



BELSIPA Market Report **on retail structured products**

Q2/2018 | Public Version

Introductory remarks	2
Highlights	3
Market Report per Product Category	4
Market Report per Underlying Type	7
Appendix	10

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 2018 (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: Primary market – Slight increase

In the second quarter of 2018 the turnover in the primary market accounted for 1'030 bn EUR, which is an increase of 12% compared to Q1 2018 but a decrease of 18% when compared to the equivalent second quarter of 2017. The turnover of structured products sold (back) on the secondary market in Belgium amounted to 0.857 bn EUR, a decrease of 20% compared to Q1 2018 and of 35% compared to last year equivalent Q2 2017. Underlying-wise, the turnover in equity-linked products in Q2 2018 accounted for 0.615 bn EUR (primary market) and 0.705 bn EUR (secondary market), respectively. It is noteworthy that significantly more structured products were sold on the primary market with a capital protection feature in Q2 than in Q1 2018 (28% more).

Outstanding Volume: No significant changes compared to the previous quarter

At the end of June 2018, the outstanding volume in structured products held by customers of the data-submitting entities was 31.14 bn EUR, which is no significant change compared to the end of the first quarter of 2018 (where the volume stood at 31.2 bn EUR).

Number of New Products: Increasing number of structured notes

The number of new structured products issued in Belgium between April and June 2018 increased by 9% (891 products issued in Q2 2018 against 818 new products in Q1 2018). 88% of all new products were issued in the leveraged products segment. On the investment (non-leverage) products side, the number of structured notes increased by 23% compared to Q1 2018, the number of structured funds by 33% in the same time-span. Measured by underlying type, equity-linked instruments represented a share of 85% of all newly issued products. In absolute terms, their number increased by 5% compared to the previous quarter Q1 2018.

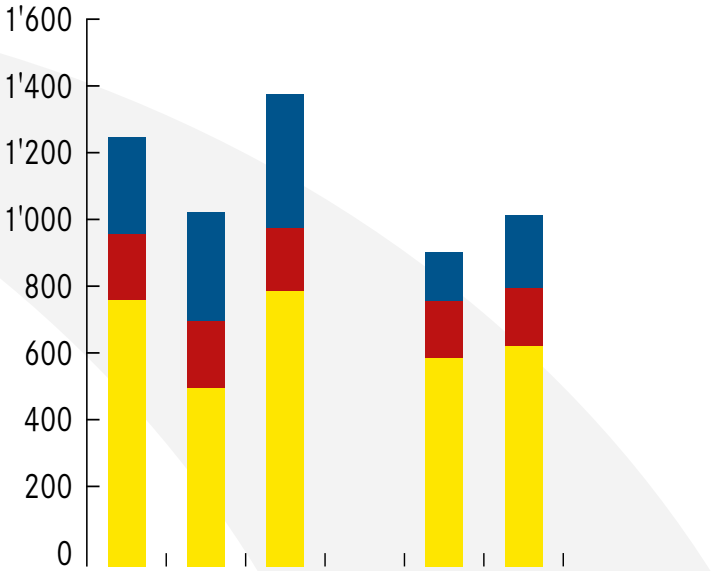
Total Number of Products: Slight increase compared to the previous quarter

At the end of June 2018, a total of 3'302 products were open/non-matured on the Belgian market. The number of products hence remains roughly the same as at the end of the first quarter of 2018 (3'255). Compared with Q2 2017 it decreased though by 3%. With 45% of all non-matured products at the end of June 2018 (1'479 products out of 3'302), notes are still the dominating format of structured products in the Belgian market.

BELSIPA Market Report Q2/2018 per Product Category

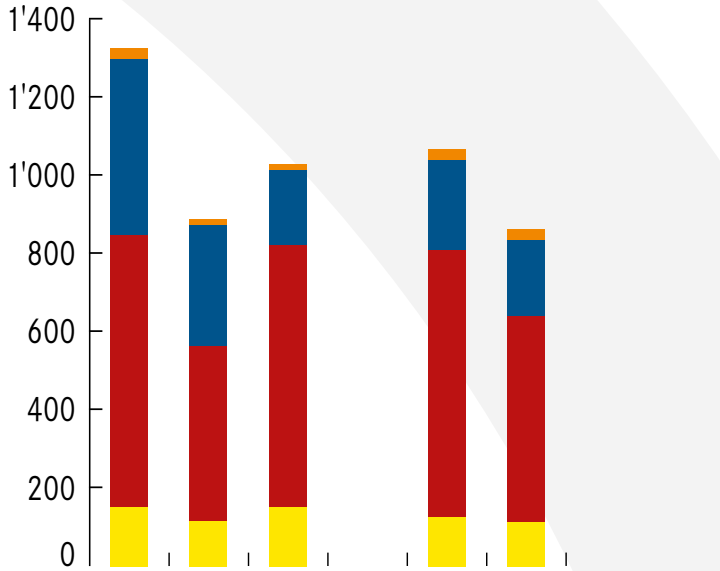
April - June 2018

Turnover primary market
in Mio. EUR



	2017 Q2	2017 Q3	2017 Q4	Total 2017	2018 Q1	2018 Q2	Δ% 2/17*	Δ% 1/18**
Leverage Products	n.a.‡	n.a.‡	n.a.‡	n.a.‡	n.a.‡	n.a.‡	n.a.‡	n.a.‡
Structured Insurance Products	280	315	387	1'265	145	211	-25%	46%
Structured Funds	200	198	190	765	164	173	-14%	5%
Structured Notes	778	522	804	2'927	613	646	-17%	5%
Other Structured Products	0	0	0	0	0	0	0%	0%
Total	1'258	1'035	1'381	4'957	922	1'030	-18%	12%
Total Turnover (primary + secondary market)	2'581	1'923	2'407	9'388	1'992	1'887	-27%	-5%
Share Primary vs. Total Market	49%	54%	57%	53%	46%	55%	12%	18%

Turnover secondary market
in Mio. EUR



	2017 Q2	2017 Q3	2017 Q4	Total 2017	2018 Q1	2018 Q2	Δ% 2/17*	Δ% 1/18**
Leverage Products	21	15	18	79	36	25	19%	-31%
Structured Insurance Products	459	307	184	1'309	231	186	-59%	-19%
Structured Funds	687	451	679	2'458	672	525	-24%	-22%
Structured Notes	156	115	145	585	128	118	-24%	-8%
Other Structured Products	0	0	0	0	3	3	0%	0%
Total	1'323	888	1'026	4'431	1'070	857	-35%	-20%
Total Turnover (primary + secondary market)	2'581	1'923	2'407	9'388	1'992	1'887	-27%	-5%
Share Secondary vs. Total Market	51%	46%	43%	47%	54%	45%	-11%	-15%

* The field indicates per cent change between reporting the second quarter 2017 and the second quarter 2018.
 ** The field indicates per cent change between reporting the first quarter 2018 and the second quarter 2018.
 ‡ Structured leverage products are sold in the Belgian market without subscription period and as exchange-listed products, only. The relevant primary market turnover is for that reason part of the secondary market reporting and statistics (see right table on this page).

* The field indicates per cent change between reporting the second quarter 2017 and the second quarter 2018.
 ** The field indicates per cent change between reporting the first quarter 2018 and the second quarter 2018.

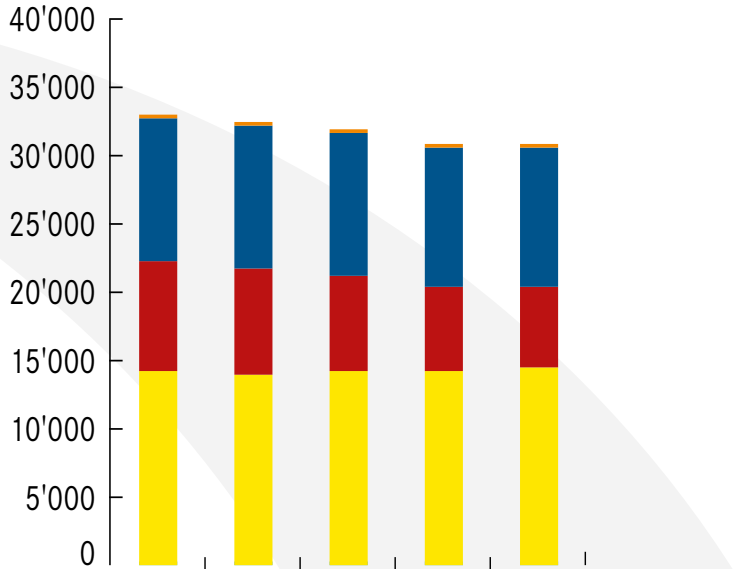
Source: Submitting Entities, Derivative Partners

BELSIPA Market Report Q2/2018 per Product Category

April - June 2018

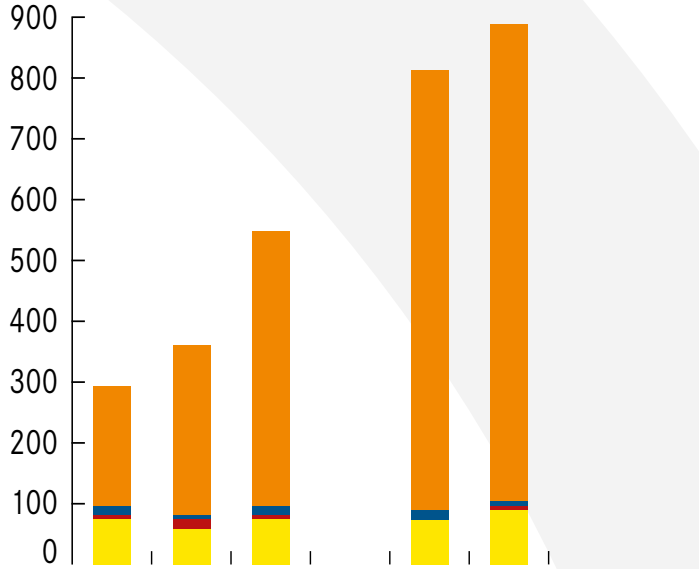
Outstanding Volume

in Mio. EUR



	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	Δ% 2/17*	Δ% 1/18**
Leverage Products	2	3	4	3	4	100%	33%
Structured Insurance Products	10'631	10'645	10'599	10'325	10'353	-3%	0%
Structured Funds	8'005	7'703	7'183	6'356	6'037	-25%	-5%
Structured Notes	14'406	14'184	14'372	14'364	14'588	1%	2%
Other Structured Products	166	166	156	154	154	-7%	0%
Total	33'210	32'701	32'314	31'202	31'137	-6%	0%

Number of New Products



	2017 Q2	2017 Q3	2017 Q4	Total 2017	2018 Q1	2018 Q2	Δ% 2/17*	Δ% 1/18**
Leverage Products	198	275	459	1'147	731	785	296%	7%
Structured Insurance Products	12	12	17	55	10	11	-8%	10%
Structured Funds	9	10	6	34	6	8	-11%	33%
Structured Notes	75	62	74	277	71	87	16%	23%
Other Structured Products	0	0	0	0	0	0	0%	0%
Total	294	359	556	1'513	818	891	203%	9%

Source: Submitting Entities, Derivative Partners

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

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

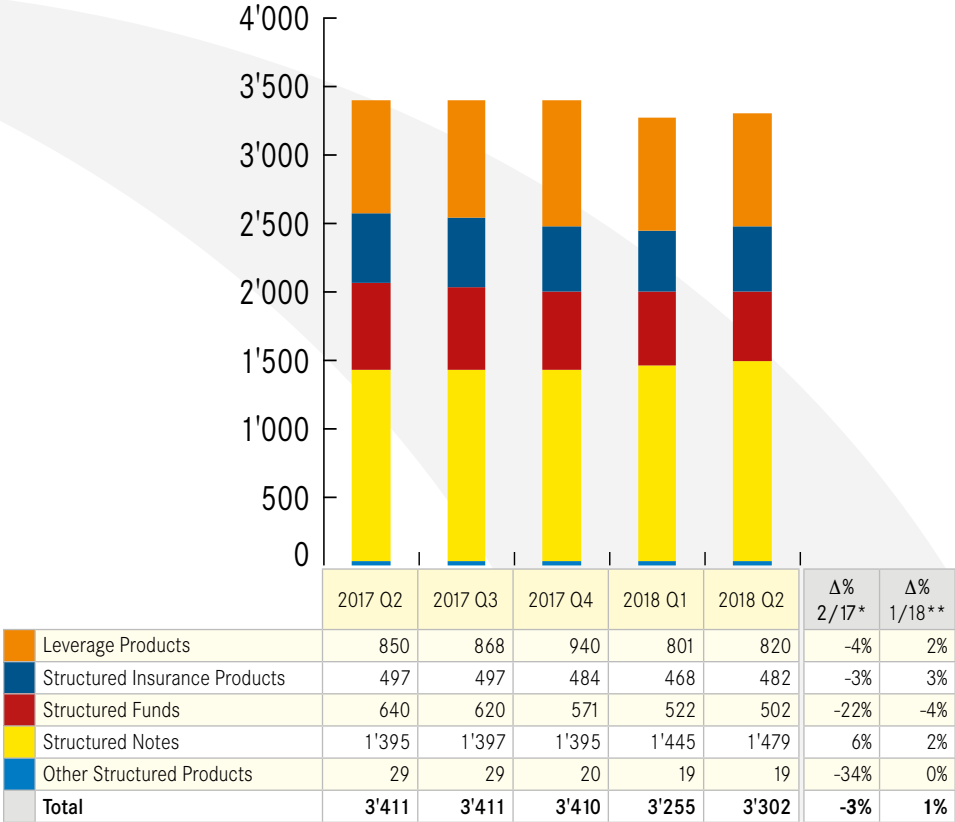
* The field indicates per cent change between reporting the second quarter 2017 and the second quarter 2018.

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

BELSIPA Market Report Q2/2018 per Product Category

April - June 2018

Total Number of Products



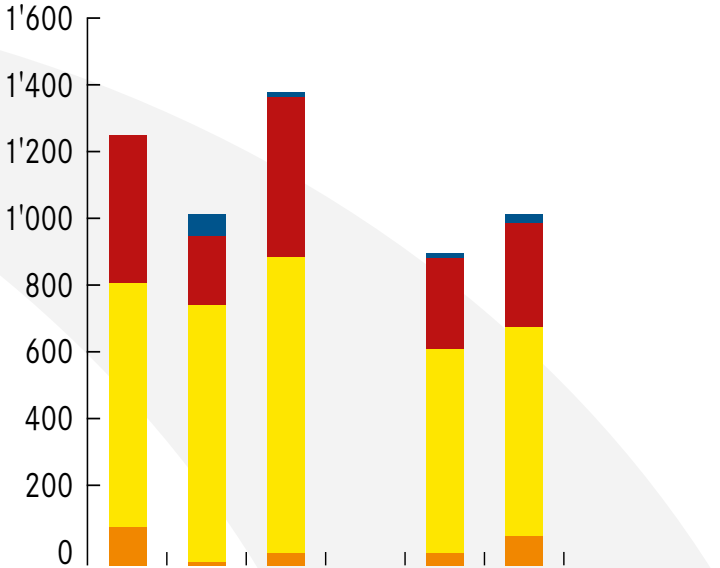
* The field indicates per cent change between reporting the second quarter 2017 and the second quarter 2018.

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

BELSIPA Market Report Q2/2018 per Underlying Type

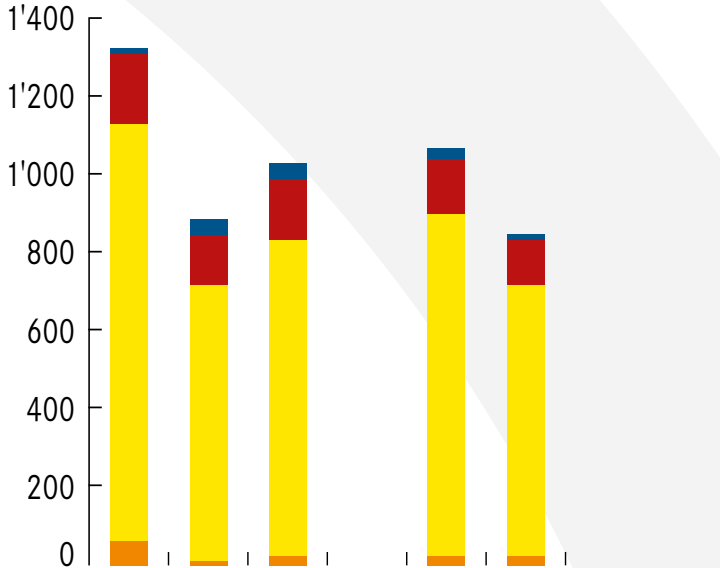
April - June 2018

Turnover primary market
in Mio. EUR



	2017 Q2	2017 Q3	2017 Q4	Total 2017	2018 Q1	2018 Q2	Δ% 2/17*	Δ% 1/18**
with commodity underlying	0	67	8	75	11	20	n.a.‡	82%
with fixed-income underlying	425	206	469	1'526	276	307	-28%	11%
with equity-linked underlying	720	741	862	3'072	597	615	-15%	3%
with various underlying	113	21	42	284	38	87	n.a.‡	129%
Total	1'258	1'035	1'381	4'957	922	1'030	-18%	12%
(with capital protection feature)	(713)	(556)	(865)	(2'871)	(611)	(779)	9%	28%
Total Turnover (primary + secondary market)	2'581	1'923	2'407	9'388	1'992	1'887	-27%	-5%

Turnover secondary market
in Mio. EUR



	2017 Q2	2017 Q3	2017 Q4	Total 2017	2018 Q1	2018 Q2	Δ% 2/17*	Δ% 1/18**
with commodity underlying	1	30	27	64	29	21	n.a.‡	-28%
with fixed-income underlying	185	137	164	629	138	110	-41%	-20%
with equity-linked underlying	1'068	706	803	3'512	880	705	-34%	-20%
with various underlying	68	14	32	225	23	21	n.a.‡	-9%
Total	1322	887	1'026	4'430	1'070	857	-35%	-20%
(with capital protection feature)	(668)	(461)	(539)	(2'164)	(456)	(400)	-40%	-12%
Total Turnover (primary + secondary market)	2'581	1'923	2'407	9'388	1'992	1'887	-27%	-5%

Source: Submitting Entities, Derivative Partners

* The field indicates per cent change between reporting the second quarter 2017 and the second quarter 2018.
 ** The field indicates per cent change between reporting the first quarter 2018 and the second quarter 2018.
 ‡ Due to one issuer reattributing numerous fund-linked to commodity products as of Q3 2017, quarter-on-quarter changes in this section will be published as of Q4 2017, annual quarter comparisons again as of Q3 2018.

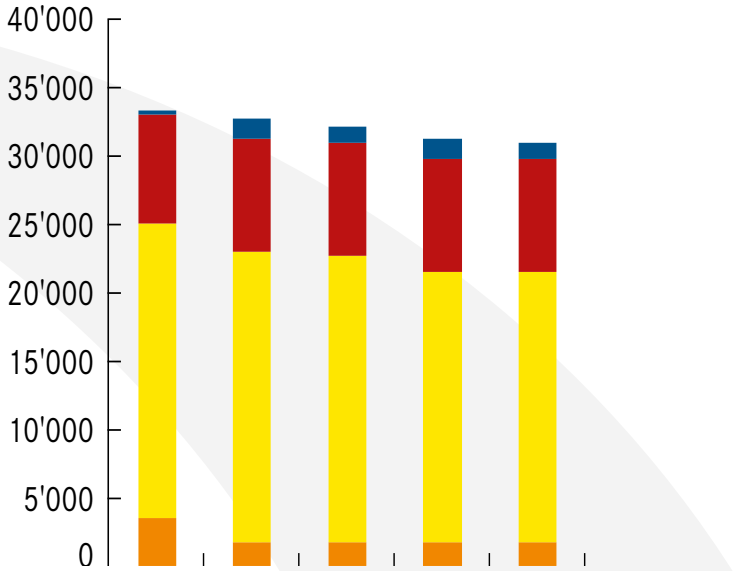
* The field indicates per cent change between reporting the second quarter 2017 and the second quarter 2018.
 ** The field indicates per cent change between reporting the first quarter 2018 and the second quarter 2018.
 ‡ Due to one issuer reattributing numerous fund-linked to commodity products as of Q3 2017, quarter-on-quarter changes in this section will be published as of Q4 2017, annual quarter comparisons again as of Q3 2018.

BELSIPA Market Report Q2/2018 per Underlying Type

April - June 2018

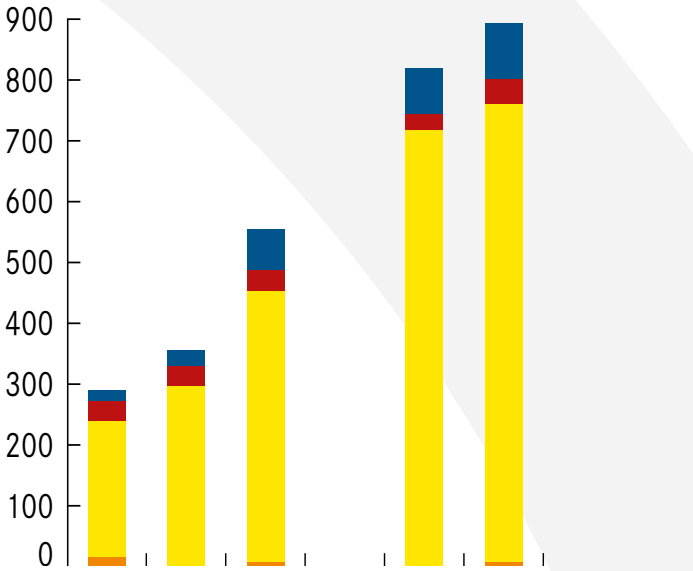
Outstanding Volume

in Mio. EUR



	2017 Q2	2017 Q3	2017 Q4	2018 Q1	2018 Q2	Δ% 2/17*	Δ% 1/18**
with commodity underlying	126	1'249	1'369	1'330	1'231	n.a.‡	-7%
with fixed-income underlying	8'014	8'421	8'203	8'223	8'321	4%	1%
with equity-linked underlying	21'628	21'321	21'048	20'021	19'947	-8%	0%
with various underlying	3'441	1'711	1'695	1'628	1'638	n.a.‡	1%
Total	33'209	32'702	32'315	31'202	31'137	-6%	0%
(with capital protection feature)	(17'658)	(17'866)	(18'604)	(18'065)	(18'298)	4%	1%

Number of New Products



	2017 Q2	2017 Q3	2017 Q4	Total 2017	2018 Q1	2018 Q2	Δ% 2/17*	Δ% 1/18**
with commodity underlying	20	30	67	131	75	87	n.a.‡	16%
with fixed-income underlying	33	27	29	112	21	39	18%	86%
with equity-linked underlying	225	298	453	1'238	719	757	236%	5%
with various underlying	16	4	7	32	3	8	n.a.‡	167%
Total	294	359	556	1'513	818	891	203%	9%
(with capital protection feature)	(63)	(57)	(59)	(237)	(52)	(75)	19%	44%

Source: Submitting Entities, Derivative Partners

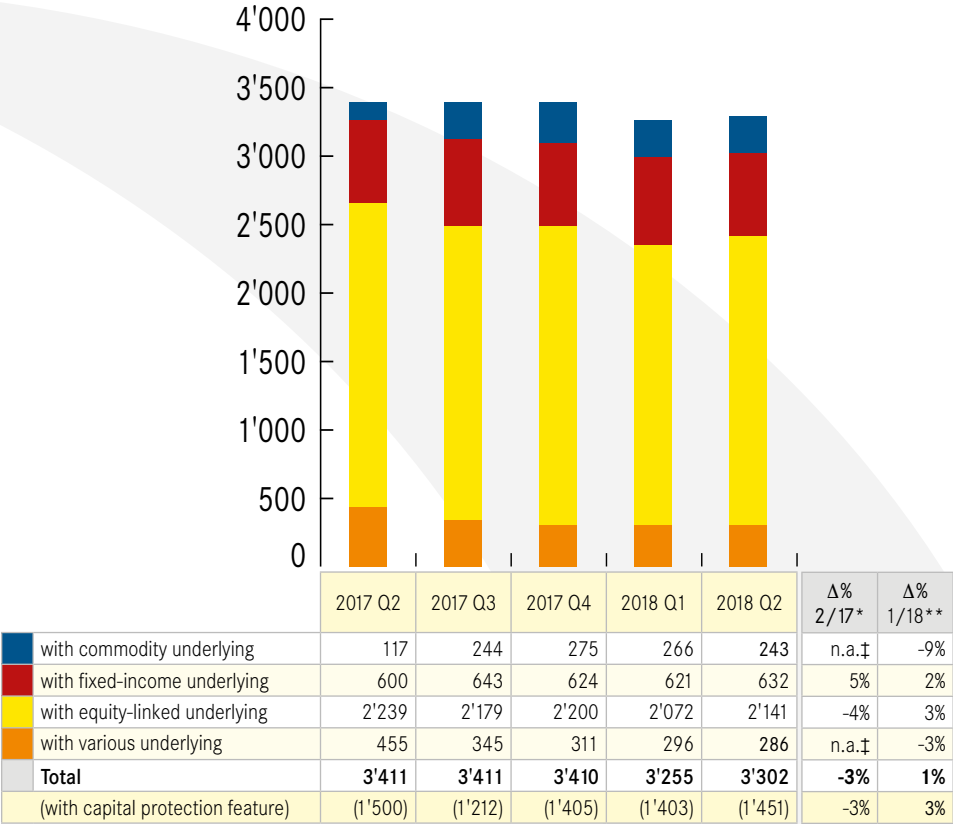
* The field indicates per cent change between reporting the second quarter 2017 and the second quarter 2018.
 ** The field indicates per cent change between reporting the first quarter 2018 and the second quarter 2018.
 ‡ Due to one issuer reattributing numerous fund-linked to commodity products as of Q3 2017, quarter-on-quarter changes in this section will be published as of Q4 2017, annual quarter comparisons again as of Q3 2018.

* The field indicates per cent change between reporting the second quarter 2017 and the second quarter 2018.
 ** The field indicates per cent change between reporting the first quarter 2018 and the second quarter 2018.
 ‡ Due to one issuer reattributing numerous fund-linked to commodity products as of Q3 2017, quarter-on-quarter changes in this section will be published as of Q4 2017, annual quarter comparisons again as of Q3 2018.

BELSIPA Market Report Q2/2018 per Underlying Type

April - June 2018

Total Number of Products



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

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

‡ Due to one issuer reattributing numerous fund-linked to commodity products as of Q3 2017, quarter-on-quarter changes in this section will be published as of Q4 2017, annual quarter comparisons again as of Q3 2018.

7. Appendix

Data sources

BELSIPA Members

Derivative Partners AG

Cut-off date is 29 June 2018

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

Disclaimer

BELSIPA, the submitting Entities and Derivative Partners do not guarantee the accuracy of this document. We hereby authorize reprints of and quotes with attributions from this document.

Further information about Structured Investment Products is provided by the issuers/distributors on their websites:

AXA
www.axa.be



AG Insurance
www.aginsurance.be



Belfius Bank
www.belfius.be



BNPP
www.bnpparibas.be



BNP PARIBAS

Commerzbank AG
www.commerzbank.be



Crelan
www.crelan.be



Bank Nagelmackers
nagelmackers.be



Deutsche Bank
www.deutschebank.be



ING
www.ing.be



KBC Bank & Verzekering
www.kbc.be

