



BELSIPA Market Report **on retail structured products**

Q2/2017 | Public Version

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1. Introductory remark

BELSIPA, the association of issuers of structured products in Belgium, publishes with this document the fifth edition 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 2017 (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: Year over year increase in primary and secondary markets

In the second quarter of 2017 the turnover of structured products sold on the primary market in Belgium amounted to 1.258 bn EUR, an increase of 5% compared to the corresponding period of 2016. The turnover in the secondary market accounted for 1.323 bn EUR, which represents an increase of 39% compared to the second quarter of 2016. While structured notes made for the biggest share in the primary market (62%), structured funds took this role on the secondary market (52%). Underlying-wise, products referenced to equities accounted for 0.720 bn EUR (primary market) and 1.068 bn EUR (secondary market). Products with a fixed-income underlying accounted for 0.425 bn EUR and 0.185 bn EUR, respectively.

Outstanding Volume: Slight increase

At the end of June 2017, the outstanding volume in structured products held by customers of the data-submitting entities was 33.2 bn EUR, which is a slight decrease of 1.3% compared to the corresponding quarter of 2016. The decrease was mainly driven by the decline of structured funds (down by 11%).

Number of New Products: Stable number of issues

The number of new structured products issued in Belgium between April and June 2017 remained stable compared to the previous quarter (294 products issued in Q2 2017 against 304 new products in Q1 2017). 67% of all new products were issued in the leveraged products segment, while structured notes accounted for 26%. Measured by underlying type, equity-linked instruments represented a share of 77% of all newly issued products.

Total Number of Products: Increasing number

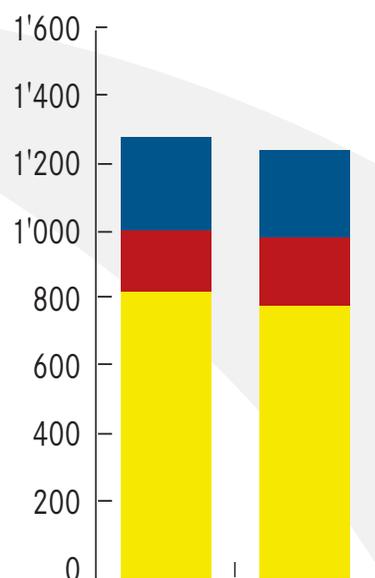
At the end of June 2017, a total of 3'411 products were open/non-matured on the Belgian market. This is an increase compared to the end of the first quarter of 2017 (3'334). Compared to Q2 2016 (3'106 products) this represents an increase of 10%. With 41% of all non-matured products at the end of March 2017 (1'395 products out of 3'411), notes are still the dominating format of structured products in the Belgian market.

BELSIPA Market Report Q2/2017 per Product Category

April - June 2017

Turnover primary market

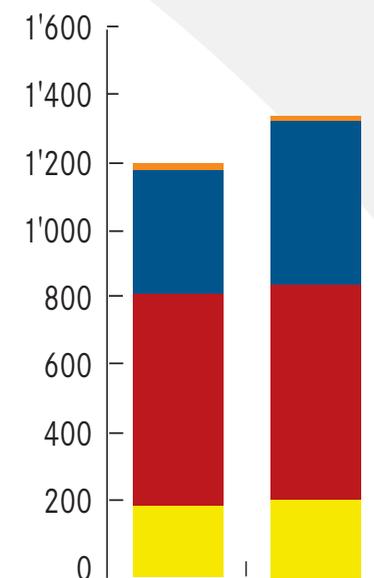
in Mio. EUR



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
Leverage Products	0	0	0%	0%
Structured Insurance Products	283	280	-1%	66%
Structured Funds	177	200	13%	-29%
Structured Notes	823	778	-6%	3%
Other Structured Products	0	0	0%	0%
Total	1'283	1'258	-2%	5%
Total Turnover (primary + secondary market)	2'478	2'580	4%	20%
Share Primary vs. Total Market	52%	49%	-3%	-7%

Turnover secondary market

in Mio. EUR



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
Leverage Products	25	21	-16%	-25%
Structured Insurance Products	359	459	28%	54%
Structured Funds	641	687	7%	43%
Structured Notes	169	156	-8%	6%
Other Structured Products	0	0	0%	0%
Total	1'195	1'323	11%	39%
Total Turnover (primary + secondary market)	2'478	2'580	4%	20%
Share Secondary vs. Total Market	48%	51%	3%	7%

Source: Submitting Entities, Derivative Partners

* The field indicates per cent change between reporting the first quarter 2017 and the second quarter 2017.

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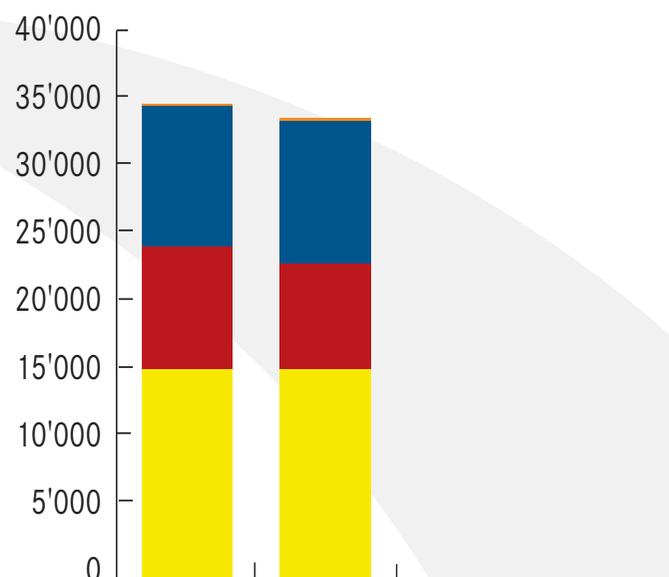
** The field indicates per cent change between reporting the second quarter 2016 and the second quarter 2017.

BELSIPA Market Report Q2/2017 per Product Category

April - June 2017

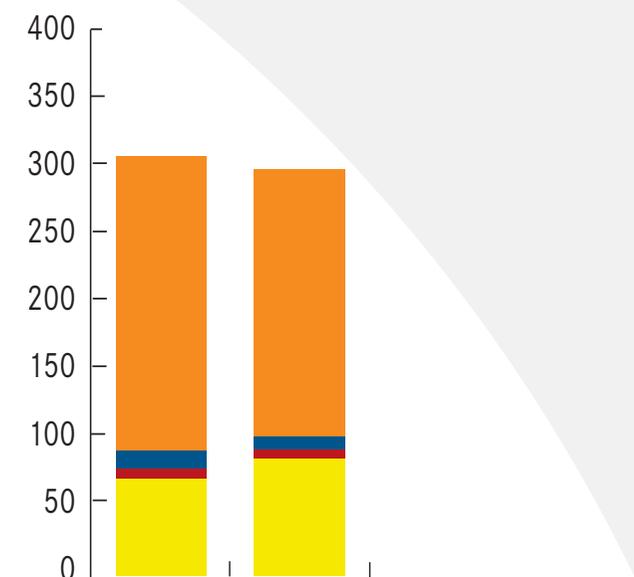
Outstanding Volume

in Mio. EUR



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
Leverage Products	3	2	-33%	0%
Structured Insurance Products	10'692	10'631	-1%	0%
Structured Funds	8'661	8'005	-8%	-11%
Structured Notes	14'583	14'406	-1%	4%
Other Structured Products	166	166	0%	-28%
Total	34'104	33'210	-3%	-1%

Number of New Products



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
Leverage Products	215	198	-8%	-66%
Structured Insurance Products	14	12	-14%	-20%
Structured Funds	9	9	0%	-18%
Structured Notes	66	75	14%	6%
Other Structured Products	0	0	0%	0%
Total	304	294	-3%	-56%

Source: Submitting Entities, Derivative Partners

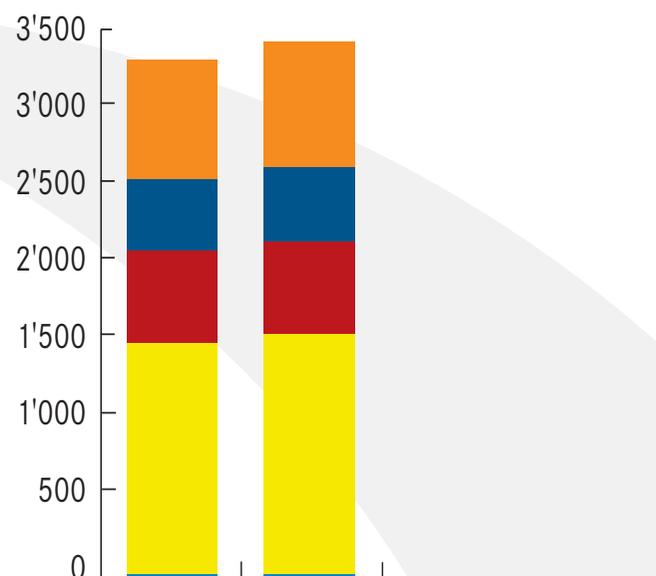
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BELSIPA Market Report Q2/2017 per Product Category

April - June 2017

Total Number of Products



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
Leverage Products	786	850	8%	42%
Structured Insurance Products	494	497	1%	1%
Structured Funds	660	640	-3%	-18%
Structured Notes	1'373	1'395	2%	16%
Other Structured Products	21	29	38%	12%
Total	3'334	3'411	2%	10%

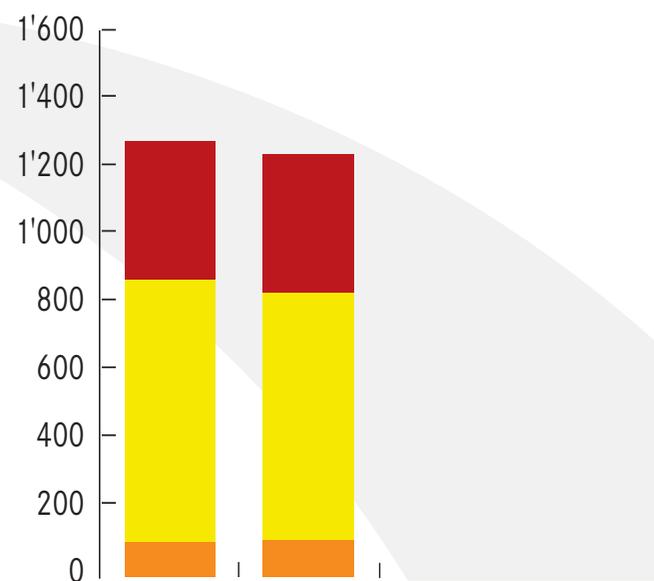
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BELSIPA Market Report Q2/2017 per Underlying Type

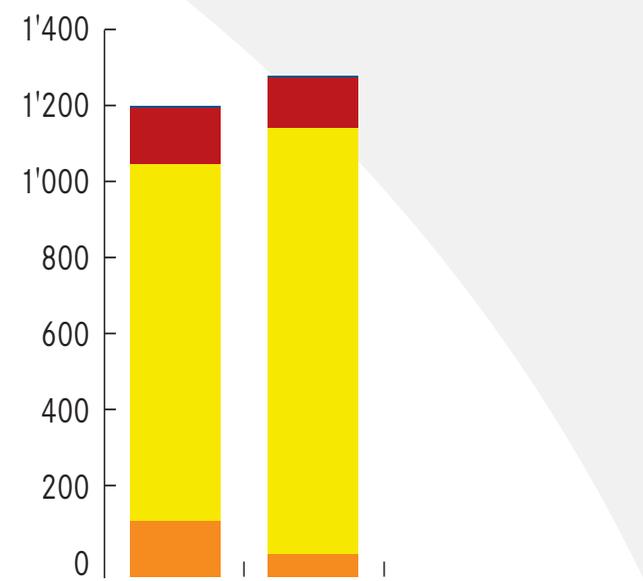
April - June 2017

Turnover primary market
in Mio. EUR



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
with commodity underlying	0	0	0%	0%
with fixed-income underlying	426	425	0%	256%
with equity-linked underlying	749	720	-4%	-28%
with various underlying	108	113	5%	39%
Total	1'283	1'258	-2%	5%
(with capital protection feature)	(737)	(713)	-3%	18%
Total Turnover (primary + secondary market)	2'478	2'580	4%	20%

Turnover secondary market
in Mio. EUR



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
with commodity underlying	6	1	-82%	-72%
with fixed-income underlying	143	185	29%	24%
with equity-linked underlying	935	1'068	14%	41%
with various underlying	111	68	-38%	52%
Total	1'195	1'323	11%	39%
(with capital protection feature)	(496)	(668)	35%	31%
Total Turnover (primary + secondary market)	2'478	2'580	4%	20%

Source: Submitting Entities, Derivative Partners

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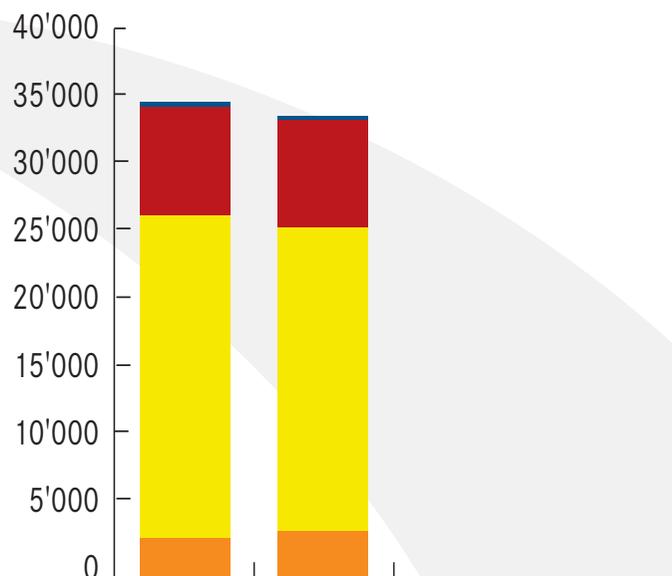
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BELSIPA Market Report Q2/2017 per Underlying Type

April - June 2017

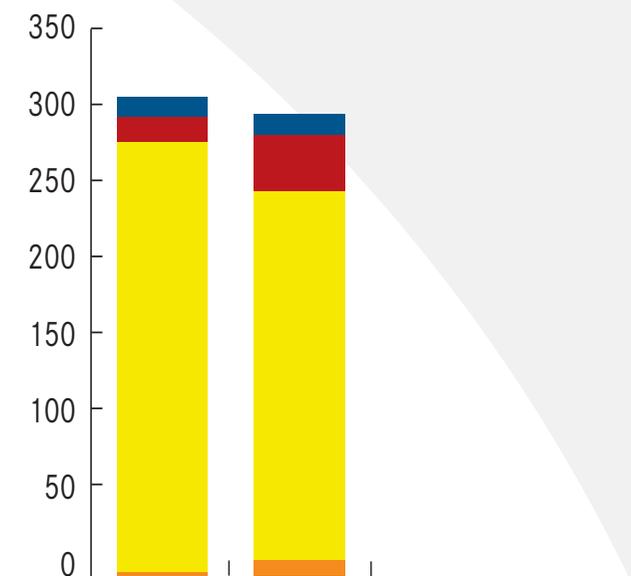
Outstanding Volume

in Mio. EUR



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
with commodity underlying	384	126	-67%	-69%
with fixed-income underlying	7'907	8'014	1%	-9%
with equity-linked underlying	22'982	21'628	-6%	1%
with various underlying	2'831	3'441	22%	19%
Total	34'104	33'210	-3%	-1%
(with capital protection feature)	(18'783)	(17'658)	-6%	-18%

Number of New Products



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
with commodity underlying	14	20	43%	100%
with fixed-income underlying	23	33	43%	175%
with equity-linked underlying	262	225	-14%	-65%
with various underlying	5	16	220%	78%
Total	304	294	-3%	-56%
(with capital protection feature)	(58)	(63)	9%	26%

Source: Submitting Entities, Derivative Partners

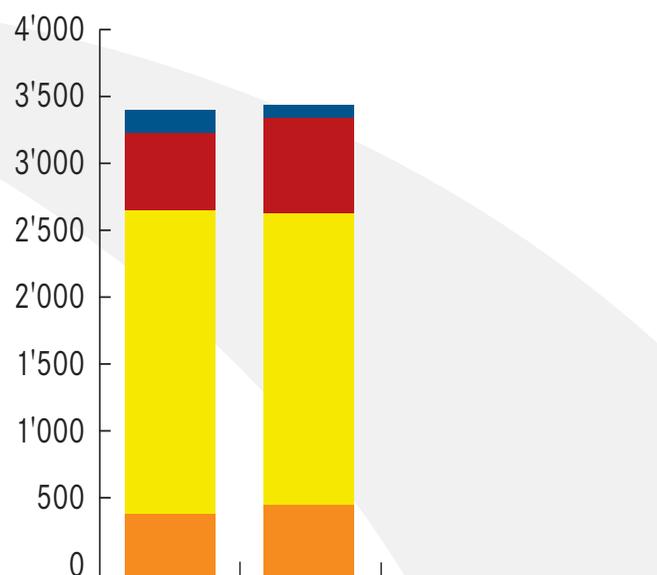
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BELSIPA Market Report Q2/2017 per Underlying Type

April - June 2017

Total Number of Products



	BELSIPA Total Q1/17	BELSIPA Total Q2/17	Δ in % to Q1/17*	Δ in % to Q2/16**
with commodity underlying	148	117	-21%	72%
with fixed-income underlying	492	600	22%	13%
with equity-linked underlying	2'315	2'239	-3%	11%
with various underlying	379	455	20%	-9%
Total	3'334	3'411	2%	10%
(with capital protection feature)	(1'518)	(1'500)	-1%	-8%

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7. Appendix

Data sources

BELSIPA Members

Derivative Partners AG

Key date is 30th of June, 2017

Contact

Thomas Wulf | Secretary General

Belgian Structured Investment Products Association asbl | vzw

Bastion Tower Level 20

5, Place du Champ de Mars

1050 Brussels | Belgium

Phone: +32 2 550 37 10

Mobile: +32 475 25 15 99

secretariat@belsipa.be

www.belsipa.be

The data is collected by Derivative Partners AG.

Patrick Walther | Managing Director

Derivative Partners AG

Splügenstrasse 10

8002 Zurich | Switzerland

Phone: +41 43 305 00 55

Fax: +41 43 305 05 31

patrick.walther@derivativepartners.com

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