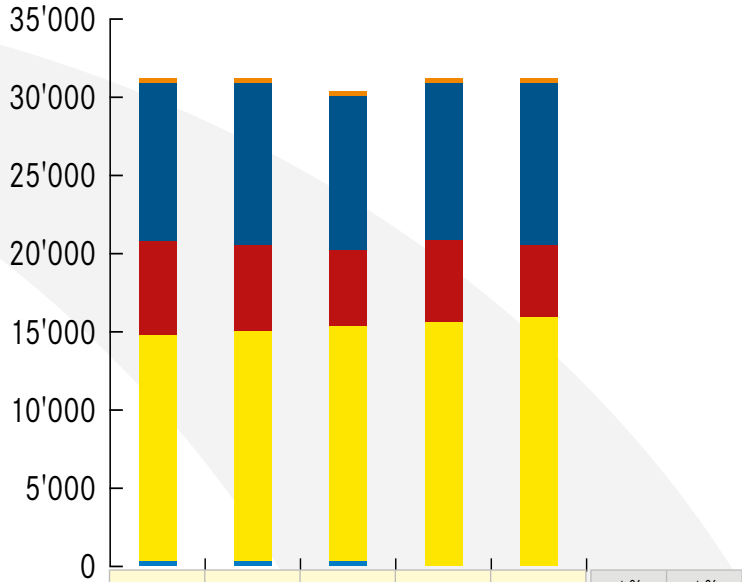
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BELSIPA Market Report Q2/2019 per Product Category

April - June 2019

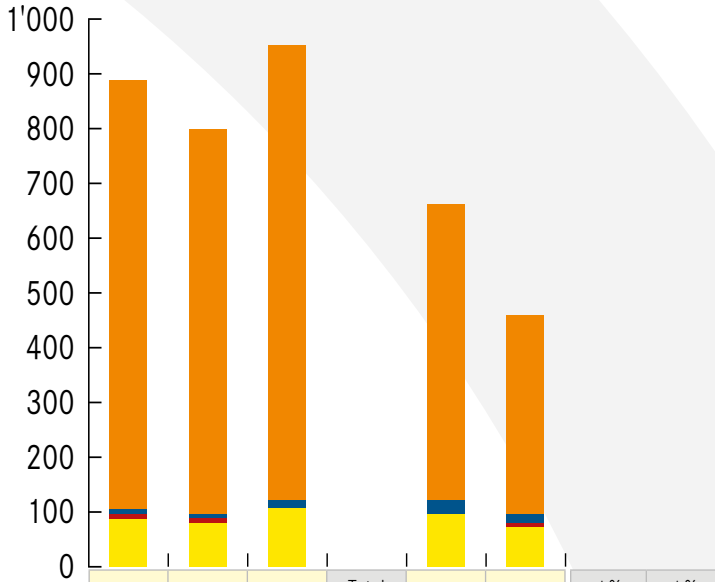
Outstanding Volume

in Mio. EUR



| | 2018 Q2 | 2018 Q3 | 2018 Q4 | 2019 Q1 | 2019 Q2 | Δ% Q2/18* | Δ% Q1/19** |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|-----------|------------|
| Leverage Products | 4 | 3 | 2 | 2 | 2 | -50% | 0% |
| Structured Insurance Products | 10'353 | 10'307 | 9'987 | 10'386 | 10'487 | 1% | 1% |
| Structured Funds | 6'037 | 5'743 | 5'116 | 5'133 | 4'886 | -19% | -5% |
| Structured Notes | 14'588 | 14'859 | 15'156 | 15'676 | 15'807 | 8% | 1% |
| Other Structured Products | 154 | 97 | 78 | 18 | 0 | -100% | -100% |
| Total | 31'137 | 31'009 | 30'339 | 31'215 | 31'182 | 0% | 0% |

Number of New Products



| | 2018 Q2 | 2018 Q3 | 2018 Q4 | Total 2018 | 2019 Q1 | 2019 Q2 | Δ% Q2/18* | Δ% Q1/19** |
|-------------------------------|------------|------------|------------|--------------|------------|------------|-------------|-------------|
| Leverage Products | 785 | 704 | 835 | 3'055 | 545 | 364 | -54% | -33% |
| Structured Insurance Products | 11 | 13 | 9 | 43 | 19 | 13 | 18% | -32% |
| Structured Funds | 8 | 7 | 7 | 28 | 6 | 6 | -25% | 0% |
| Structured Notes | 87 | 78 | 101 | 337 | 94 | 75 | -14% | -20% |
| Other Structured Products | 0 | 0 | 0 | 0 | 0 | 0 | 0% | 0% |
| Total | 891 | 802 | 952 | 3'463 | 664 | 458 | -49% | -31% |

Source: Submitting Entities, Derivative Partners

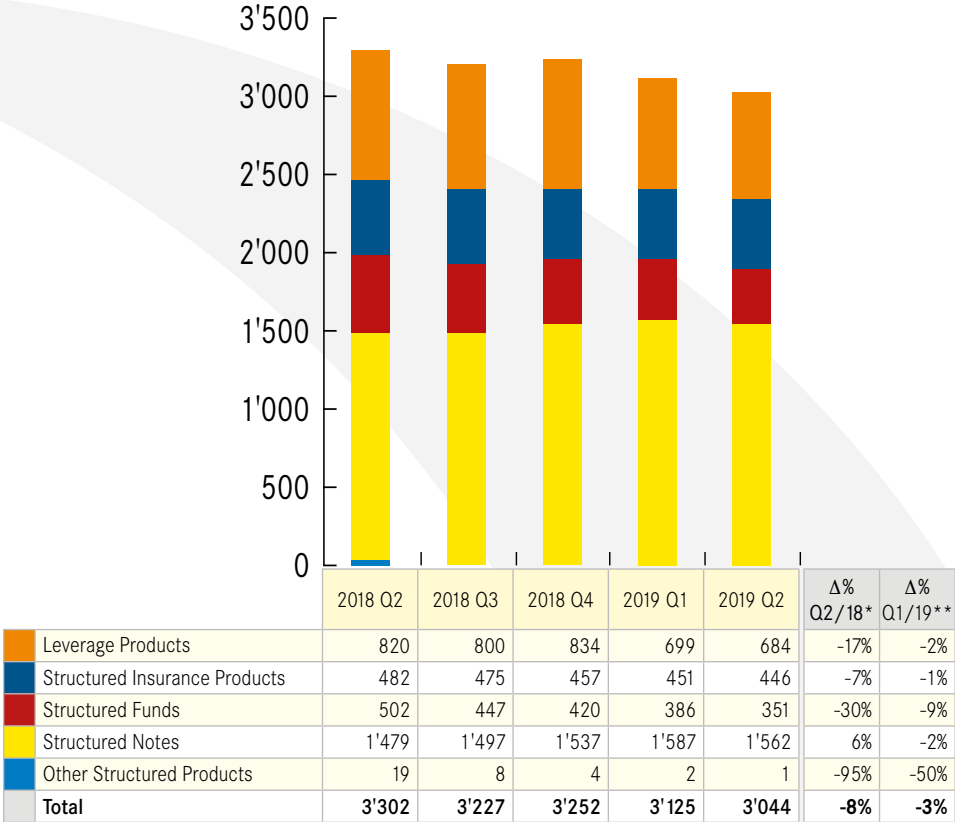
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BELSIPA Market Report Q2/2019 per Product Category

April - June 2019

Total Number of Products



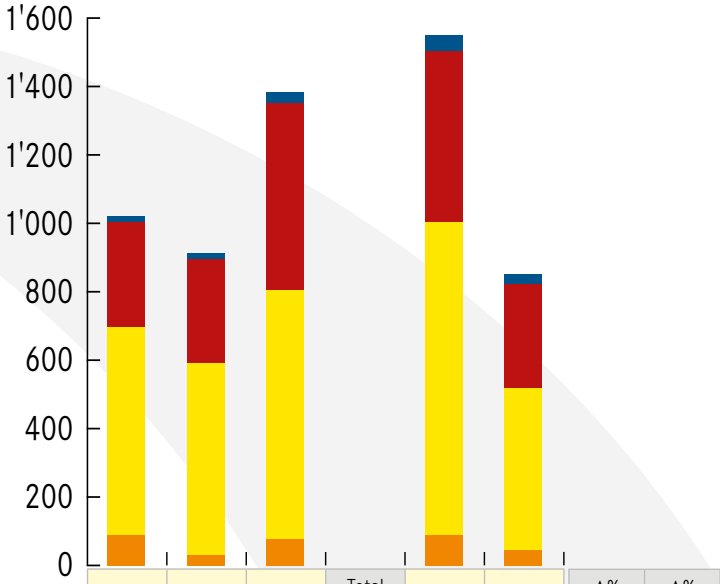
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BELSIPA Market Report Q2/2019 per Underlying Type

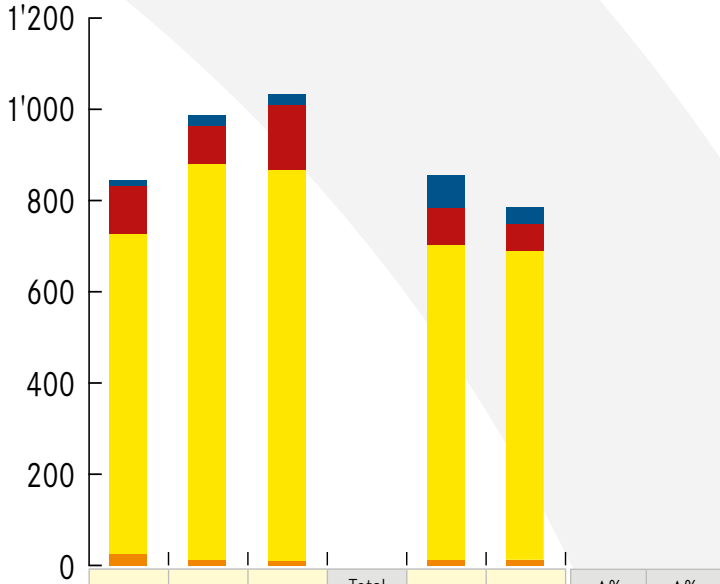
April - June 2019

Turnover primary market
in Mio. EUR



| | 2018 Q2 | 2018 Q3 | 2018 Q4 | Total 2018 | 2019 Q1 | 2019 Q2 | Δ% Q2/18* | Δ% Q1/19** |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| with commodity underlying | 20 | 17 | 25 | 73 | 41 | 29 | 45% | -29% |
| with fixed-income underlying | 307 | 301 | 550 | 1'434 | 500 | 311 | 1% | -38% |
| with equity-linked underlying | 616 | 560 | 737 | 2'510 | 933 | 483 | -22% | -48% |
| with various underlying | 87 | 36 | 81 | 242 | 83 | 37 | -57% | -55% |
| Total | 1'030 | 914 | 1'393 | 4'259 | 1'557 | 860 | -17% | -45% |
| (with capital protection feature) | (779) | (550) | (1'034) | (2975) | (1314) | (650) | -17% | -51% |
| Total Turnover (primary + secondary market) | 1'887 | 1'913 | 2'441 | 8'233 | 2'420 | 1'656 | -12% | -32% |

Turnover secondary market
in Mio. EUR



| | 2018 Q2 | 2018 Q3 | 2018 Q4 | Total 2018 | 2019 Q1 | 2019 Q2 | Δ% Q2/18* | Δ% Q1/19** |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|
| with commodity underlying | 21 | 29 | 30 | 109 | 72 | 39 | 86% | -46% |
| with fixed-income underlying | 110 | 76 | 142 | 466 | 82 | 65 | -41% | -21% |
| with equity-linked underlying | 705 | 874 | 859 | 3'318 | 697 | 676 | -4% | -3% |
| with various underlying | 21 | 19 | 17 | 80 | 13 | 16 | -24% | 23% |
| Total | 857 | 998 | 1'048 | 3'973 | 864 | 796 | -7% | -8% |
| (with capital protection feature) | (400) | (468) | (482) | (1'806) | (415) | (290) | -27% | -30% |
| Total Turnover (primary + secondary market) | 1'887 | 1'913 | 2'441 | 8'233 | 2'420 | 1'656 | -12% | -32% |

Source: Submitting Entities, Derivative Partners

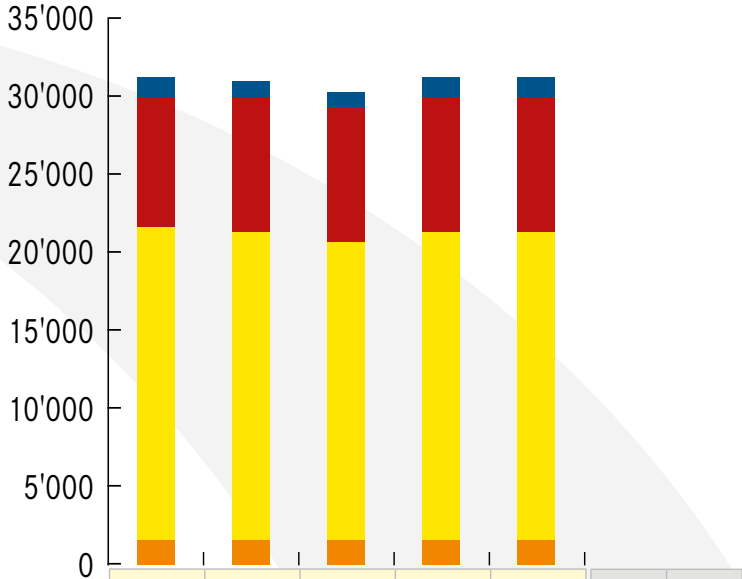
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BELSIPA Market Report Q2/2019 per Underlying Type

April - June 2019

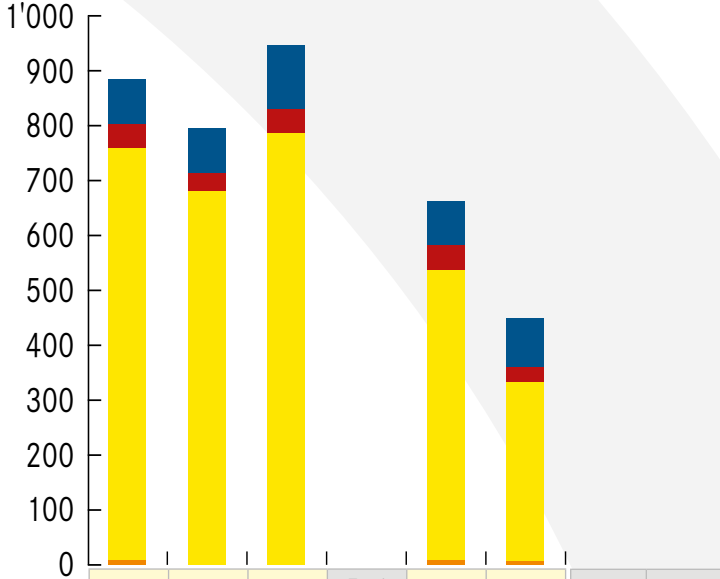
Outstanding Volume

in Mio. EUR



| | 2018 Q2 | 2018 Q3 | 2018 Q4 | 2019 Q1 | 2019 Q2 | Δ% Q2/18* | Δ% Q1/19** |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|-----------|------------|
| with commodity underlying | 1'231 | 1'205 | 1'169 | 1'300 | 1'243 | 1% | -4% |
| with fixed-income underlying | 8'321 | 8'316 | 8'269 | 8'682 | 8'622 | 4% | -1% |
| with equity-linked underlying | 19'947 | 19'665 | 19'227 | 19'634 | 19'626 | -2% | 0% |
| with various underlying | 1'638 | 1'823 | 1'674 | 1'599 | 1'691 | 3% | 6% |
| Total | 31'137 | 31'009 | 30'339 | 31'215 | 31'182 | 0% | 0% |
| (with capital protection feature) | (18'298) | (18'337) | (19'537) | (20'199) | (20'313) | 11% | 1% |

Number of New Products



| | 2018 Q2 | 2018 Q3 | 2018 Q4 | Total 2018 | 2019 Q1 | 2019 Q2 | Δ% Q2/18* | Δ% Q1/19** |
|-----------------------------------|------------|------------|------------|--------------|------------|------------|-------------|-------------|
| with commodity underlying | 87 | 85 | 113 | 360 | 79 | 90 | 3% | 14% |
| with fixed-income underlying | 39 | 31 | 50 | 141 | 43 | 26 | -33% | -40% |
| with equity-linked underlying | 757 | 679 | 782 | 2'937 | 534 | 334 | -56% | -37% |
| with various underlying | 8 | 7 | 7 | 25 | 8 | 8 | 0% | 0% |
| Total | 891 | 802 | 952 | 3'463 | 664 | 458 | -49% | -31% |
| (with capital protection feature) | (75) | (68) | (92) | (287) | (91) | (58) | -23% | -36% |

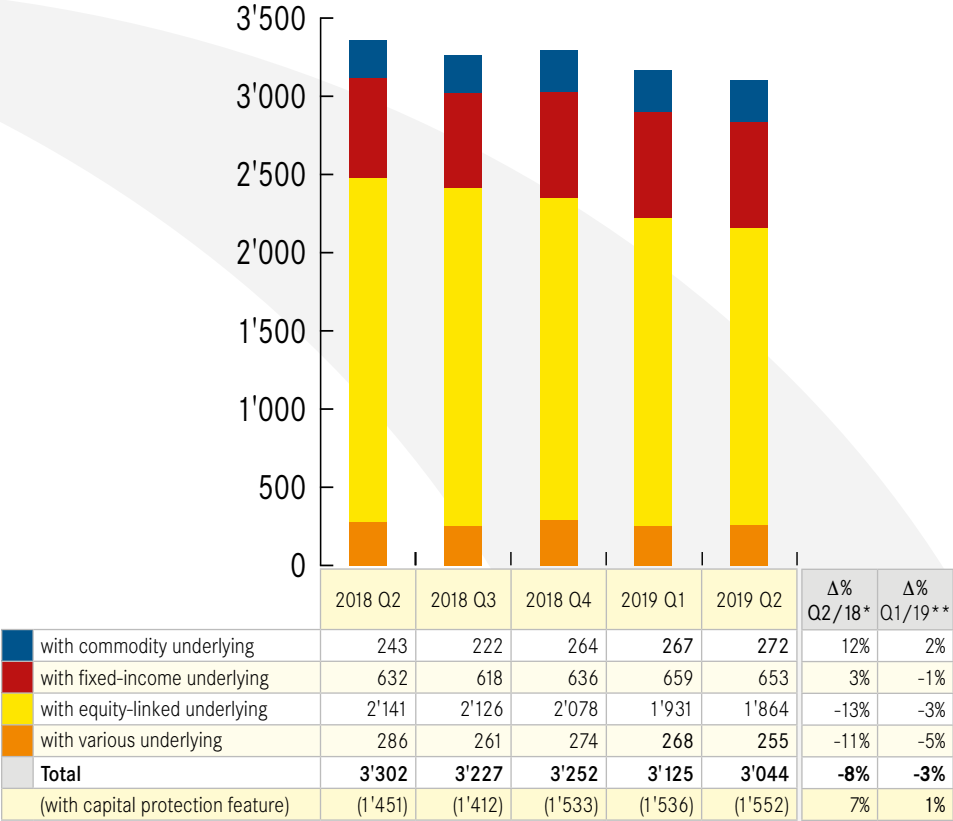
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BELSIPA Market Report Q2/2019 per Underlying Type

April - June 2019

Total Number of Products



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7. Appendix

Data sources

BELSIPA Members
Derivative Partners AG
Cut-off date is 28th of June 2019

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The data is collected by Derivative Partners AG.

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