



BELSIPA Market Report **on retail structured products**

Q3/2019 | 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 third quarter of 2019 (July to September).

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 September.

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 third quarter of 2019 the turnover on the primary market accounted for 0.71 bn EUR, which is a decrease of 18% compared to Q2 2019 and of 23% compared to the equivalent third quarter of 2018. The turnover of structured products sold (back) on the secondary market in Belgium amounted to 1.1 bn EUR, an increase of 36% compared to Q2 2019 and 8% compared to last year equivalent Q3 2018. Underlying-wise, it seems noteworthy that the turnover in fixed-income products in Q3 2019 decreased by about 73% both on a year-to-year basis as well as on a quarterly change. Turnover in products with capital protection feature decreased by 36%, compared to the previous quarter Q2, while in the secondary market turnover in these products increased over the same timespan by 66%.

Outstanding Volume: Slight decrease

At the end of September 2019, the outstanding volume in structured products held by customers of the data-submitting entities was 30.7 bn EUR, which is a slight decrease of 2% compared to the last quarter of Q2 2019 (where the volume stood at 31.2 bn EUR).

Number of New Products: Increasing number of fund products

The number of new structured products issued in Belgium between July and September 2019 increased by 25% in Q3 2019 compared against the preceding quarter. 83% of all new products were issued in the leverage products segment. Compared to the preceding quarter Q2 2019, leverage products issues increased by 32% (but decreased by the same number compared to Q3 2018).

On the investment (non-leverage) products side, the number of Structured Funds increased significantly by 67% compared to Q2 2019 and increased by 43% compared to last year quarter Q3 2018. Measured by underlying type, equity-linked instruments represented a share of 76% of all newly issued products and increased by 31% compared to Q2 2019.

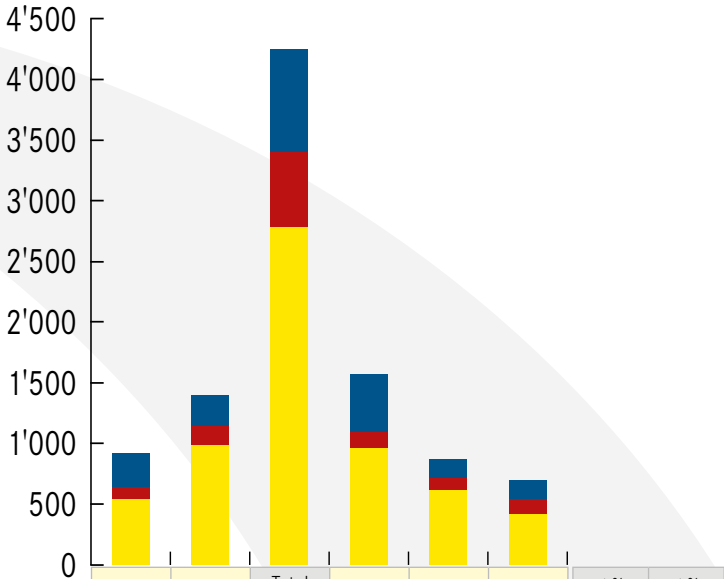
Total Number of Products: No significant change

At the end of September 2019, a total of 3'022 products were open/non-matured on the Belgian market. The total number of products slightly decreased by 1% compared to Q2/2019 (3'044) and 6% on an annual basis. With 51% of all non-matured products at the end of September 2019 (1'548 products out of 3'022), structured notes continue to represent the dominating format of structured products in the Belgian market.

BELSIPA Market Report Q3/2019 per Product Category

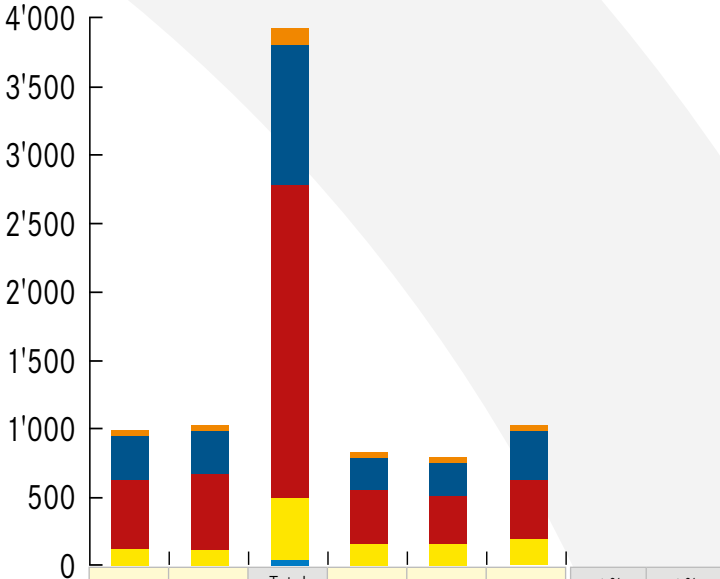
July - September 2019

Turnover primary market
in Mio. EUR



	2018 Q3	2018 Q4	Total 2018	2019 Q1	2019 Q2	2019 Q3	Δ% Q3/18*	Δ% Q2/19**
Leverage Products	0	0	0	0	0	0	0%	0%
Structured Insurance Products	259	239	854	466	134	151	-42%	13%
Structured Funds	123	160	620	113	108	135	10%	25%
Structured Notes	532	994	2'785	978	618	420	-21%	-32%
Other Structured Products	0	0	0	0	0	0	0%	0%
Total	914	1'393	4'259	1'557	860	706	-23%	-18%
Total Turnover (primary + secondary market)	1'912	2'441	8'232	2'420	1'656	1'786	-7%	8%
Share Primary vs. Total Market	48%	57%	52%	64%	52%	40%	-17%	-24%

Turnover secondary market
in Mio. EUR



	2018 Q3	2018 Q4	Total 2018	2019 Q1	2019 Q2	2019 Q3	Δ% Q3/18*	Δ% Q2/19**
Leverage Products	30	40	131	29	31	47	57%	52%
Structured Insurance Products	322	309	1'048	255	225	397	23%	76%
Structured Funds	544	572	2'313	417	401	435	-20%	8%
Structured Notes	102	127	475	162	139	201	97%	45%
Other Structured Products	0	0	6	0	0	0	0%	0%
Total	998	1'048	3'973	863	796	1'080	8%	36%
Total Turnover (primary + secondary market)	1'912	2'441	8'232	2'420	1'656	1'786	-7%	8%
Share Secondary vs. Total Market	52%	43%	48%	36%	48%	60%	16%	26%

Source: Submitting Entities, Derivative Partners

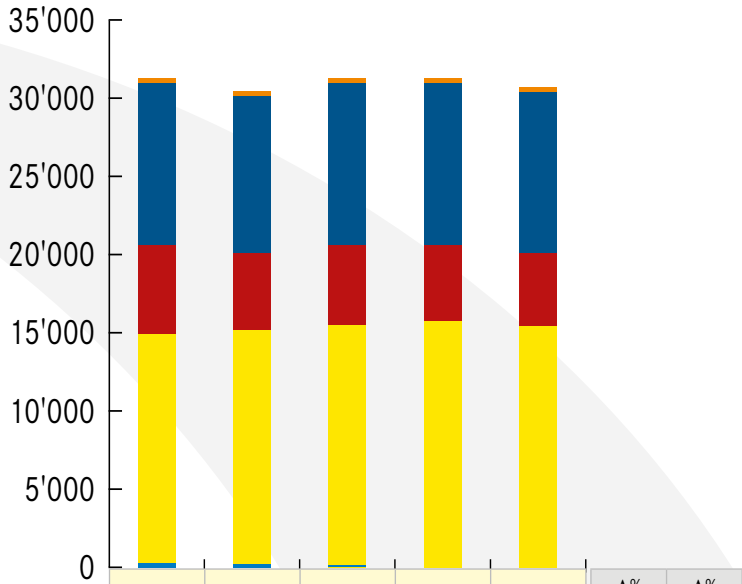
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BELSIPA Market Report Q3/2019 per Product Category

July - September 2019

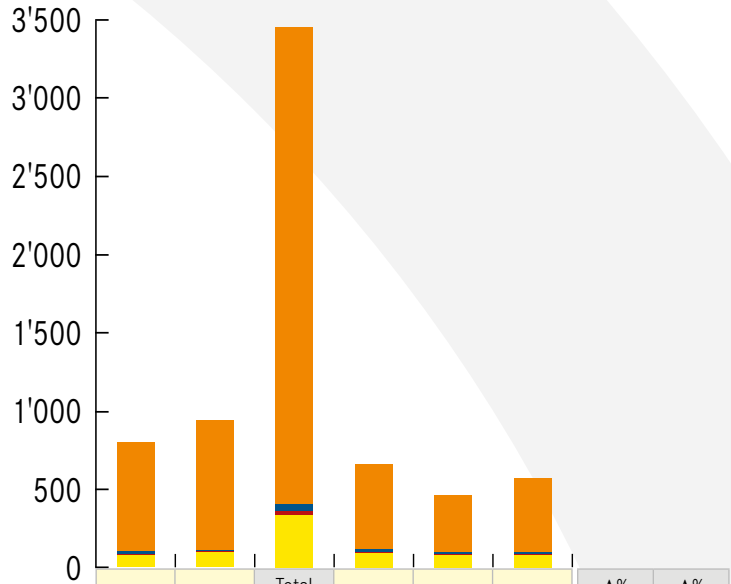
Outstanding Volume

in Mio. EUR



	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	Δ% Q3/18*	Δ% Q2/19**
Leverage Products	3	2	2	2	2	-33%	0%
Structured Insurance Products	10'307	9'987	10'386	10'487	10'348	0%	-1%
Structured Funds	5'743	5'116	5'133	4'886	4'799	-16%	-2%
Structured Notes	14'859	15'156	15'676	15'807	15'536	5%	-2%
Other Structured Products	97	78	18	0	0	-100%	0%
Total	31'009	30'339	31'215	31'182	30'685	-1%	-2%

Number of New Products



	2018 Q3	2018 Q4	Total 2018	2019 Q1	2019 Q2	2019 Q3	Δ% Q3/18*	Δ% Q2/19**
Leverage Products	704	835	3'055	545	364	479	-32%	32%
Structured Insurance Products	13	9	43	19	13	10	-23%	-23%
Structured Funds	7	7	28	6	6	10	43%	67%
Structured Notes	78	101	337	94	75	75	-4%	0%
Other Structured Products	0	0	0	0	0	0	0%	0%
Total	802	952	3'463	664	458	574	-28%	25%

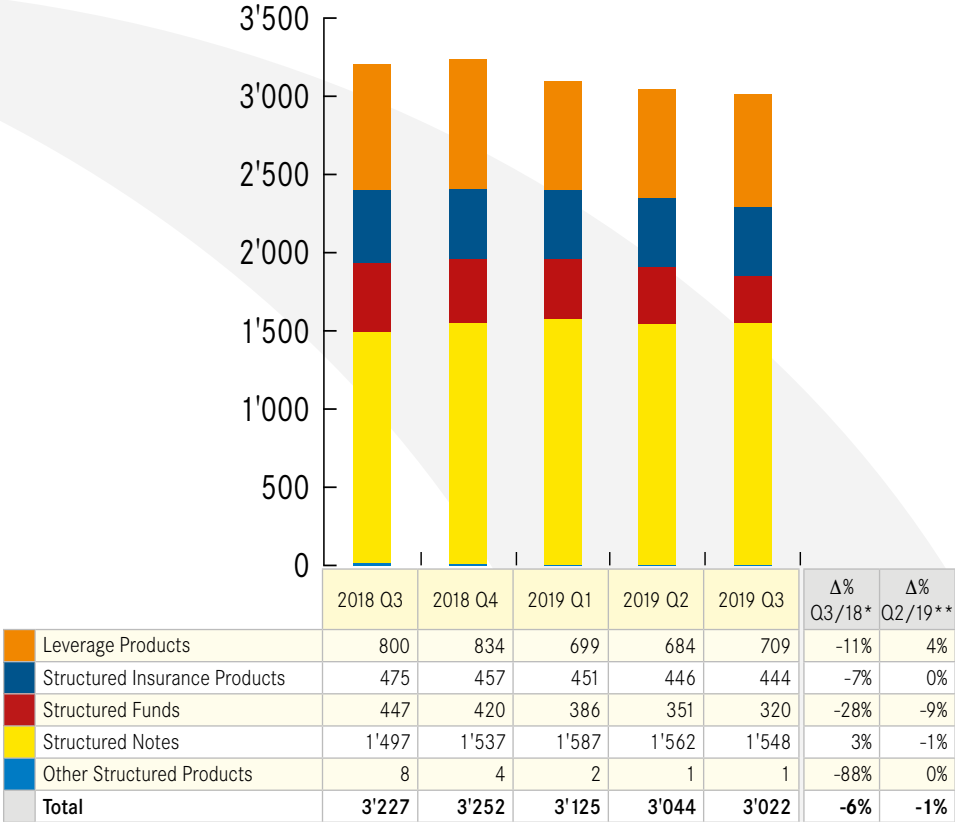
Source: Submitting Entities, Derivative Partners

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BELSIPA Market Report Q3/2019 per Product Category

July - September 2019

Total Number of Products



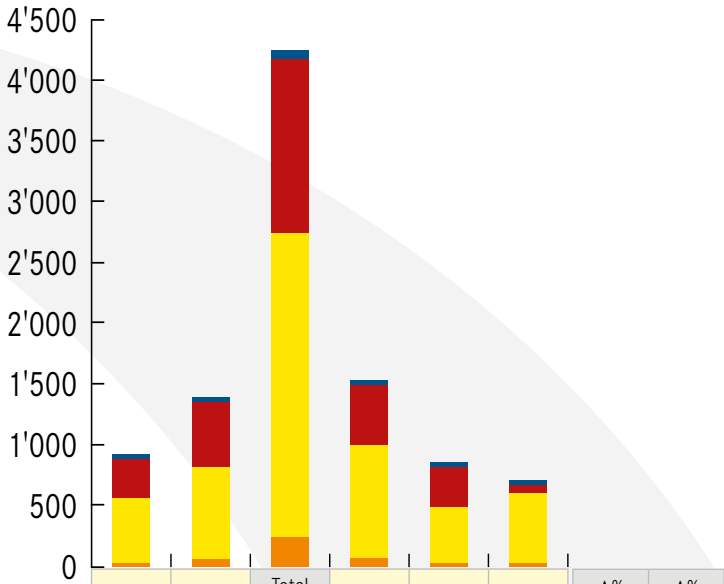
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BELSIPA Market Report Q3/2019 per Underlying Type

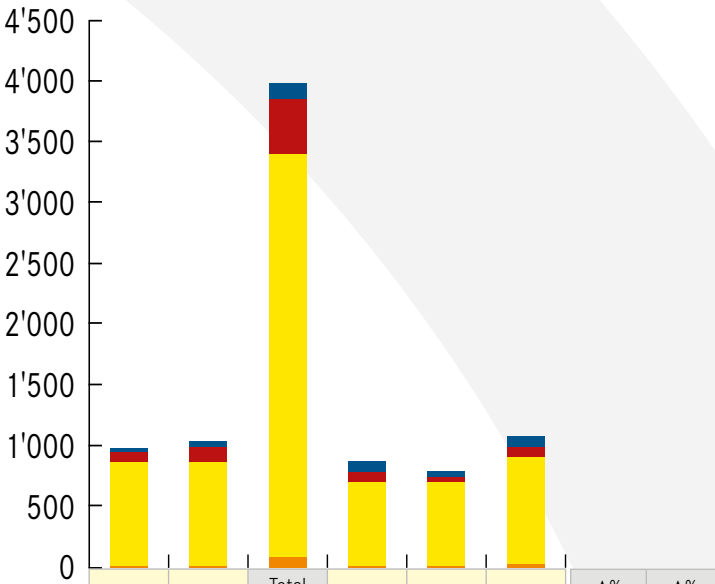
July - September 2019

Turnover primary market
in Mio. EUR



	2018 Q3	2018 Q4	Total 2018	2019 Q1	2019 Q2	2019 Q3	Δ% Q3/18*	Δ% Q2/19**
with commodity underlying	17	25	73	41	29	12	-29%	-59%
with fixed-income underlying	301	550	1'434	500	311	83	-72%	-73%
with equity-linked underlying	560	737	2'510	933	483	572	2%	18%
with various underlying	36	81	242	83	37	39	8%	5%
Total	914	1'393	4'259	1'557	860	706	-23%	-18%
(with capital protection feature)	(550,07)	(1033,56)	(2974,76)	(1314,45)	(650)	(415)	-25%	-36%
Total Turnover (primary + secondary market)	1'913	2'441	8'233	2'420	1'656	1'786	-7%	8%

Turnover secondary market
in Mio. EUR



	2018 Q3	2018 Q4	Total 2018	2019 Q1	2019 Q2	2019 Q3	Δ% Q3/18*	Δ% Q2/19**
with commodity underlying	29	30	109	72	39	67	131%	72%
with fixed-income underlying	76	142	466	82	65	105	38%	62%
with equity-linked underlying	874	859	3'318	697	676	877	0%	30%
with various underlying	19	17	80	13	16	31	63%	94%
Total	998	1'048	3'973	864	796	1'080	8%	36%
(with capital protection feature)	(468,42)	(482,01)	(1805,9)	(415,12)	(290,23)	(481)	3%	66%
Total Turnover (primary + secondary market)	1'913	2'441	8'233	2'420	1'656	1'786	-7%	8%

Source: Submitting Entities, Derivative Partners

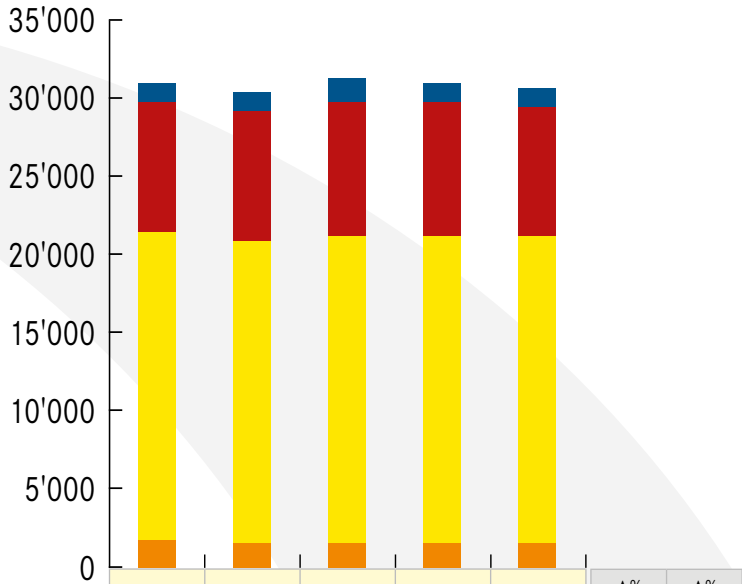
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BELSIPA Market Report Q3/2019 per Underlying Type

July - September 2019

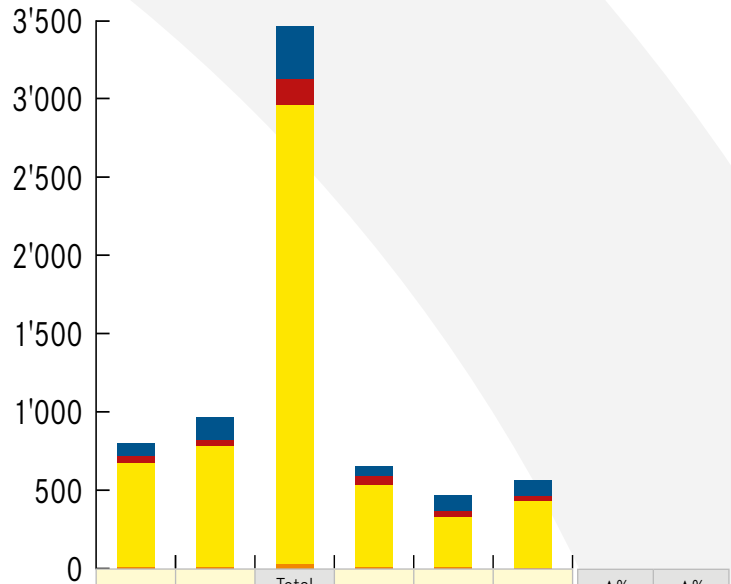
Outstanding Volume

in Mio. EUR



	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3	Δ% Q3/18*	Δ% Q2/19**
with commodity underlying	1'205	1'169	1'300	1'243	1'259	4%	1%
with fixed-income underlying	8'316	8'269	8'682	8'622	8'150	-2%	-5%
with equity-linked underlying	19'665	19'227	19'634	19'626	19'615	0%	0%
with various underlying	1'823	1'674	1'599	1'691	1'661	-9%	-2%
Total	31'009	30'339	31'215	31'182	30'685	-1%	-2%
(with capital protection feature)	(18337,37)	(19536,67)	(20198,63)	(20313,14)	(19869)	8%	-2%

Number of New Products



	2018 Q3	2018 Q4	Total 2018	2019 Q1	2019 Q2	2019 Q3	Δ% Q3/18*	Δ% Q2/19**
with commodity underlying	85	113	360	79	90	119	40%	32%
with fixed-income underlying	31	50	141	43	26	12	-61%	-54%
with equity-linked underlying	679	782	2'937	534	334	439	-35%	31%
with various underlying	7	7	25	8	8	4	-43%	-50%
Total	802	952	3'463	664	458	574	-28%	25%
(with capital protection feature)	(68)	(92)	(287)	(91)	(58)	(50)	-26%	-14%

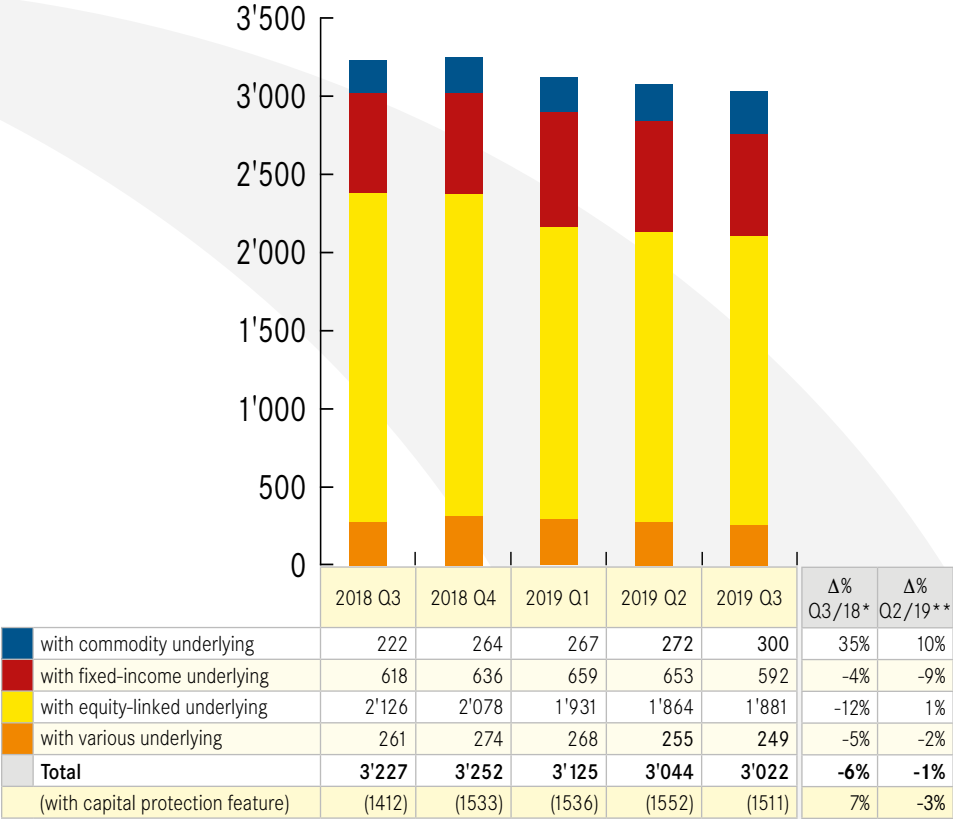
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BELSIPA Market Report Q3/2019 per Underlying Type

July - September 2019

Total Number of Products



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7. Appendix

Data sources

BELSIPA Members
Derivative Partners AG
Cut-off date is 30th of September 2019

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