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Capital Markets Union

Key Performance Indicators – Ninth Edition

Funding Europe's strategic needs

November 2026



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Foreword



Adam Farkas
Chief Executive
Association for Financial Markets in Europe

I am very pleased to introduce this ninth edition of the Capital Markets Union Key Performance Indicators report and to continue this important collaborative work with our partner organisations. By tracking the development of EU capital markets, the report aims to support data-led policymaking, identify where gaps remain and highlight where the greatest potential lies.

At a time of growing geopolitical and economic uncertainty, Europe's ability to mobilise investment at scale will be critical to its future competitiveness and global economic and political relevance.

This year's indicators point to broadly positive momentum across Europe's capital markets ecosystem. Access to market finance has improved, supported by robust bond issuance and the highest level of IPO activity since 2022, and risk capital has rebounded strongly. The EU also retains its leadership in sustainable finance and the metric of EU capital market integration has risen, spurred on by some important intra-EU cross-border deals. Market-based finance is helping EU companies invest in defence, artificial intelligence, technology and decarbonisation. These developments demonstrate how capital markets can connect Europe's strategic priorities with the private investment needed to deliver them.

Significant structural challenges nevertheless remain. Europe continues to lag behind leading global markets in terms of scale and depth, while household participation in capital markets remains comparatively low. This limits Europe's ability to channel its substantial savings towards productive investment and leaves European companies with access to smaller pools of capital than many of their global competitors. The priority now is to convert recent momentum into durable improvements in Europe's capacity to mobilise savings, finance companies and compete globally.

The second half of the European Commission's mandate offers a chance to turn this momentum into lasting progress. As policymakers advance the Savings and Investments Union, reforms should focus on increasing the efficiency and attractiveness of Europe's capital markets. Upcoming initiatives, including the Banking Competitiveness Package expected in 2027, provide an important opportunity to continue addressing structural barriers that hold back Europe's financial system. Reducing obstacles to cross-border banking activity and simplifying unnecessarily complex requirements would allow financial institutions to deploy capital more efficiently across the Single Market.

Finally, I would like to thank our contributors: the Alternative Credit Council, Business Angels Europe, Climate Bonds Initiative, EBAN, EuropeanIssuers, EUROCROWD, EFAMA, European Investors, FESE, InvestEurope and PensionsEurope. Building on our joint efforts, future KPI reports will continue to assess progress and identify where further action is needed to strengthen Europe's capital markets and support sustainable economic growth.

"Europe's ability to mobilise investment at scale will be critical to its future competitiveness and global economic and political relevance"

Acknowledgements

The content of this report has greatly benefitted from discussions with the following organisations. The institutions support the objective of developing capital markets in Europe while having individual views on particular aspects of certain issues.

Executive summary

This is the ninth edition of AFME's annual Capital Markets Union: Key Performance Indicators publication, which evaluates the EU's progress in deepening its capital markets.

The report provides a comprehensive assessment of developments through the first half of 2026, benchmarking Europe against global peers and examining progress across individual EU Member States. The nine indicators are organised into four categories intended to evaluate progress as measured by key characteristics for efficient, deep, and interconnected capital markets:

1. Access to capital;

2. Availability of capital pools for investment[1];

3. Transition to sustainable finance and digitalisation; and

4. Efficiency and integration of the capital markets ecosystem.

All indicators are calculated using data from the first half of 2026, offering an up-to-date overview of the evolution of EU and global markets.

Capital markets are financing the digital, sustainable, and defence needs of the EU

The evolution of this year's indicators has been generally positive, with annual improvements in access to capital for corporates and for growth startups, significant gains in sustainable finance, strong progress towards further intra-EU market integration, and record international investor demand for EU assets. However, changes in the market depth of the securitisation market as well as the overall competitiveness of the EU ecosystem were more discreet, with no visible gains in narrowing the gap with other major jurisdictions.

The question that arises when analysing the indicators is whether the annual improvements are of cyclical nature or reflect deeper structural changes that can be sustained over time. We argue that cyclical factors such as higher company valuations and lower bond spreads have contributed to strengthening access to finance, but structural factors such as rising demand for capital in strategic areas, such as defence and AI sectors, are also playing an increasingly important and structural role.

For example, EU IPOs rose on an annualised basis primarily driven by the IPO of Czechoslovak Group (CSG), a Czech defence company that raised capital cross-border outside its local exchange. That is a prime example of EU capital markets working at their best, matching key strategic needs with the right pools of capital where they are located.

Separately, our indicator tracking the availability of risk capital exhibited a strong annual increase. We have observed large venture capital investments that have targeted technology, defence and decarbonisation activities, with individual deals exceeding EUR 1bn in Germany, Finland and Sweden across all these sectors. Most recently, Mistral AI, the French AI company, raised EUR 3bn in a series D funding round, also the largest-ever VC raising by a private technology company in the EU.

The strong capital raising achieved by EU defence and technology companies during 2026 demonstrates that capital markets can already play a central role in supporting the EU's strategic priorities. But more needs to be done.

Other jurisdictions are also moving rapidly and at a faster pace. In the US, SpaceX, the technology company, issued a record breaking IPO which contributed to the substantially large funding amount in the US. US non-financial companies raised more than EUR 1tn in equity and debt funding from public markets in the first half of the year only (3x more than the EU at EUR 290bn), with further capital expected to be originated in coming months, including IPOs by Anthropic (exp. H2 2026) and OpenAI (exp. 2027) which will further contribute to the growing dominance of the US ecosystem in public markets.

In its 2025 SIU Action Plan, the European Commission rightly states the strategic relevance of developing capital markets to fund current challenges, such as digital and green transitions and geopolitical dynamics. Effectively, these challenges are unfolding today.

1 *In this year's edition we have introduced a methodological change into the household savings indicator, to estimate the availability of savings as an average per adult (previously adjusted by GDP) to make more visible and tangible the use of market savings for retail investors. We have adjusted the historic estimates accordingly.*

Despite some gradual improvement in recent years, the EU's relative position has advanced only modestly, reflecting both persistent market fragmentation and the dominant role of US and UK financial centres in global capital allocation.

While the EU has exhibited progress across most indicators in our report, achieving its strategic ambitions will require mobilising even larger pools of European savings. It will also require more dynamic public and private financing markets, closer intra-EU integration to leverage the scale of the single market, deeper securitisation activity, and a more competitive ecosystem capable of supporting innovation at scale.

As we observe in our report, the availability of pools of capital continues to be below that of major jurisdictions such as the US, UK, Australia, or Japan. It is well documented that building deep pools of capital by channelling retail savings into capital market products is a prerequisite for developing a more vibrant primary market for capital.

Additionally, securitisation continues to perform below its potential, with our indicators showing a lower EU market depth compared to other key jurisdictions such as the US, Australia, UK and Japan. One key area to enable digital transformation is the use of securitisation for the financing of data centres. In the US, since 2018, data centre securitisation issuance have accumulated USD 81bn in issued amount, of which USD 18bn was in H1 2026 only. The EU in contrast has issued only EUR 1.5bn, while China is rapidly advancing in this space, issuing cEUR 1.8bn in 2025.

Likewise, there is further room for improvement in facilitating access to capital for EU corporates and small companies. Public and private sources of finance in the US have grown by 3% of US GDP over the last decade, compared to just 1% of GDP in the EU. Over the last decade, the US has combined rapid growth in private markets with continued strong expansion of public markets, resulting in a larger and more diversified funding ecosystem. In the EU, private capital is gaining market share, but market-based corporate funding remains concentrated in bond financing, with a large scope to deepen both public and private markets and expand the overall availability of finance for European companies.

Addressing Europe's investment needs will continue to require a stronger and more integrated capital market, as market-based finance increasingly becomes one of Europe's most important tools for financing growth, competitiveness and its contribution to the digital transition

Key findings from our indicators

The report finds encouraging signs of improvement in access to finance through both public and private markets, with room for further improvement.

Market-based financing for European corporates increased in 2026, driven primarily by strong bond issuance and a recovery in equity issuance, with IPO activity reaching its highest level since 2022. 13.7% of EU financing for non-financial corporates originated from capital market sources, up from 12.2% in 2025 and 12.3% in 2024.

The largest EU IPO of the year accumulated EUR 3.8bn in proceeds by a Czech defence company. In other international regions, public markets have also significantly grown, with a higher increase in IPOs in China and the US, quite visibly supported by demand for capital by technology companies (e.g. SpaceX).

Risk capital financing also rebounded strongly. Risk capital investment rose at a faster pace (79% YoY) than SME lending (3% YoY), with risk capital accounting for 5.1% of SME funding in 2026 (3% in 2025). Loans remain by far the largest source of SME finance, but the latest rise in equity risk capital represents an encouraging step.

Notably, risk capital is increasingly financing sectors linked to Europe's digital and strategic priorities, including artificial intelligence, defence, and decarbonisation. However, we note a likely bifurcation in risk capital access, whereby funding is flowing mostly to large unlisted companies in these niche sectors, while other smaller firms might be encountering constrained funding access.

European households continue to accumulate substantial savings, yet only modest progress has been made in increasing participation in capital markets. Average per capita savings invested in market instruments have remained broadly unchanged over the last decade at cEUR 48 thousand per adult (adjusted for inflation), which remains behind other large jurisdictions such as the US (EUR 250 thousand), Australia (EUR 120 thousand), and UK (EUR 58 thousand), all adjusted for cost of living.

There are however encouraging signs with growing retail investment in funds and ETFs. ETF ownership has increased significantly across multiple Member States, with ETF investors increasing by 5x in France and 3x in Belgium over the last five years.

The ELTIF framework has entered a phase of rapid expansion following recent reforms. As of June 2026, a total of 256 ELTIF products were marketed in the EU, a large increase from 183 in 2025.

We observe, however, that while there are fewer comparable products in the US (c170 Business Development Companies, BDCs) they have a significantly larger AuM base, reaching therefore a larger per-fund scale. As the ELTIF market matures, it will be important to assess whether the growth of EU ELTIF launches translates into larger fund sizes over time, or whether competitive pressures may lead to consolidation among managers in search for larger scale efficiencies.

The EU continues to demonstrate global leadership in sustainable finance. ESG bond issuance increased in 2026 representing 12.3% of the EU's bond issuance (10% in 2025), ahead of other jurisdictions like the US (0.8%), Australia (8.4%), Japan (2.3%), or the UK (5.8%). The relevance of EU ESG finance is also reflected in rising **participation of ESG funds in the wider fund industry, which** now accounts for 13% of total European AuM.

Sustainable finance remains one of the clearest areas where the EU leads globally, a trend consistently observed throughout the various iterations of this report.

Europe is a global leader in experimentation with DLT-based bonds and market infrastructure innovation, as global issuance of digital bonds continues to expand from EUR 0.3bn in 2021 to EUR 8.1bn in 2026. Platforms based in the UK, Switzerland and the EU account for the vast majority of global DLT bond issuance, including HSBC Orion (UK), SDX (Switzerland, now fully integrated within SIX exchange), and a growing set of EU-based infrastructures such as Cashlink, Smart Registry, Axiology, Euroclear's D-FMI and Clearstream D7. EU DLT platforms account for 37% of global DLT bond issuance in 2026 YtD.

Fund tokenisation has gained significant relevance, with money market funds accumulating USD 16bn globally as of mid-2026 (of which USD 15bn of US Treasuries according to RWA.xyz), with most of these funds tokenised by US-based institutions. Tokenised deposits are also gaining momentum, as both individual bank initiatives and industry-wide consortia have proliferated over the last year.

Lower levels of securitisation issuance and of loan portfolio sales in 2026. Additionally, the EU significant risk transfer (SRT) market has continued to expand at 20% YoY, albeit at a slower pace than what was observed in recent years (50% YoY). SRT represented 3% of total EU securitisation issuance in 2022, rising to 7% in 2025 before declining to 5% in H1 2026.

The metric of capital market integration within the EU increased, helped by cross-border M&A activity, private equity investment, intra-EU portfolio holdings and cross-border issuance. However, there remains significant room to deepen EU market integration. For example, intra-EU cross-border equity issuance accounts for just 9% of the EU total, with EU companies raising roughly the same amount through IPOs on US exchanges (EUR 4.2bn) as through cross-border issuance within the EU.

Encouragingly, international investor demand for EU assets has also reached elevated levels, as measured by portfolio inflows into the EU.

The overall gap with leading global capital markets remains substantial. The United States continues to dominate globally across most aspects of competitiveness, the UK maintains strong positions in FinTech and FX liquidity, while and China continues to strengthen its position as a major hub for pre-IPO risk capital and primary market financing. The EU's most significant progress has been in sustainable finance, but persistent challenges remain in risk capital, securitisation, public equity markets and the depth of institutional savings pools.

Sweden leads the EU competitiveness ranking, followed by the Netherlands, Denmark, Ireland and Luxembourg. France follows closely behind, although the differences between the top countries remain relatively minor.

The report also includes two thematic boxes that provide insights into selected structural trends. The first box examines the evolution of public and private sources of corporate finance across the EU, UK and US, highlighting how private markets are gaining an increasing share of business financing in all regions.

The second box focuses on market integration through post-trade infrastructure, evaluating the degree of connectivity within central counterparties (CCPs). We find that c61% of European cash equity trading (by value, c72% by volume) takes place on venues that support CCP interoperability. Within that activity, around 12% of total European equity trading (by value) results in actual cross-CCP interoperability flows.

Overview of indicators

A summary of each indicator and what it measures is shown in the box below:

1. Access to capital

a. **Market Finance Indicator:** measures how easy it is for companies in Europe to enter and raise capital on public markets (initial public offerings, bonds, secondary equity offerings);

b. **Pre-IPO Risk Capital Indicator:** assesses how well start-ups, small and medium enterprises (SMEs) and non-listed companies can access risk capital finance;

2. Pools of investment capital

a. **Household Market Investment Indicator:** measures the amount of savings from retail investors deployed in capital market products and instruments like bonds, equity shares, investment funds and pension funds;

b. **ELTIF Indicator:** measures the availability of European Long-Term Investment Fund (ELTIF) products financing long-term projects and SMEs;

3. Transition to sustainable finance and digitalisation

a. **ESG Finance Indicator:** quantifies the labelling of new ESG bond issuance;

b. **FinTech Indicator:** assesses to what extent national countries are able to host an adequate FinTech ecosystem;

4. Efficiency of capital markets ecosystem and integration

a. **Loan Transfer Indicator:** measures the capacity to transform loans into capital markets instruments such as securitisations and loan portfolio transactions;

b. **Cross-border Finance Indicator:** measures capital markets integration within Europe and with the rest of the world.

c. **Market Competitiveness Indicator:** measures capital markets competitiveness from a holistic perspective, recognising the multiple factors behind deep, liquid and efficient capital markets and comparing the EU with the United States and the United Kingdom.

Table 1: Progress of EU Capital Markets Against Key Performance Indicators[2]

	Indicator	What this indicator measures	2019	2026 H1	3Y avg	National Findings
Access to capital 	**Market Finance** NFC Equity and Bond issuance as % of total NFC annual financing	Capacity for companies to raise finance on public markets	11.6%	13.7%	12.7%	**Denmark, Luxembourg and France** lead in the use of market-based finance, while **Ireland** experienced a drop, driven by a significant decrease in bond issuance
	Pre-IPO Risk Capital Equity crowdfunding, Business Angel Growth Private Equity investment, and venture capital investment as % of loan and risk capital financing	How well start-ups and non-listed companies are able to access finance for innovation	2.6%	5.1%	3.8%	Large investments have targeted technology, defence and decarbonisation, with individual deals exceeding EUR 1 billion in **Germany, Finland and Sweden** across these sectors
Pools of investment capital 	**Household Market Investment** Household financial assets saved in financial instruments (excluding cash, deposits and unlisted equity) per adult	Availability of savings from retail investors to support capital market financing	EUR 50,200	EUR 48,300	EUR 47,900	**Swedish, Danish, and Dutch** adults have typically a larger amount of savings in market instruments, mostly driven by their allocation into private pension vehicles. **CEE countries** consistently stand at the lower spectrum of market savings
	ELTIF Products Number of European Long-Term Investment Fund (ELTIF) products marketed in the EU	Availability of ELTIF fund products financing long-term projects and SMEs	16	256	186	**France** has consolidated its position as the leading market for ELTIF distribution, followed by **Italy and Germany.** ELTIFs are now available in all MS, an important milestone of 2026 as **Romania and Bulgaria** now offer the product. By fund domicile, **Luxembourg** remains by far the dominant jurisdiction,
Transition to sustainable finance and digitalisation 	**ESG Finance** ESG and sustainability-linked bond issuance as % of total bond issuance	Capacity to transition towards a sustainable net-zero economy	5.8%	12.3%	11.6%	**French** issuers continue to originate the largest nominal volume of ESG bonds for the tenth consecutive year, followed by **Germany** **Latvia** had the strongest increase in the ESG finance indicator.
	Digital markets Composite indicator of funding for FinTech companies, talent pool, regulatory environment, DLT bonds, and innovation. Range 0-1	Capacity to enable an adequate Digital finance ecosystem	0.14	0.16	0.15	DLT Platforms based in the UK, Switzerland and the EU (predominantly in **Germany**) account for the vast majority of global issuance

2 *For the purpose of estimating trends, this table compares the respective indicators for the period 2019 (as the baseline for a pre-covid evaluation) against the most recent performance in 2026 and a 3Y average 2024-26.*

	Indicator	*What this indicator measures*	*2019*	*2026 H1*	*3Y avg*	*National Findings*
Efficiency of capital markets ecosystem, integration and competitiveness 	**Loan Transfer** Securitisation issuance and loan portfolio transactions as % of outstanding bank loans	Capacity to transform bank loans into capital markets instruments (securitisation and loan transactions)	**2.2%** (w/SRT) **2.1%** (ex-SRT)	**1.5%** (w/SRT) **1.4%** (ex-SRT)	**1.7%** (w/SRT) **1.6%** (ex-SRT)	Insurance companies based in **Malta and Ireland** display the highest shares of securitised assets in the investment portfolios, at around 7.7% and 4% respectively.
	Cross-border Finance Composite indicator of cross-border M&A transactions, equity & bond issuance, Private Equity, and portfolio holdings. Range 0-1	Capital markets integration within the EU	**0.11**	**0.13**	**0.12**	**Luxembourg** leads as the most integrated capital market within the EU
		Capital markets integration with the rest of the world	**0.27**	**0.33**	**0.33**	**Luxembourg, Ireland and the Netherlands** remain the EU's most globally interconnected capital markets, benefiting from their roles as international fund domiciles (LU and IE) and cross-border financial destination for international listings (NL).
	Market Competitiveness Composite indicator of access to capital, market liquidity, pools of capital, transition to a sustainable and digital market	Measures attractiveness of European capital markets	**0.13**	**0.15**	**0.15**	**Sweden** once again leads the EU competitiveness ranking, followed by **the Netherlands, Denmark, Luxembourg. France and Ireland** follow closely behind.

Data as of 2026 H1 except for the Household Market Investment Indicator which is based on Q1 2026 data. Green represents increase from 2019, orange stable, and red a decrease.

Table 2: European Country rankings by indicator

The table below shows country rankings for EU member states and the United Kingdom (where the data is available) across the indicators included in this report.

	Access to Capital		*Pools of Investment Capital*		*Transition to Sustainable Finance and Digitalisation*		*Efficiency of Capital Markets Ecosystem and Integration*			*Competitiveness ranking*	
	Market Finance Indicator	Risk Capital Indicator	Household Market Investment Indicator	ELTIF Indicator	ESG Finance Indicator	FinTech Indicator	Loan Transfer Indicator	Intra-EU Integration Indicator	Global Integration Indicator	2026	2021
Austria	19	12	11	8	4	7	13	11	8	15	15
Belgium	21	21	4	5	13	15	3	14	13	12	11
Bulgaria	24	16	27	23	28	28	28	18	9	28	25
Croatia	22	25	17	19	28	18	28	27	28	24	26
Cyprus	10	10	15	16	28	17	8	19	12	19	21
Czech Republic	2	17	18	13	3	26	28	4	14	13	18
Denmark	5	7	1	9	11	8	28	5	7	4	4
Estonia	20	15	23	22	9	11	28	15	23	17	7
Finland	16	3	12	8	16	9	12	26	17	14	14
France	3	6	10	1	6	12	10	12	10	7	8
Germany	13	13	6	3	12	4	9	20	5	9	9
Greece	1	28	25	12	14	13	2	16	15	10	10
Hungary	28	14	16	18	19	20	28	13	20	22	22
Ireland	12	5	8	11	8	3	1	17	3	8	6
Italy	17	26	9	2	18	22	6	22	18	11	12
Latvia	15	18	22	21	1	19	28	9	25	6	19
Lithuania	9	11	26	20	28	5	28	2	16	20	24
Luxembourg	6	9	5	6	7	1	28	1	2	5	5
Malta	28	8	14	17	28	25	28	3	21	23	16
Netherlands	8	2	3	7	2	10	7	8	4	3	3
Poland	11	19	24	14	20	23	15	10	19	21	23
Portugal	14	22	19	10	10	16	11	6	22	18	17
Romania	23	24	28	21	28	27	28	25	24	26	28
Slovakia	28	23	21	15	28	24	28	7	26	27	27
Slovenia	28	27	20	18	28	21	28	24	27	25	20
Spain	18	20	13	4	15	14	5	21	6	16	13
Sweden	7	4	2	8	5	6	14	23	11	2	2
UK	4	1	7	NA	17	2	4	NA	1	1	1

Ranked 1 — *Ranked 28*

Higher rankings ← → Lower rankings

NA: data not available to produce the indicator.
Countries with no capital markets activity in a given indicator are ranked 28th.

Access to Capital



1. Market Finance Indicator

The Market Finance Indicator measures the capacity for companies to raise finance on public markets.

The indicator does this by quantifying the proportion of total finance for Non-Financial Corporates (NFCs), which is provided by capital markets instruments (equity and bonds). The indicator is calculated as annual gross NFC equity and bond issuance as a percentage of the sum of annual gross lending (new loans) to NFCs and equity and bond issuance.



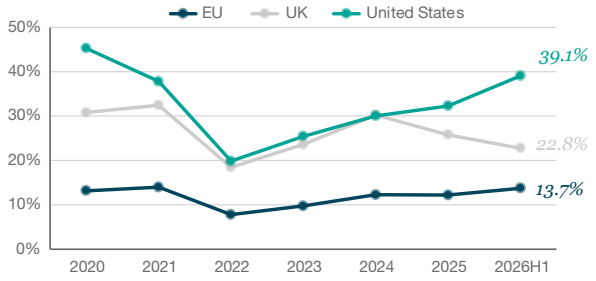
Market-based finance strengthened from strong bond issuance

Progress was observed in access to finance for EU corporates in 2026. In the first half of 2026, 13.7% of EU NFC financing originated from capital market sources, up from 12.2% in 2025 and 12.3% in 2024. The increase was primarily driven by record bond issuance, which grew by 14% on an annualised basis compared with 2025, including an 86% increase in convertible bond issuance. See chart 1.2.

The increase in EU bond issuance was driven by lower borrowing costs, with spreads for investment grade products narrowing by 80 bps and for high yield instruments by 269 bps by the end of June 2026 from a year ago[3]. The rapid increase in M&A activity also contributed, as a larger share of bond proceeds (4.2%) was used to finance acquisitions than in the previous year (1%)[4].

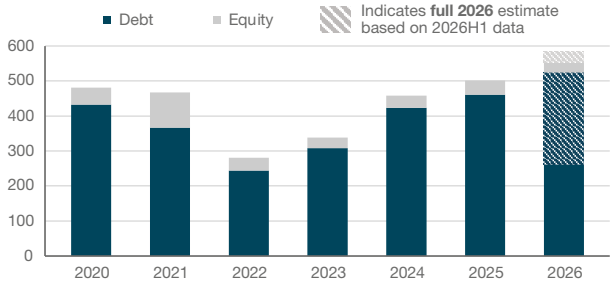
Equity issuance by EU NFCs increased in H1 2026 by 48% from 2025, mainly driven by secondary offerings, while IPO activity reached its highest level since the record peak of 2022, rising by 35% year-on-year but remaining below average annual levels observed a decade ago. To put this into context, a decade ago, EU IPO issuance averaged EUR 23bn per year, while it totalled EUR 9.3bn in 2025 and in 2026 is expected to reach EUR 12bn.

1.1 Market Finance Indicator (NFC equity and bond issuance as a % of total NFC annual financing)



Source: AFME, Dealogic, US FED, AFSVision, MBA, ECB, BoE and other European central banks

1.2 Breakdown of EU market finance by category (EUR bn)



Source: AFME and Dealogic

Notwithstanding recent growth in market-based financing, the EU remains behind the US and UK. Compared to the UK, this is despite the decline in the UK indicator value due to subdued IPOs and lower bond issuance.

While the increase in the EU indicator value was relatively modest at 1.4% compared with 2024, it is nonetheless an encouraging development. However, the gap with the US market remains significant and has considerably widened (from 30% in 2024 to 39.1% in H1 2026).

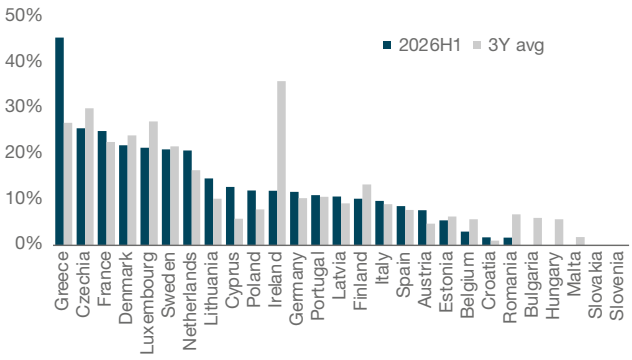
In the US, companies raised just above EUR 1 trillion in public capital in the first half of the year, which is on track to be a record-breaking year for corporate access to public finance in the US. This has been driven by a strong IPO market (+144% YoY, further discussed below) and a supportive bond market which has expanded by 48% YoY. In the UK, debt financing fell by 5% and equity financing by 15%, with a 56% drop in IPO activity.

3 *See Eurex Credit Index Futures market review: H1 2026*
4 *HY bonds 4.2% in H1 2026 vs 3.1% in 2025, IG bonds 4.2% in H1 2026 vs 0.3% in 2025*

Diverging trends in market-based finance across the EU

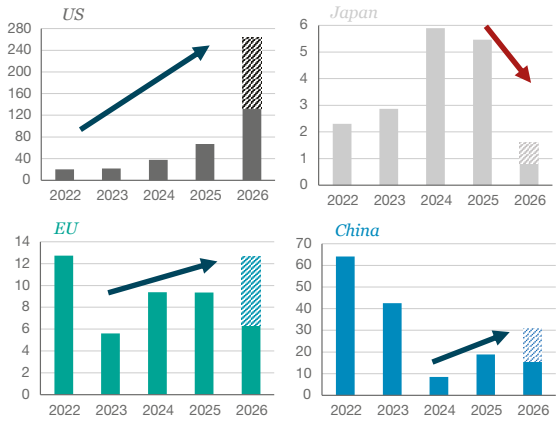
The EU continues to be characterised by a high degree of heterogeneity in the use of market-based finance. Denmark, Luxembourg and France continued to lead in the use of market-based finance, while Ireland experienced a drop, driven by a significant decrease in bond issuance. By contrast, Greece recorded a remarkable increase in the market finance indicator, due to exceptionally strong secondary offerings, notably by Public Power Corporation (PPC), Greece's largest power utility, which completed Greece's largest non-financial corporate secondary offering since 2007.

1.3 Market Finance Indicator by country: corporate bond and equity issuance as % of total financing (26H1 vs 3Y)



Source: AFME, Dealogic, ECB, BoE and other European central banks

1.4 Global IPO issuance including SPACs (EUR bn)



Source: AFME and Dealogic
Shaded bars refer to annualised amounts

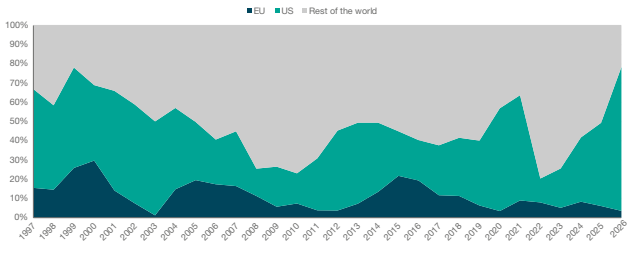
EU IPO activity increases, but the US continues to lead global issuance

The EU, US and China all recorded an upward trend in IPO activity over the first half of the year, with stronger growth in the latter two. The US experienced a strong increase in IPO proceeds, rising by around 295% on an annualised basis, in part due to the visible contribution of SpaceX's record EUR 74.7bn listing on Nasdaq.

The US continued to dominate global IPO activity in 2026, accounting for almost three quarters of global IPO proceeds, its highest level in 30 years, while the EU's share remained comparatively low at 3.6%. See chart 1.5. US exchanges hosted 29.7% of global IPOs by volume and attracted 9 of the 10 largest IPOs of the first half of the year. Other large upcoming IPOs such as Anthropic (exp. H2 2026) and OpenAI (exp. 2027) will further contribute to the growing dominance of the US in the primary equity market.

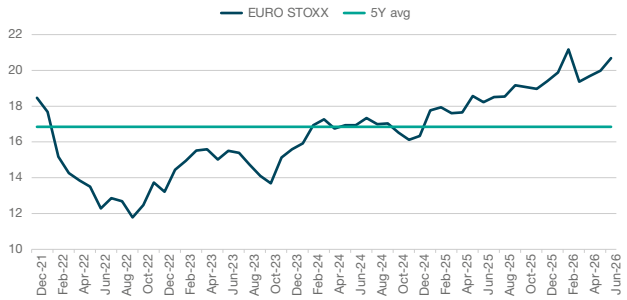
The EU originated 4.3% of the global IPOs by volume in the first half of 2026, with two EU companies featuring among the top 10 largest IPOs of H1'26: Czech defence company Czechoslovak Group (CSG) (EUR 3.8bn listed on Euronext Amsterdam) and Bending Spoons of Italy which listed on the US Nasdaq.

1.5 Shares of global IPO proceeds over the last 30 years by exchange location



Source: AFME and Dealogic, data excludes financial corporations and includes SPACs

1.6 EURO STOXX price-to-earnings (P/E) ratio vs 5-year average



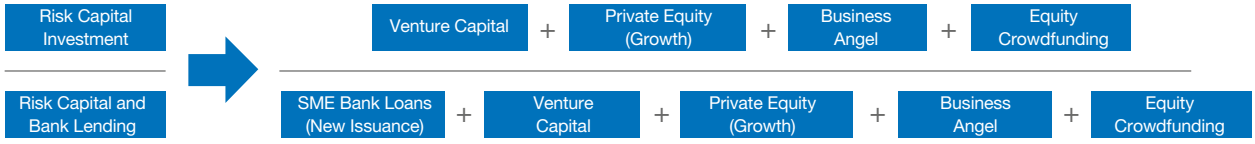
Source: AFME and LSEG – Refinitiv Eikon, monthly data

Valuation conditions supporting IPO activity in the EU

In Europe, the improvement in equity valuations has contributed to the favourable growth in IPO issuance in the first half of 2026. The Euro Stoxx price-to-earnings (PE) ratio rose to 20.7 by the end of June 2026, the highest since 2021 and visibly above a five-year average of 16.9. See chart 1.6.

2. *Pre-IPO Risk Capital Indicator*

The Pre-IPO Risk Capital Indicator measures the availability of equity capital funding for small and medium-sized enterprises (SMEs) prior to their initial public offerings. This indicator captures the proportion of SME funding that comes from sources such as venture capital, private equity growth funds, business angel investment, and equity crowdfunding.

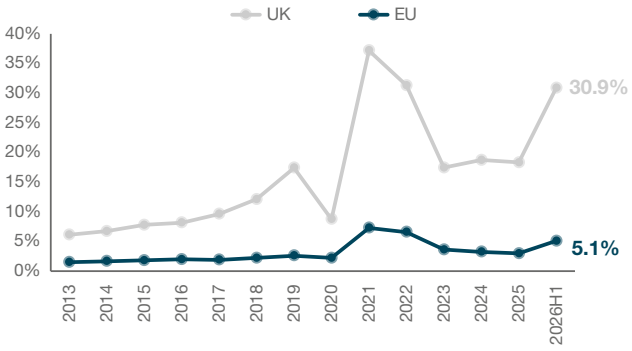


Growth in all forms of European risk capital

EU pre-IPO risk capital financing to SMEs exhibited a recovery in 2026, with investment from venture capital and growth funds, business angels, and equity crowdfunding[5], all increasing on an annualised basis at 86%, 44%, and 36% respectively.

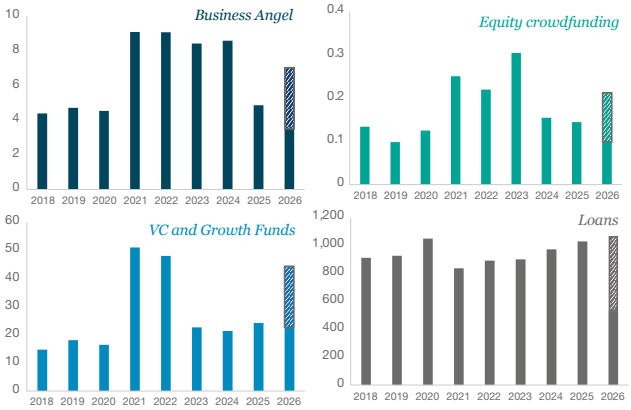
With a gradual increase in SME lending (3% YoY) at a slower pace than that of risk capital investment (79% YoY), the Pre-IPO indicator rose in the EU, with risk capital now accounting for 5.1% of SME funding in 2026 from 3% in 2025. Loans remain by far the largest source of SME finance, but the latest rise in equity-based funding represents an encouraging step towards greater use of market-based financing.

2.1 Pre-IPO Risk Capital Indicator: investment from VC, Growth PE, Business Angel and equity crowdfunding as % of risk capital and bank lending



Source: EBAN, InvestEurope, Dealroom, KPMG, LSEG, ECB

2.2 EU SME flow of financing by source (EUR bn)



Source: Dealroom, EBAN, KPMG, LSEG, InvestEurope, ECB

Some market participants, however, note a bifurcation in risk capital access, whereby funding continues to flow mostly to large unlisted entities while smaller firms encounter constrained access to early-stage capital.

In business angel activity, for example, although investment amounts have increased, the number of investment rounds has declined in recent years (chart 2.3). In venture capital, the deal count of European seed and early-stage rounds has declined over the last year, notwithstanding a near record high funding amount. See chart 2.4.

It is likely then that risk capital is becoming increasingly concentrated in fewer companies, potentially creating funding gaps for early-stage ventures.

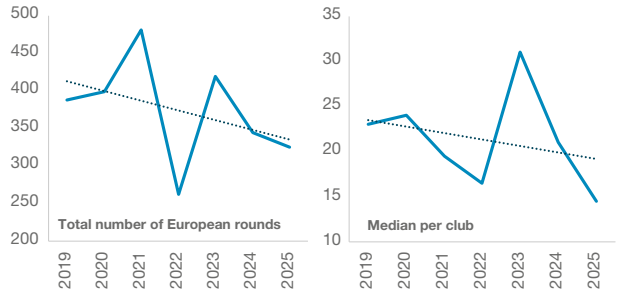
Risk capital is funding the global digital transition

Risk-capital investment has increased globally, particularly in the US where 2026 investment volumes equivalent to 3% of GDP are set to surpass the 2021 peak. The UK has also rebounded with risk capital investment equivalent to c1% of UK GDP, while the EU has improved only modestly to c0.2%, remaining behind these other key markets.

5 *Based on Dealroom data. Alternative sources and industry experts indicate a less positive performance in 2026, with a 29% YoY decline in Italy and an 11% increase in France.*

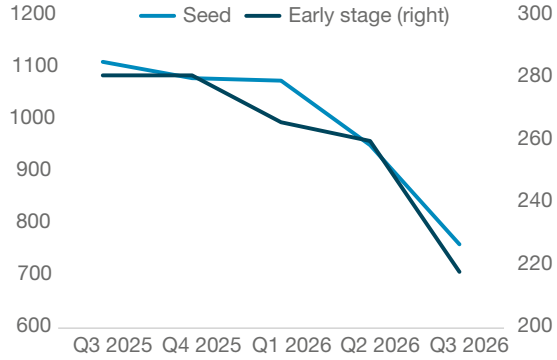
Lower financing costs, higher equity market valuations, and improving investor confidence have supported a recovery in fundraising and investment activity.

2.3 Total number of European Business Angel club rounds and median number per club



Source: BAE club data

2.4 Number of deals of European seed and early-stage rounds

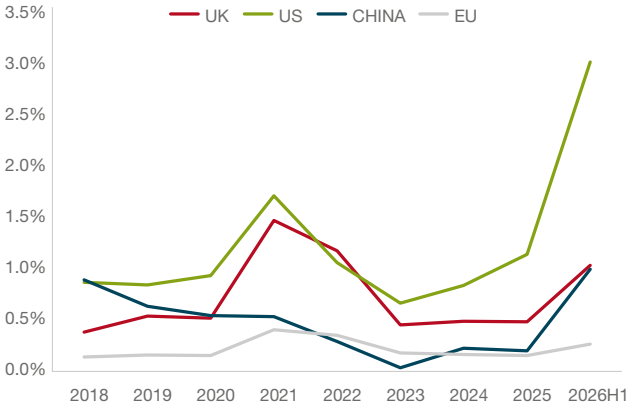


Source: Crunchbase

The rebound has also been particularly pronounced in sectors benefiting from long-term growth themes, most notably AI, cloud infrastructure and related digital technologies, with the US benefiting from a strongly developed ecosystem of institutional risk capital and technology sectors that are large funding recipients.

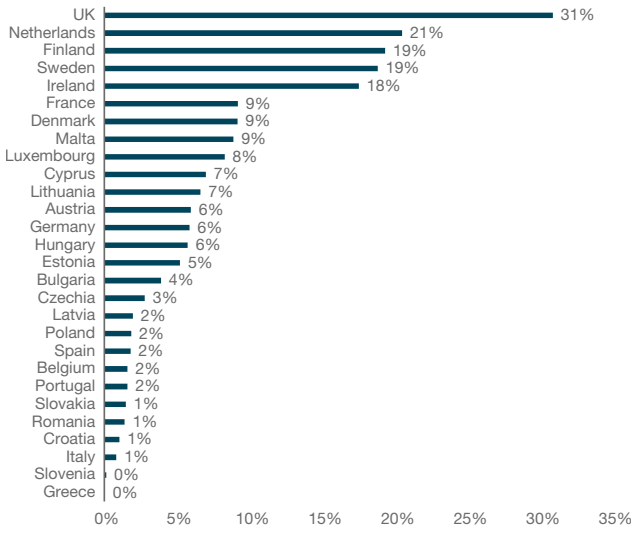
The contribution of private markets in China remains small relative to the size of its economy (1% of GDP). However, the VC ecosystem in China is growing, particularly in the technology sector, with USD 84bn invested in H1'26 (near record high), with AI firms DeepSeek, StepFun and Moonshot AI raising USD 12bn in 2026.

2.5 Risk capital by region (%GDP)



Source: EBAN, InvestEurope, Dealroom, ECB, BoE, Eikon

2.6 Europe: Pre-IPO Risk Capital Indicator: 2026 (investment from VC, growth PE, business angel and equity crowdfunding as % total new SME financing)



Source: EBAN, InvestEurope, Dealroom, LSEG, ECB

Europe risk capital funds defence and other strategic ambitions

In the EU, large investments have targeted technology, defence and decarbonisation, with individual deals exceeding EUR 1 bn in Germany, Finland and Sweden across these sectors. These include, for example, Helsing, the German defence company, reaching USD 1.8 bn in a Series E funding round; Quantum Systems, the German AI company, raising USD 1.2 bn; ICEYE, the Finnish space and satellite intelligence company, had a funding round exceeding EUR 1 bn; and Stegra's multi-billion-euro financing package for fossil-free steel production in Sweden.

According to Dealroom, European defence VC funding reached a record EUR 6.6bn in the first nine months of 2026, up from EUR 1.3bn in the same period of 2025.

Most recently, and not included in the H1 2026 data, Mistral AI, the French AI company, raised EUR 3bn in a Series D funding round, reaching a post-money valuation of EUR 21bn. This was the largest-ever VC raising by a private technology company in the EU. The funds were provided from outside the EU by Samsung Electronics.

The contribution of pre-IPO risk capital to new SME financing, however, varies markedly across the EU, from deep pools of funding in the Netherlands to close to zero in several CEE and southern European markets.

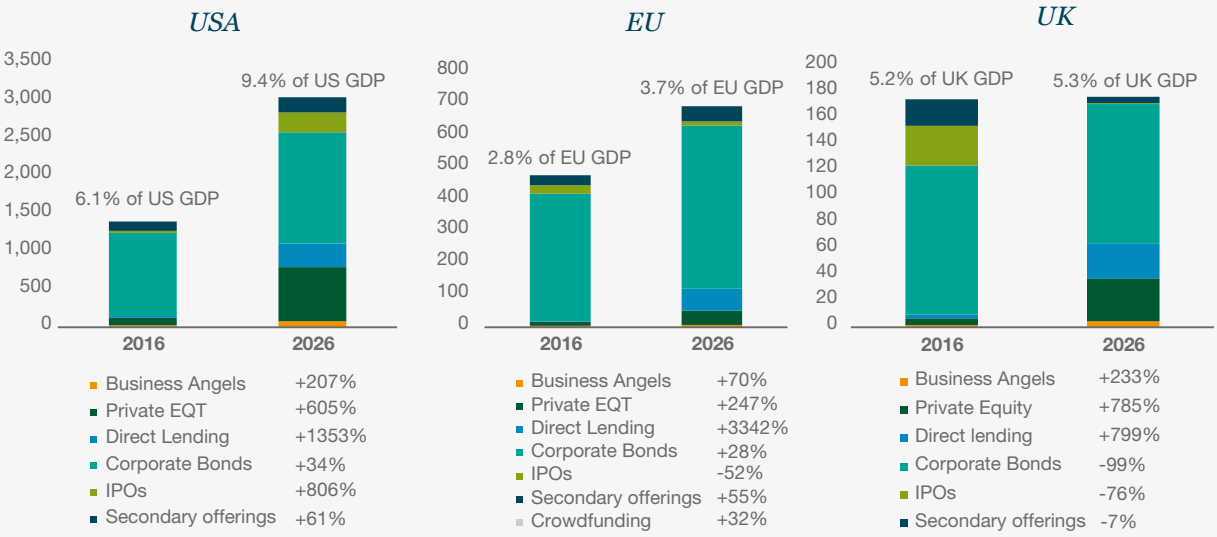
Public and private sources of corporate financing: EU, UK, US

The EU, US, and UK have all experienced significant changes in their corporate funding mix, with private markets gaining market share and becoming a more prominent source of capital for businesses in all three jurisdictions.

However, the trajectory of these shifts has differed across jurisdictions.

The US has combined rapid growth in private markets with continued strong expansion of public markets, resulting in a larger and more diversified funding ecosystem. The UK, by contrast, has largely experienced a substitution from public to private sources of finance, with limited growth in aggregate funding. The EU sits somewhere in between, where new sources of private capital are gaining market share, but market-based corporate funding remains concentrated in bond financing, with a large scope to deepen both public and private markets and expand the overall availability of finance for European companies.

2.7 US, EU, and UK distribution of sources of market finance in 2026 and 2016 (non-financial corporates, EUR bn at 2026 prices)

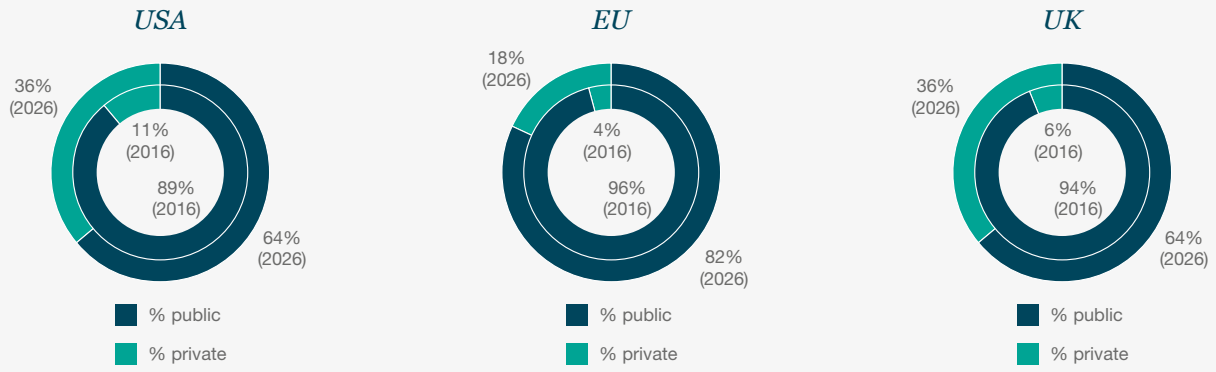


A tale of three stories

The EU market-based financing pool has expanded by c1% of GDP over the last decade, but its composition remains heavily concentrated in corporate bonds. Corporate bond issuance increased 28% over the last decade and continues as the largest contributor to EU's corporate finance. Direct lending by private credit funds has grown at a remarkable pace, from EUR 2.5bn in 2016 to EUR 69bn in 2026, while private equity has more than doubled in real terms over the last decade. The contribution of private markets, however, continues to be relatively limited (18% of the total) when compared to public markets (the remaining 82%) and when compared to the US and the UK where private markets represent 36% of the flow of market funding. IPOs are the only source of EU corporate funding that has declined over the last decade.

Quite visibly, the aggregate contribution of public and private markets in the EU at 3.7% of GDP, remains below the observed levels in the US (9.4% of GDP) and the UK (5.3%).

2.8 US, EU, and UK distribution of sources of market finance in 2026 and 2016 (non-financial corporates, % of total market-based finance)



The US has exhibited strong growth in all forms of market-based finance, public and private, with a highly diversified funding structure. Total financing for non-financial corporates has increased substantially between 2016 and 2026, by an impressive 3.3% of GDP. Corporate bond financing remains a major component, while private equity and direct lending have gained a substantial share in the funding mix from 11% of total market funding in 2016 to 36% in 2026. This is even more notable in a record year of public financing via IPOs by large AI and technology companies, which have also benefitted from large pools of funding from private markets.

By contrast, while it did see a shift in composition of funding sources, the UK recorded little change in the overall amount of finance available.

Total market-based funding (private and public) in the UK remained at 5.2-5.3% of GDP over the last decade, with no major growth in aggregate access to finance. Corporate bond issuance remained the largest source of funding, although its value declined modestly from around EUR 114 billion in 2016 to EUR 107 billion in 2026. Equity capital raising (IPOs and secondary offerings) fell 52% over the last decade, reflecting a well-documented declining trend. Private markets have gained a large market share, representing 36% of the market-based funding of 2026 (6% in 2016), on the back of an impressive growth in both private equity and direct lending (+700% in the last 10Y).

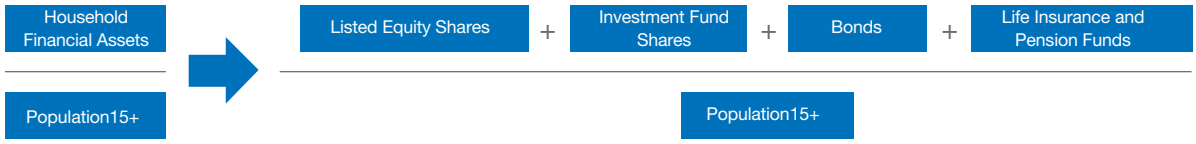
The UK therefore appears to have experienced greater substitution between financing instruments rather than growth in the total funding pool, with a relatively stagnant market in which newer private sources of finance are partly replacing, rather than supplementing, the more established public markets.

Pools of Capital



3. Household Market Investment Indicator

The Household Market Investment Indicator measures the capacity of households to invest in capital markets instruments. This ratio is estimated as the per-person amount of household financial assets (excluding cash, deposits and unlisted equity). The asset classes aggregated as "Household financial assets" in this indicator include listed equity shares[6], investment fund shares, bonds, life insurance reserves and pension fund holdings. The population size is focused on the population aged 15+.



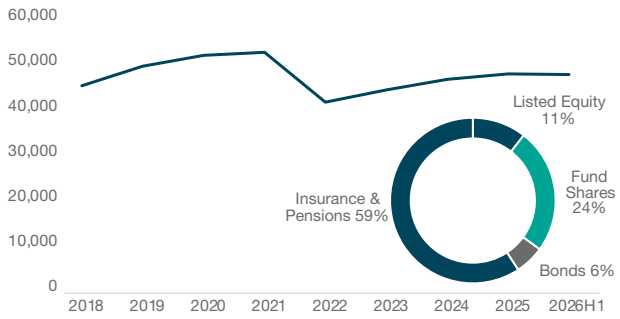
A decade of modest EU wealth growth

Over the last decade, there has been only modest growth in per capita savings invested in capital markets instruments. As of early 2026, average holdings in market-based instruments in the EU stood at EUR 48 thousand per person, broadly unchanged in real terms from EUR 46 thousand in 2017 (see Chart 3.1). As of 2026, the largest portion of EU market savings was allocated in pensions and insurance products (59%), followed by fund shares (24%), direct ownership of listed equity (11%), and bonds (6%).

According to 2026-Q2 ECB data, euro area pension funds' assets are predominantly invested in funds (37%), bonds (28%) and listed equity (14%), providing households with indirect access to capital markets products.

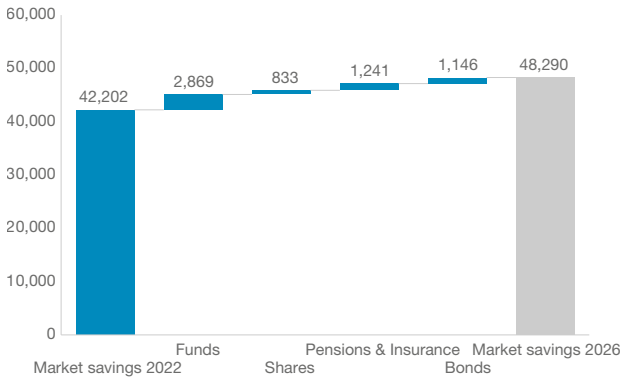
Over the last decade, European households have endured several economic shocks, including the post-pandemic inflation episode of 2021-22, which partly eroded the real value of savings, with their value only partially recovering over the recent years.

3.1 Savings in market instruments per adult (Adjusted for inflation, EUR)



Source: AFME with Eurostat data. Includes listed shares, bonds, funds, pensions and insurance reserves

3.2 Recent growth in savings in market instruments per adult per instrument (at 2026 prices, EUR)



Source: AFME with Eurostat data.

Fund investment is increasingly driving household participation in capital markets

As shown in Chart 3.2, most of the growth in EU market-based savings since 2022 (after the COVID and inflation shocks) has derived from investment funds, including ETFs. Since 2022, investment fund vehicles have added around EUR 2.8 thousand in extra wealth per person (in real terms), far more than any other market instrument. Note that this reflects additional flows of personal savings invested and investment returns from existing savings.

By contrast, pensions and insurance products have contributed less to recent growth despite accounting for 59% of households' market-based savings (excluding cash and deposits). Pension assets contributed EUR 1.2 thousand per person, or about 20% of the increase recorded between 2022 and 2025.

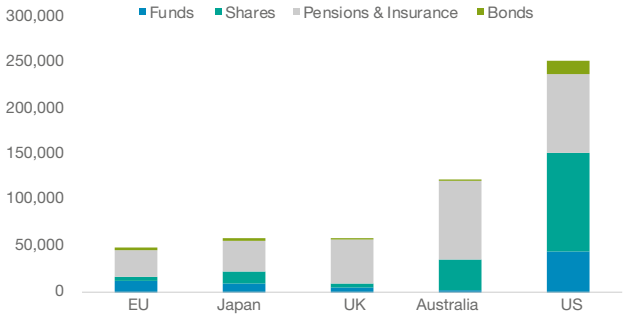
6 *Unlisted shares, which are not necessarily a capital markets instrument, are not included in the indicator.*

The EU lags international peers in per capita market-based wealth

Compared with other major economies, the EU has relatively low levels of household savings invested in capital market instruments, despite its high overall savings rate. In the US, average per capita market savings are EUR 253 thousand (adjusted for purchasing power), compared with EUR 121 thousand in Australia and EUR 58 thousand in the UK.

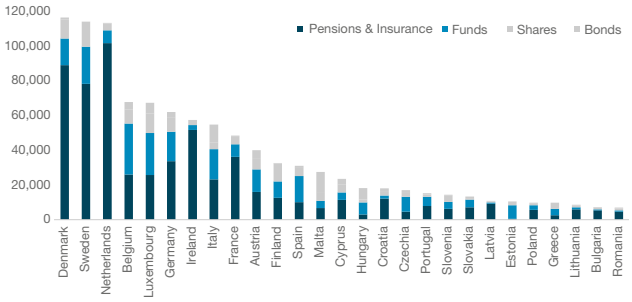
In most jurisdictions, private pension assets represent the largest portion of household market wealth. The US stands out for its more diversified savings base, with investment funds and direct equity holdings playing a much larger role alongside pensions.

3.3 Savings in market instruments per adult (Adjusted for cost of living, EUR)



Source: EBAN, InvestEurope, Dealroom, Eikon

3.4 Savings in market instruments per adult (Adjusted for cost of living, EUR)



Source: Eurostat

Nordics lead in market-based savings

There are some visible differences within the EU in their amount of per person savings. Swedish, Danish, and Dutch adults have typically a larger amount of savings in market instruments, mostly driven by their allocation into private pension vehicles. CEE countries stand at the lower spectrum of market savings.

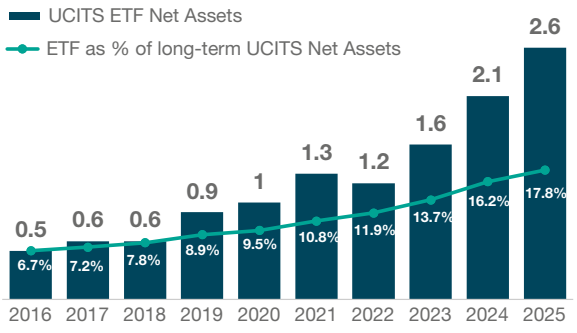
Record savings in ETFs

Household interest in investment funds, particularly ETFs, continues to grow rapidly. According to EFAMA, ETF UCITS net assets have doubled over the last five years, from EUR 1.3tn in 2021 to EUR 2.6tn in 2026 (Chart 3.5).

In France, according to the AMF, the number of retail investors making at least one ETF purchase increased from 0.5 million in 2022 to 2.5 million in 2025. In Belgium, according to Central Bank data, the number of new ETF investors reached a record 96,000 in 2025, three times the 2022 level. More broadly, in Germany, according to Aktieninstitut data, the number of individuals holding shares or equity-based investments rose to 14.1 million in 2025, up from 12.9 million in 2022.

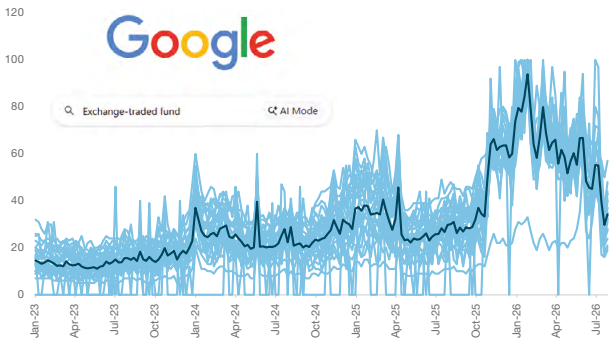
Alternative data shows that momentum has remained strong in late 2025 and early 2026. Internet search activity, as a proxy for investor interest, reached record highs for ETFs across EU countries (see Chart 3.6), illustrating ongoing interest in such investment vehicles.

3.5 ETF UCITS net assets (EURtn, and % of long-term UCITS net assets)



Source: ECB, IVF.Q.XX.N.TE.L30.A.1.Z5.0000.Z01.E

3.6 Google search count of terms "ETF" and "Exchange Traded Fund" (EU countries, index)



Source: Google Trends. Each light line represents the search count in each EU country. Dark line represents the EU median.

4. European Long-Term Investment Funds (ELTIFs) Indicator

European Long-Term Investment Funds (ELTIFs) are EU regulated investment vehicles specifically designed to facilitate access of retail investors to private markets.

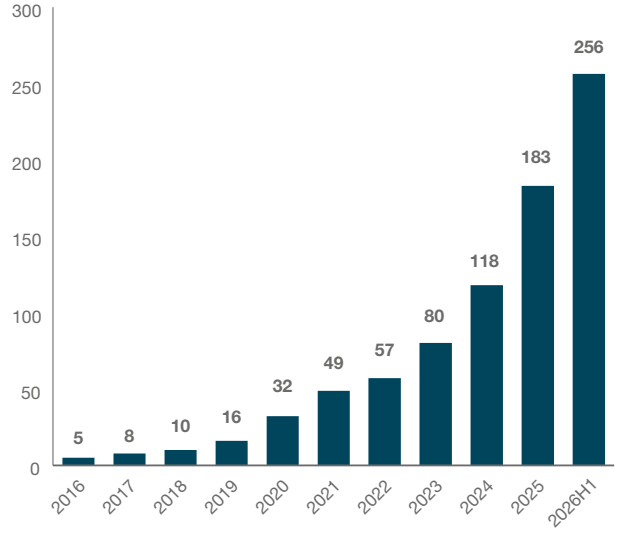
Our indicator measures the number of ELTIFs marketed in the EU. This approach enables us to assess their market uptake and determine how successfully these funds are mobilising capital for long-term investment needs.

ELTIFs' exponential growth

The number of ELTIF funds has continued to expand at a rapid pace, reaching 256 funds in 2026, up from 183 in 2025 and more than three times the level recorded in 2023. Growth has accelerated since the ELTIF reform, providing a strong contrast to the relatively modest expansion seen during the early years of the ELTIF framework. From just 32 funds in 2020, the market grew to 49 in 2021, 80 in 2023 and 118 in 2024, with the total number of ELTIFs now almost doubling every two years.

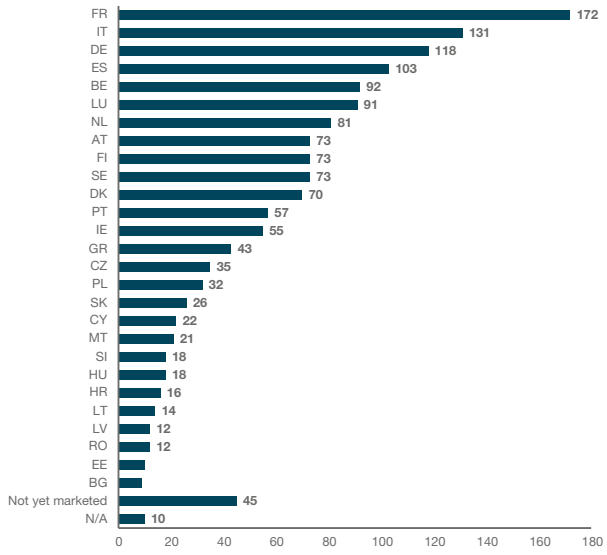
According to Scope Ratings[7], ELTIF assets under management reached a total of EUR 34bn in 2025, an increase from EUR 22bn in 2024. Based on recent market dynamics and assuming that AuM growth continues to be aligned with the number of fund launch dynamics, AuM should reach cEUR 48bn by the end of 2026. Morningstar[8] estimates that EUR 10bn of ELTIF AuM is held in Evergreen structures (i.e. funds with no fixed termination date, continuously accepting new capital and subject to redemptions).

4.1 ELTIFs exponential growth (number of funds marketed)



Source: ESMA

4.2 Number of ELTIFs marketed by country (2026H1)



Source: ESMA

France has consolidated its position as the leading market for ELTIF distribution, followed by Italy and Germany.

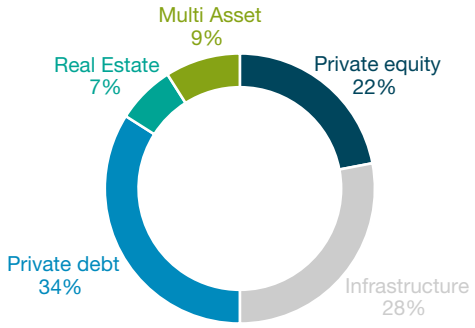
A remarkable milestone in 2026 is that all EU Member States have an ELTIF product marketed locally, as newer and smaller markets are also benefiting from the growth of the framework. Between 2025 and 2026, 12 ELTIFs were launched in Romania and 9 in Bulgaria, which were previously the last two countries yet to benefit from ELTIF funds. We observe, however, that there is no single ELTIF product marketed across all EU Member States, with funds marketed on average in 5 countries and the most widely distributed product marketed in 24 EU countries.

By fund domicile, Luxembourg remains by far the dominant jurisdiction, hosting 168 ELTIFs, followed by France (87) and Ireland (34). Luxembourg's prominence mirrors its broader leadership in the European asset management industry, where its cross-border fund ecosystem, specialist service providers and international investor base continue to make it the preferred domicile for investment funds.

Private debt, infrastructure, and private equity continue to be the main investment strategies of ELTIFs, representing 34%, 28% and 22% of the total AuM according to Scope Ratings. See chart 4.3.

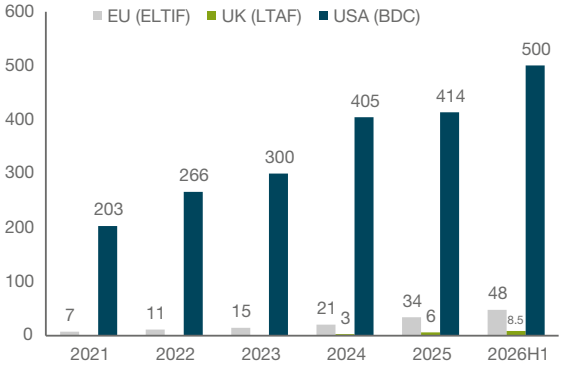
7 *Scope Ratings, Mass start successful | ELTIF study 2026.*
8 *Morningstar, The State of ELTIFs 2026. Looking beyond the hype.*

4.3 Distribution of ELTIF AuM by investment strategy



Source: Scope

4.4 Long-term private capital financial vehicles in the US (BDCs), EU (ELTIF) and UK (LTAF). AuM, EURbn



Source: Scope, LSTA, Ashurst, Novatigo, Investment Week, FCA, ESMA

LTAFs, BDCs comparison with ELTIFs

A comparison with similar long-term investment vehicles in the UK and US highlights both the rapid development of the ELTIF market and its remaining growth potential.

Following the recent review of the UK's Long-Term Asset Fund (LTAF) framework, the product has also gained momentum, reaching 48 funds and sub-funds according to the FCA, with GBP 7.3bn (c. EUR 8.5bn) in AuM by 2026, alongside a further GBP 3.1bn of committed but uncalled capital (Investment week estimate).

The US Business Development Company (BDC) market, by contrast, operates at a very different scale, reflecting its much longer history since its introduction in the 1980s. According to the LSTA, BDCs manage around USD 575bn (c. EUR 500bn) in assets across approximately 170 vehicles, of which 47 are publicly listed. This illustrates that the EU already has more ELTIFs than the US has BDCs, yet these manage only a fraction of the assets.

As the ELTIF market matures, it will be important to assess whether the current high number of EU ELTIF launches translates into larger fund sizes over time, or whether competitive pressures ultimately lead to consolidation among managers in search of larger-scale operational efficiencies.

ELTIF returns

According to ELTIF.info's composite price index, ELTIFs have exhibited a cumulative return of 9.81% since 2024 (before tax and fees), equivalent to an annualised return of 4.59%. The implied volatility of the index stands at just 1.20%, with a maximum drawdown of -0.33%.

These figures should, however, be interpreted with caution as ELTIFs predominantly invest in illiquid assets that are valued periodically, making it more challenging to measure returns, volatility, and drawdowns with the same precision as for public market instruments.

4.5 ELTIF return performance over the last 12 months (as of Sep 2026)

Strategy	Risk Class	Total
Infrastructure	2	3%
	3	5%
	4	0%
Private Debt	2	7%
	3	7%
	4	2%
	6	5%
Private Equity	4	12%
	5	-1%
Private Markets Diversified	4	7%
	5	3%
	6	15%
Real Estate	4	-41%

Region	Strategy	Total
Emerging Markets	Infrastructure	-6%
Europe	Infrastructure	6%
	Private Debt	6%
	Private Equity	13%
	Private Markets Diversified	7%
	Real Estate	-41%
Global	Infrastructure	2%
	Private Equity	9%
	Private Markets Diversified	9%

Source: Scope

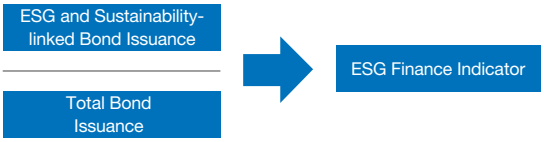
Performance across individual ELTIFs varies considerably. As shown in chart 4.5, returns range from significant negative outcomes to gains exceeding 10%, with one fund recording a decline of around 41% while others achieved returns of 13-15%. This dispersion is not unexpected given the broad range of investment strategies covered by the ELTIF framework, including infrastructure, private equity, private debt, real estate and multi-asset approaches, as well as differing geographic exposures and levels of risk.

Transition to Sustainable Finance and Digitalisation



5. ESG Finance Indicator

Funding for the sustainable transition is a cornerstone of future EU growth. This indicator seeks to quantify the labelling of ESG bond instruments and is estimated as a simple ratio of ESG bond issuance (green, social, and sustainable) and sustainability-linked bond issuance relative to total bond issuance. The eligibility criteria for the purposes of this indicator are the Climate Bonds Initiative (Climate Bonds) label and Dealogic.



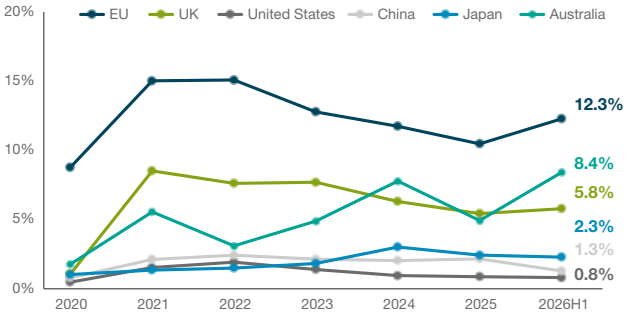
EU ESG bond issuance strongly increases

The EU continues to be the global leader in access to sustainable finance, with the ESG Finance Indicator increasing to 12.3% in H1 2026, following three years of decline in the indicator value.

Based on H1 2026 activity, EU ESG bond issuance is estimated to reach EUR 408bn by the end of the year[9], representing a 20% YoY increase. Other major jurisdictions continued to perform below the EU. However, exceptional growth was observed in Australia, where the indicator rose to 8.4% from 4.9% the previous year, driven by a strong increase in green and sustainable bond issuance, which grew by 131% and 31% on an annualised basis, respectively.

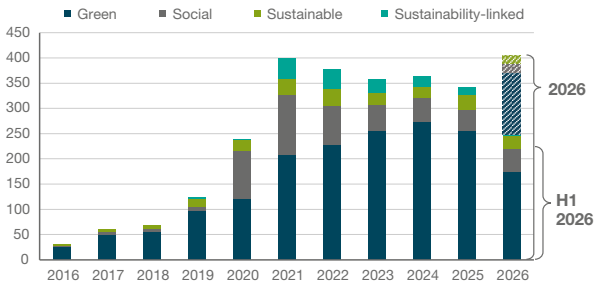
Green bonds continue to be the dominant category, representing 71% of total ESG issuance in H1 2026. Issuance of both social and sustainable bonds increased significantly, by 50% and 47%, respectively, on an annualised basis. Sustainability-linked bond issuance was the only category to decline (-64%). See chart 5.2.

5.1 ESG Finance Indicator (ESG bond issuance as % of total bond issuance)



Source: AFME, Climate Bonds, Dealogic, ECB, SIFMA, JP Morgan, Bank of America, Australian Securitisation Forum, S&P, UK Debt Management Office, Australian Office of Financial Management, ChinaBond, Japan SDA, and Ministry of Finance Japan

5.2 EU Green, Social, Sustainable and Sustainability-linked bond issuance (EUR bn)



Source: AFME, Climate Bonds, and Dealogic. Sustainable bonds refer to dual purpose bonds with proceeds intended for both green and social purposes.

A wide gap in the use of market-based ESG finance persists across the EU

French issuers continue to originate the largest nominal volume of ESG bonds for the tenth consecutive year, raising EUR 73.3bn in H1 2026 alone. This performance was primarily driven by consistently strong social bond issuance, with French issuers accounting for 68% of the EU social bond market (on a proceeds basis).

France is followed by Germany, where green bond issuance totalled EUR 39.8bn in H1 2026, representing 23% of total EU green bond issuance. Latvia recorded the strongest increase in the ESG finance indicator, which rose to 77.5% from 9.7% the previous year, mainly driven by a EUR 1bn sustainable bond issued by the Latvian State Treasury and a EUR 300mm green bond issued by a state-owned energy company.

More than one-third of EU countries saw between 10% and 25% of their total bond issuance labelled as ESG. In contrast, eight countries, primarily in Eastern Europe, did not issue any ESG bonds in H1 2026.

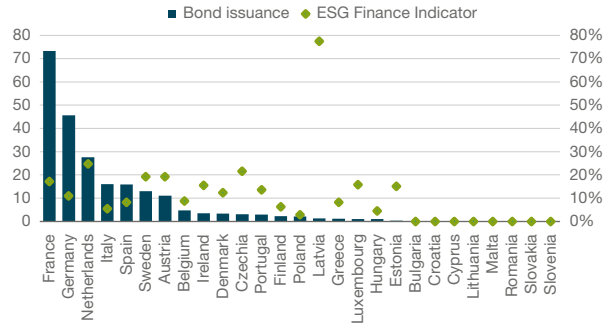
9 *Annual figures adjusted by seasonality factors observed over the period 2021-2025. For more details, please consult Appendix 3: Methodology and Data Sources.*

ESG market depth from an asset management perspective

There are challenges in the way our ESG indicator is constructed, as gains can be driven both by growth in ESG bond issuance and by a decline in the amount of total bond issuance. To address this challenge, we also assess broader sustainable investment trends through ESG assets under management (AuM), which provide a complementary perspective on the depth and development of sustainable finance markets.

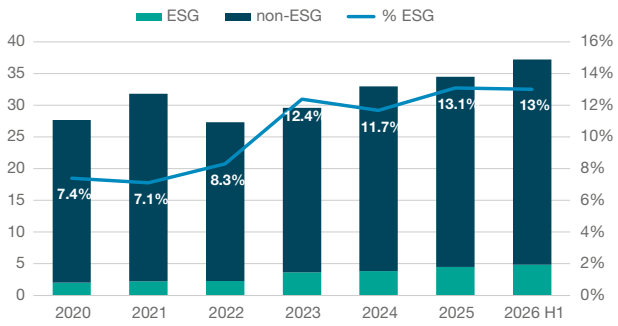
According to Lipper and EFAMA data, European ESG AuM have more than doubled since 2020, from EUR 2tn in 2020 to EUR 4.8tn in H1 2026. Over the same period, the share of ESG AuM relative to total AuM rose from 7.4% to 13%. Following a sharp increase between 2022 and 2023, the ESG share has remained broadly stable in recent years.

5.3 ESG bond issuance (EUR bn) and ESG Finance Indicator (%) (2026H1)



Source: AFME, Dealogic, ECB, JP Morgan, and Bank of America

5.4 European ESG AuM (EUR tn and as a % of total European AuM)

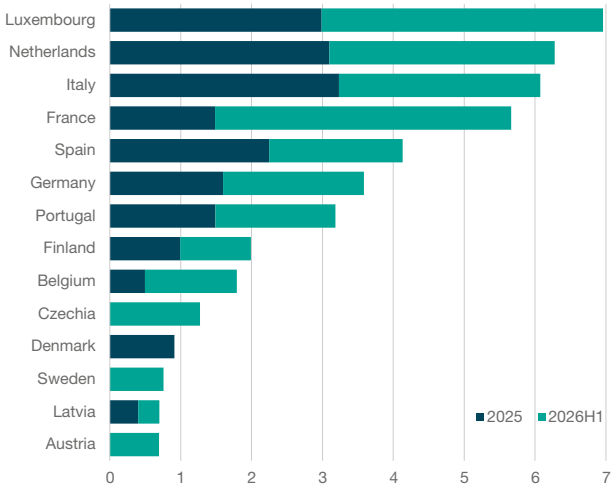


Source: AFME, Lipper (LSEG), and EFAMA

EuGBS market uptake

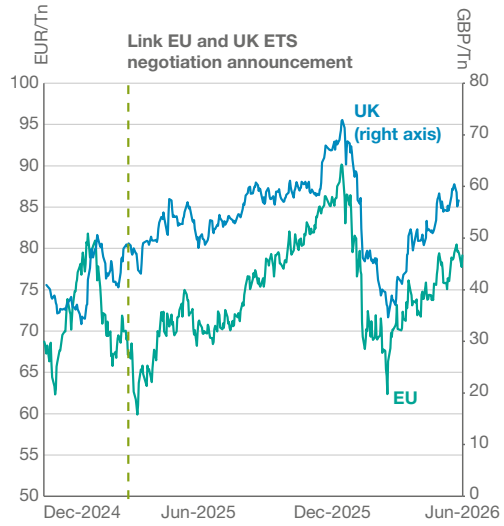
Issuance of bonds under the EU green bond standard (EuGBS) increased from EUR 19bn in 2025 to EUR 25bn in H1 2026, representing 14% of EU green bond issuance. Luxembourg leads with EUR 7bn raised, followed by the Netherlands and Italy, with EUR 6.3bn and EUR 6.1bn, respectively. Notably, Deutsche Bank and BPCE became the first G-SIBs to issue bonds under the EuGBS in the first half of the year. See Chart 5.5.

5.5 EuGBS by country of issuer (EUR bn)



Source: Dealogic

5.6 ETS allowance prices in the EU and UK



Source: AFME and LSEG – Refinitiv Eikon

Emissions Trading System (ETS) carbon price developments

ETS are a cornerstone of market-based climate policy, creating a price for carbon emissions and incentivising companies to invest in lower-carbon technologies. The EU ETS remains the largest carbon market globally.

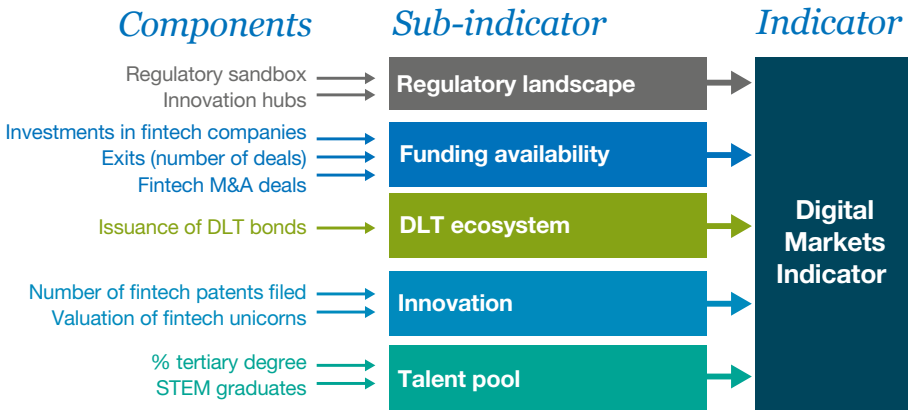
In May 2025, the European Commission and the UK Government announced their intention to link the EU and UK ETS, which resulted in a stronger correlation in the carbon prices of both markets. See Chart 5.6. In mid-January 2026, it was confirmed that negotiations were set to begin.

Meanwhile, some EU leaders called in February for a review of the functioning of the EU ETS as concerns over the impact of the ETS on EU industrial competitiveness intensified[10]. Regardless of the political decisions, preserving the market-based functioning of the EU ETS and ensuring regulatory certainty is essential. The continued participation of banks, investors, corporates and wider capital markets will be critical to ensuring that carbon pricing mechanisms can effectively channel capital towards low-carbon investment, support innovation, and facilitate an orderly transition to a more sustainable and competitive economy.

10 *See Italy Pushes to Suspend EU Carbon Market Ahead of Review - Bloomberg and EU carbon prices slip as leaders suggest intervening in market | Reuters*

6. Digital Markets Indicator

The Digital Markets composite indicator seeks to rank countries by their capacity to host an ecosystem that enables the use of technology in capital markets. The indicator is constructed based on five sub-indicators: (i) regulatory landscape; (ii) finance for FinTech companies; (iii) issuance of DLT-based bonds; (iv) degree of innovation; and (v) talent pool.



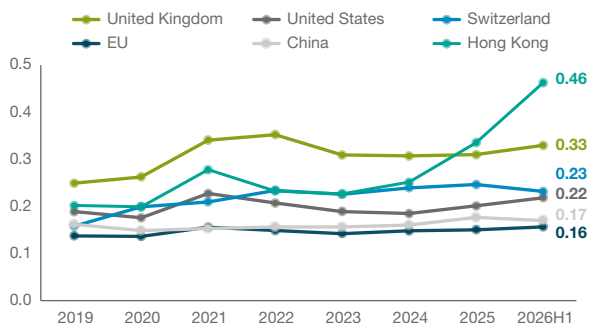
Asia takes the lead in digital finance

Over the last year, the evolution of the indicator has been driven by developments in the DLT ecosystem, changes in funding availability, and growth in unicorn companies. Other components of the indicator such as the regulatory landscape (innovation hubs, sandboxes), patent activity, and the availability of specialised talent, did not materially change over the last year and therefore contributed less to the indicator dynamics across regions.

For the EU specifically, gains in the ecosystem have been modest. The EU remains as the global leader in experimentation with DLT-based bond issuance and market infrastructure, but more material progress in the ecosystem has been constrained by a relatively weaker funding environment (VC funding to EU Fintechs at 0.03% of EU GDP, compared to 0.15% in the UK, 0.13% in the US, 0.2% in HK) and a more limited pipeline of high-growth FinTech unicorns valued at USD 68bn, vs USD 550bn for US Unicorns, and USD 114bn in the UK.

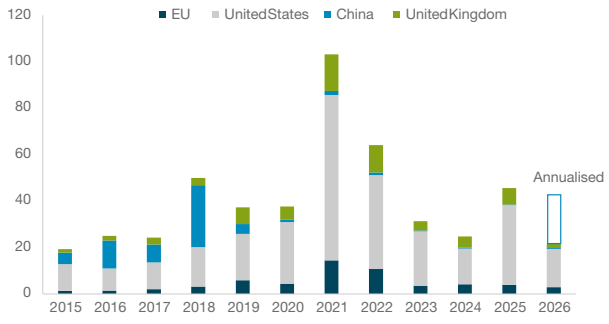
In other jurisdictions, Hong Kong exhibited a strong improvement, remaining the leading digital ecosystem globally, supported by a growing DLT-based capital markets ecosystem. The UK remains in second place globally, driven by a supportive funding environment and various FinTech unicorns, particularly in payments.

6.1 Evolution of digital markets indicator [0: Min, 1: Max] Composite indicator



Source: AFME

6.2 Global funding for FinTech companies (USD bn)



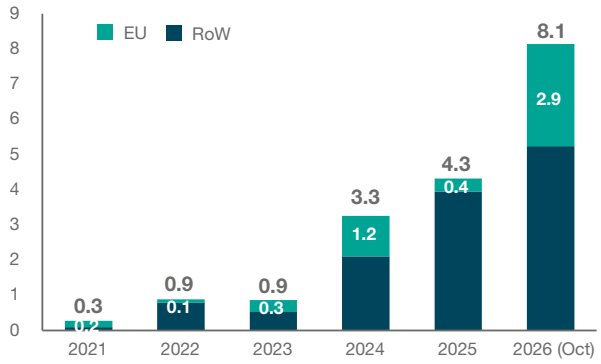
Source: Dealroom

Global FinTech funding stabilised in 2026 at levels broadly comparable to 2025. Although venture capital investment has significantly increased globally in 2026, in the US this has been primarily invested in AI companies, while in the EU it has been directed towards defence and broader technology sectors. In this market context, investment into FinTech companies has maintained its existing funding amount at USD 45bn in 2026 and USD 47bn in 2025.

DLT adoption: from experimentation to wider consolidation

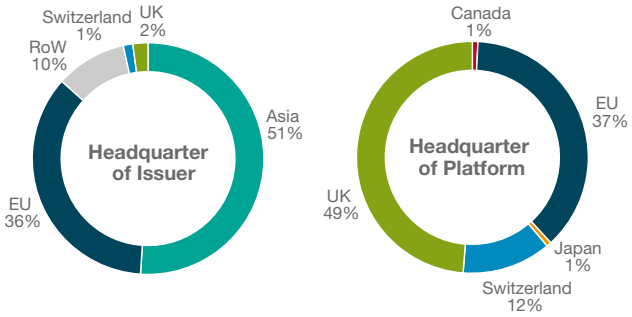
Global issuance of DLT-based bonds has continued to expand, from just EUR 0.3bn in 2021 to EUR 4.3bn in 2025 and EUR 8.1bn in the first ten months of 2026. The continued growth, even after the conclusion of certain national and EU pilot projects[11], shows that issuers are gradually gaining confidence in DLT-based market infrastructure. Issuers based in Asia-Pacific markets, particularly Hong Kong and South Korea, have been active in 2026, representing 51% of the global issued amount. This is in part due to supportive regulatory frameworks and public sector backing with large issuance by public authorities (HKSAR and the Korea Housing Finance Corporation). EU entities accounted for 36% of the 2026 YtD issuance, supported by strong activity from German entities and a EUR 1.7bn sovereign bond by the government of Luxembourg. See chart 6.3.

6.3 Global issuance of DLT-based bonds since 2021 (EURbn)



Source: AFME Research from multiple sources

6.4 Global DLT-based bonds by location of issuer and platform (2026 issuance)



Source: AFME Research

The DLT platform landscape remains heavily concentrated in Europe, where both established financial market infrastructures and newer DLT platforms are driving innovation in digital securities issuance and settlement. Platforms based in the UK, Switzerland and the EU account for the vast majority of global issuance, including HSBC Orion (UK), SDX (Switzerland, now fully integrated within SIX Exchange), and a growing set of EU-based infrastructures such as Cashlink, Smart Registry, Axiology, Euroclear's D-FMI and Clearstream D7. See Chart 6.4.

Going forward, several high-profile sovereign and public-sector transactions are expected to provide further momentum to the market, including the UK's planned Digital Gilt (DIGIT), expected in Q1 2027, and a digital bond issuance by the Government of South Korea. Together, these initiatives could contribute to the market to scale-up from its current state of experimentation towards broader institutional adoption.

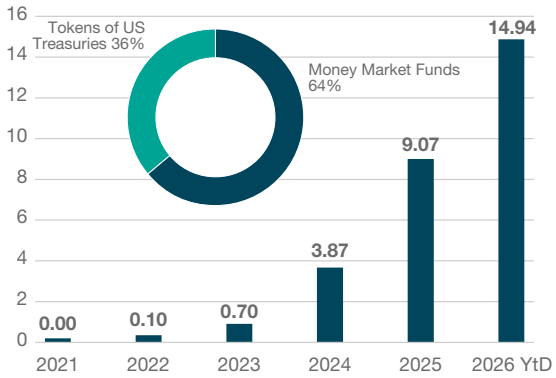
With growing use of DLT in capital markets, the ability to settle transactions using interoperable forms of on-chain money may also prove important. In this context, the Eurosystem launched in September 2026 project Pontes, which seeks to facilitate the settlement of tokenised financial assets in central bank money[12]. Alongside this project, Euroclear's Pythagore project aims to bring a EUR 310 billion market on-chain, leveraging the Eurosystem's Pontes initiative to provide the central bank money cash leg and enable fully digital delivery versus payment (DvP) settlement.[12]

Tokenisation and the intense groundwork for tokenised deposits

Other use cases of DLT such as fund tokenisation, repo transactions, and tokenised deposits are rapidly growing and gaining relevance in global markets. Fund tokenisation has gained significant relevance, with money market funds accumulating USD 16bn globally as of mid-2026, with most of these funds tokenised by US-based institutions.

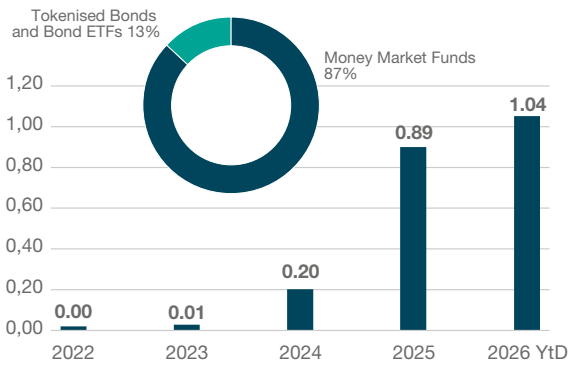
11 *ECB and Swiss National Bank trials undertaken in 2024 and 2025.*
12 *ECB to invest part of own funds in tokenised securities, with settlement via Pontes*

6.5 Tokenisation of US Treasuries (USDbn)



Source: RWA.xyz

6.6 Tokenisation of non-US government bonds (USDbn)



Source: RWA.xyz

Tokenised deposits are also gaining momentum, as both individual bank[13] initiatives and industry-wide consortia have increased significantly in recent years. Among the industry consortia and initiatives include SWIFT's DLT infrastructure with 17 global banks, the EU CBMT interbank initiative, the UK GBTD bank initiative, the US Cari Network of 30 regional banks and The Clearing House tokenised deposit project. South Korea's major banks are also exploring tokenised deposit models. HKMA's Project Ensemble, and Singapore's Project Guardian (alongside the *Partior* bank-led initiative) are exploring the interaction of tokenised deposits and other market activities.

13 *See for example JPMorgan's Kinexys platform and JPMD deposit token, HSBC's Tokenised Deposit Service, Citi Token Services, BNY's digital cash initiatives, UBS's Digital Cash Platform, Standard Chartered solution using mBridge, BNPP's initiative with Ant international, or DBS' tokenised deposit infrastructure.*

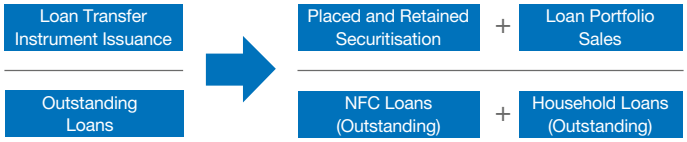
Integration and Efficiency of Capital Markets Ecosystem



7. Loan Transfer Indicator

The Loan Transfer Indicator measures the capacity to transform bank loans into capital markets vehicles (securitisation and loan portfolio sales[14]), which is crucial for enabling additional lending to the real economy by freeing up bank balance sheet capacity.

The indicator is estimated as a simple ratio of securitisation issuance (placed and retained) and loan portfolio sales relative to outstanding corporate and household loans.



EU securitisation activity slowed down in 2026

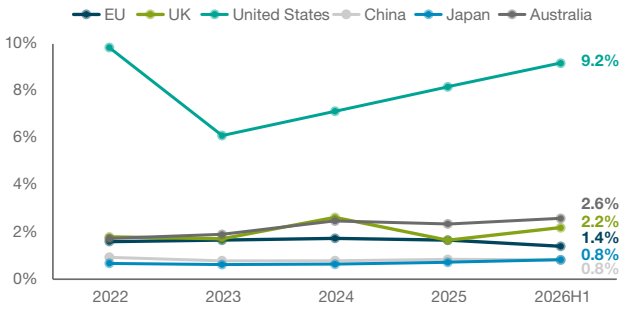
The Loan Transfer Indicator for the EU declined in the first half of 2026, reflecting lower levels of securitisation issuance and of loan portfolio sales.

EU securitisation issuance[15], including pan-European CLOs, totalled EUR 90.5bn in the first half of the year, a decline of 11% from a year ago on an annualised basis. It must be noted, however, that EU placed issuance has consistently grown since 2022, with placed issuance accounting for 42% of total originated volume in 2020 compared to 73% in H1 2026.

Separately, loan portfolio sales have followed a downward trend over the past five years, after peaking in 2017 and again in 2021 following the large wave of banks disposing of NPL assets through this loan transfer vehicle.

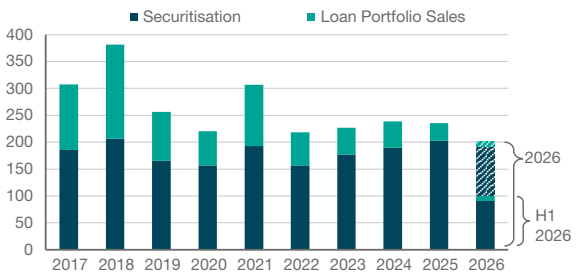
During H1 2026, securitisation accounted for 90% of total loan-transfer instrument issuance, representing the highest share since 2010. Securitisation activity in the EU was supported by strong issuance of pan-European CLOs during the first half of the year.

7.1 Loan Transfer Index: securitisation and portfolio sales as % of outstanding loans



Source: AFME, SIFMA, FDIC, ECB, US FED, PWC, Bank of America, JP Morgan, Reserve Bank of Australia, Bank of England, The People's Bank of China, Bank of Japan, Australian Securitisation Forum, S&P, Debtwire, Deloitte, and React News

7.2 EU Loan Transfer Index by components: Securitisation and Loan Portfolio Sales (EUR bn)



Source: AFME, SIFMA, Bank of America, JP Morgan, PWC, Debtwire, Deloitte, and React News

The EU remains the global SRT leader

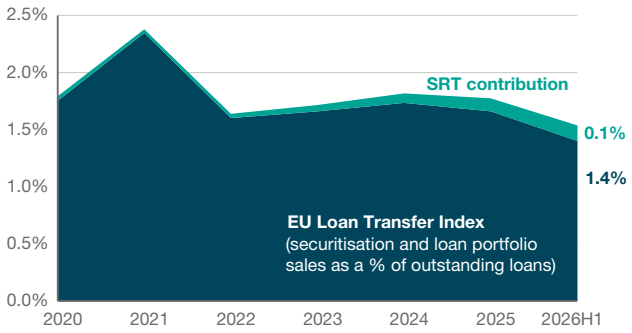
Significant Risk Transfer (SRT)[16] transactions can support new lending by releasing regulatory capital, similarly to other loan transfer instruments.

The EU SRT market continued to grow in 2026, albeit at a slower pace than that observed in recent years. Annualised SRT issuance is expected to increase by 22% YoY, compared with annual growth of nearly 50% per year over the previous three years. SRT volumes represented 3% of total EU securitisation issuance in 2022, rising to 7% in 2025 before declining to 5% in H1 2026.

14 *Outright sale or transfer of loans by a lender to another financial institution without being transformed into a financial vehicle.*
15 *Includes the UK and Switzerland.*
16 *SRT issuance is measured by the risk transfer amount, reflecting the volume of tranches transferred to investors, rather than portfolio notional, which reflects the total underlying exposure amount.*

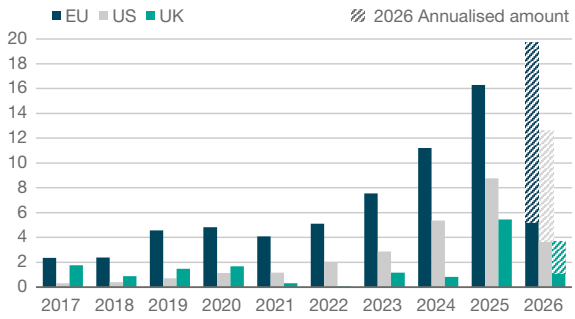
Including SRT issuance in the Loan Transfer Indicator increases the value for H1 2026 from 1.4% to 1.5%. In the UK, the inclusion of SRT issuance has a similar effect, raising the indicator value by 0.1% to 2.3%. By contrast, for the US, the impact is negligible, with the indicator remaining unchanged at 9.2%. In other international regions, including Japan, Australia, and China, the indicator is not affected as there are no active SRT markets.

7.3 EU Loan Transfer Index and SRT issuance as % of outstanding loans



Source: AFME, SIFMA, ECB, PWC, Bank of America, JP Morgan, Debtwire, Deloitte, React News, SCI, and RTRA

7.4 SRT global comparison: issuance in selected regions (EUR bn)[17]



Source: AFME, SCI and RTRA.

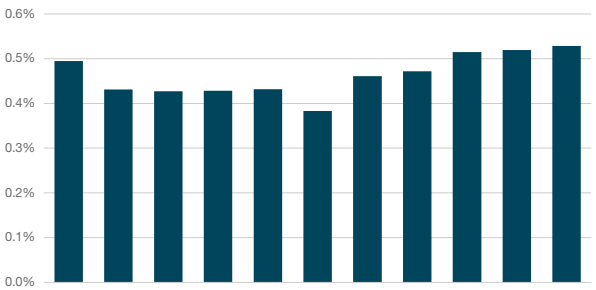
Securitisation represents only 0.5% of insurance companies' investment portfolios in the EU

EIOPA data show that securitisation continues to represent only a very small share of insurance companies' investment portfolios, remaining below 0.6% at the EU level over the period 2016-2025.

While Malta and Ireland display the highest shares of securitised assets in the investment portfolios, at around 7.7% and 4% respectively, exposures in most countries remain below 0.5%. More than half of the EU Member States report either negligible or no securitisation holdings at all.

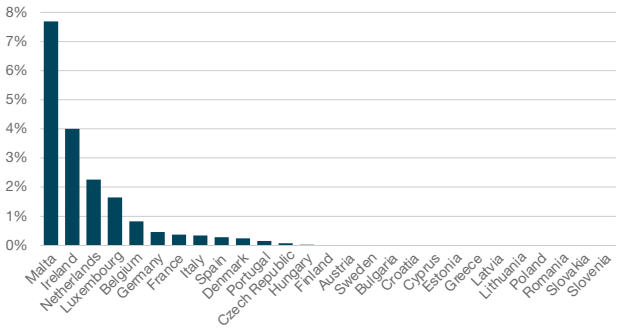
In June 2025, the European Commission proposed a targeted review of the EU securitisation framework[18] to simplify the existing rules and remove undue barriers to issuance and investment while maintaining financial stability safeguards. Furthermore, the Solvency II Delegated Act of 2025 recalibrated capital requirements for securitisation investments by European insurers. These initiatives can support the development of the EU securitisation market and increase funding to the real economy, which could encourage greater participation by institutional investors, including insurers, in the coming years.

7.5 Securitisation as % of insurance companies' portfolio investments in the EU



Source: AFME and EIOPA

7.6 Securitisation as % of insurance companies' portfolio investments by Member State as of 2026Q1



Source: AFME and EIOPA

17 *For SRT issuance, annual figures were estimated considering a seasonality factor observed over the period 2017-2025. For more details, please consult Appendix 3: Methodology and Data Sources.*

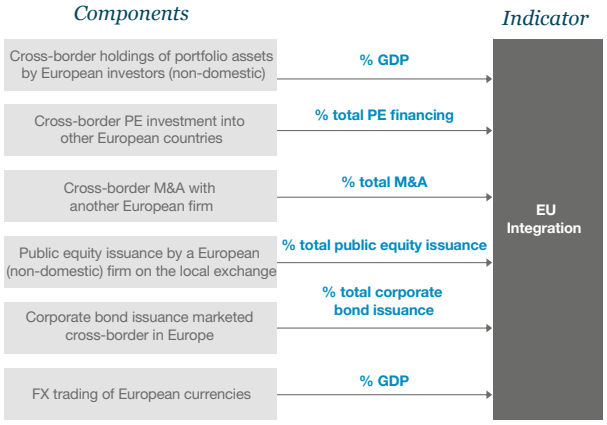
18 *See Commission proposes measures to revive the EU securitisation framework - Finance*

8. Cross-Border Finance Indicator

We have produced two indicators to quantify "intra-EU" integration and integration of capital markets activities with the rest of the world (RoW).

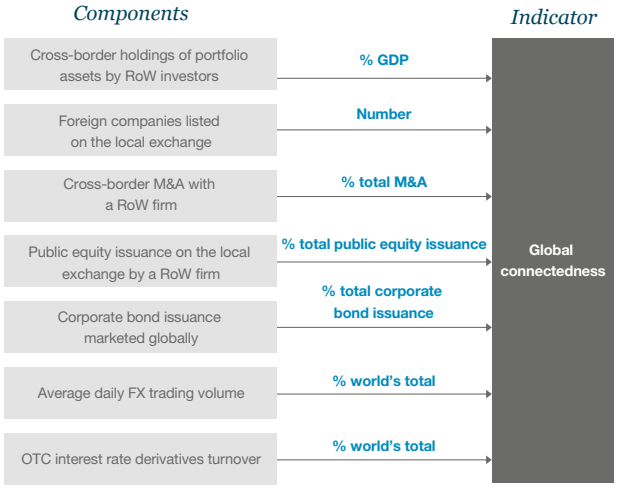
The indicator considers different aspects of international capital markets by estimating a composite indicator with the following features: (i) cross-border holdings of portfolio assets, (ii) cross-border M&A transactions; (iii) cross-border public equity raising; (iv) corporate bond issuance marketed cross-border; (v) participation in intermediating FX and derivatives trading. Additionally, cross-border private equity (PE) financing is considered only for the intra-EU indicator, while the number of foreign companies listed on the local exchanges is considered for the global indicator due to data availability. Each of these subcomponents is adjusted as shown below.

8.1 Capital Markets Intra-European Integration Indicator



Source: AFME

8.2 Capital Markets Global Integration Indicator



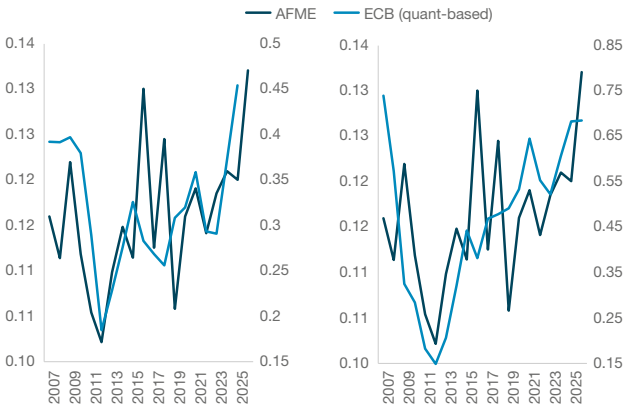
Source: AFME

EU integration further deepens, but significant room for progress remains

Intra-EU capital market integration, as measured by our indicators, significantly increased over the past year. The improvement is consistent with the evolution of the ECB's price-based and quantity-based indicators[19], which have also recorded significant improvements in recent quarters.

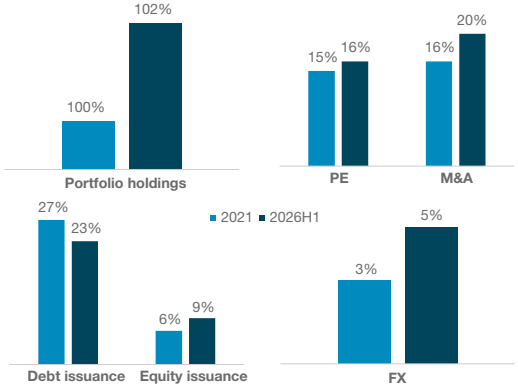
The rise in the index was driven by stronger intra-EU private equity and M&A activity, increasing cross-border portfolio holdings, and a notable recovery in intra-EU equity issuance. Equity issuance integration was primarily supported by the EUR 3.8bn IPO of Czechoslovak Group (CSG) on Euronext Amsterdam, one of the largest EU cross-border equity originations in recent years.

8.3 Intra-EU Integration Indicator [0: Min, 1: Max]



Source: AFME and ECB

8.4 Evolution by components: intra-EU holdings of portfolio assets (% GDP), intra-EU PE and M&A (% total), corporate debt marketed in the EU (% total) intra-EU cross-border equity issuance (% total), FX trading of EU currencies (% GDP)

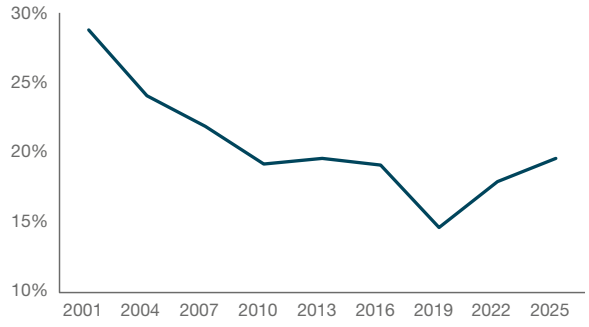


Source: IMF, InvestEurope, Dealogic, and BIS

19 *AFME's methodology is more closely aligned with quantity-based indicators given its focus on market activity integration rather than price dispersion.*

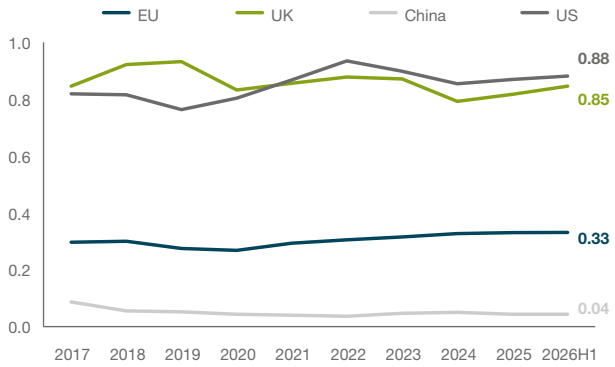
The gains were also driven by continued growth in the EU's role in FX intermediation. The share of global EUR FX trading (spot and derivatives) executed on EU trading desks increased further in 2025-26, with Germany recording a significant increase since 2019 (USD 88bn per day in 2022 to USD 261bn in 2025, according to the BIS). The EU has reversed a long-standing decline in its FX market position, with its share of global EUR FX turnover rising from 15% in 2019 to 20% in 2025, although still below the levels of the early 2000s of c30%. See Chart 8.5.

8.5 Global EUR FX executed on EU trading desks (% of world's total)



Source: AFME from multiple sources

8.6 Global Integration Indicator [0: Min, 1: Max]



Source: AFME from multiple sources

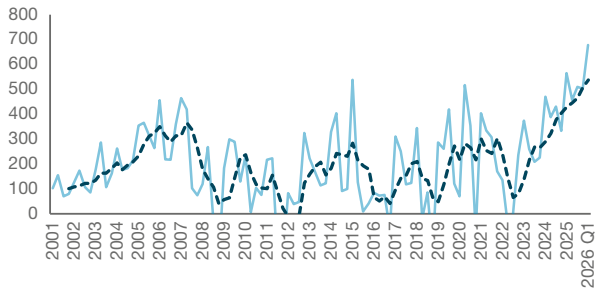
Despite the strong improvement over the past year, there remains significant room to deepen EU market integration. EU capital markets remain fragmented along national lines, particularly in equity issuance. For example, intra-EU cross-border primary equity activity accounts for just 9% of total equity issuance, with about the same amount raised by EU companies abroad through IPOs on US exchanges (EUR 4.2bn).

EU capital markets integration with the rest of the world (RoW)

The US and UK continue to stand out as the most globally integrated capital markets, while the EU ranks ahead of other major jurisdictions such as China, Japan and Australia. Despite some gradual improvement in recent years, the EU's relative position has advanced only modestly, reflecting both persistent market fragmentation and the dominant role of US and UK financial centres in global capital allocation.

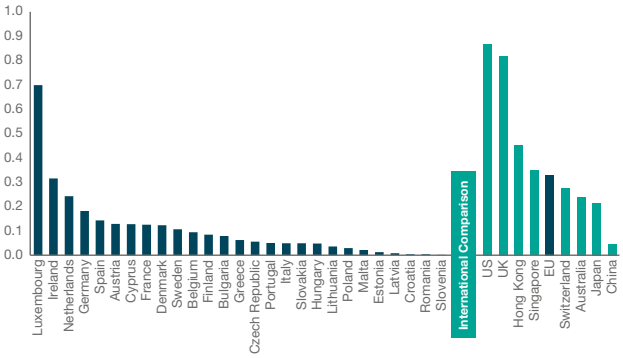
More recently, we observed that acquisitions of EU portfolio assets by non-EU investors reached a record high on a 12-month rolling average basis. This was likely driven by investors seeking greater diversification outside the US market, with inflows into European ETFs also reaching record highs according to EFAMA data.

8.7 Acquisition of EU portfolio assets by RoW investors (EUR bn)



Source: Eurostat
Solid line represents quarterly data, dotted line represents year rolling average

8.8 Global Integration Indicator by countries [0: Min, 1: Max]



Source: AFME from multiple sources

At the country level, Luxembourg, Ireland and the Netherlands remain the EU's most globally interconnected capital markets, benefiting from their roles as international fund domiciles (LU and IE) and a cross-border financial destination for international listings (NL). Luxembourg is the clear outlier within the EU, exhibiting a degree of international integration that exceeds that of other major financial centres, including Hong Kong and Singapore, while remaining behind the US and the UK.

Market integration and post-trade interconnectivity

Post-trade services are a critical component of EU's capital markets infrastructure. They facilitate the clearing, settlement, and custody of securities transactions, enabling market participants to trade securities efficiently across borders within the Single Market. A critical financial market infrastructure (FMI) are central counterparties (CCPs).

This Box covers the degree of connectivity between European CCPs and trading venues, as well as the interoperability amongst them. We do so by presenting some stylised depictions of the structure and integration of Europe's CCP landscape.

Interoperability of infrastructures is one way to help market participants to optimise the efficiency of clearing of securities transactions across CCPs and jurisdictions.

Our headline number indicates that approximately 61% of European cash equity trading (by value, c72% by volume) takes place on venues that support CCP interoperability. Within that activity, around 12% of total European equity trading (by value) results in actual cross-CCP interoperability flows. The difference is largely explained by the fact that transactions between counterparties clearing through the same CCP do not generate interoperability flows, even when an interoperable arrangement exists and remains available as an option.

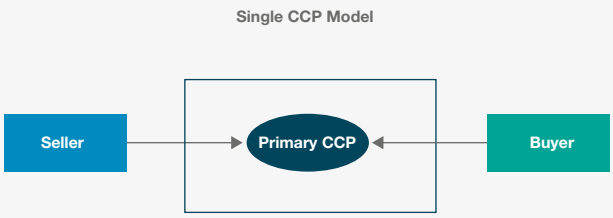
CCP connectivity

CCPs act as intermediaries between buyers and sellers, managing counterparty credit risk through novation, netting, margining and default management arrangements for exchange-traded, MTF and OTC centrally cleared transactions. In cash equity instruments, there are 12 CCPs authorised to operate in the EU.

These CCPs have established links with equity trading venues to varying degrees, resulting in different levels of market connectivity and cross-border access.

European equity markets operate under four broad clearing models. First, under a vertically integrated or "single CCP" model, trades executed on a venue are automatically routed to the venue's designated CCP. Second, under a preferred CCP model, both counterparties choose the same CCP from the set of CCPs connected to the trading venue, allowing the trade to be cleared entirely through that CCP[20]. Where counterparties select different CCPs, clearing defaults to the venue's designated CCP. Third, under an interoperability model, the buyer and seller may choose different CCPs that are linked through an interoperability arrangement. In this case, each party clears through its chosen CCP, while the CCPs manage the resulting cross-CCP exposures through the interoperability link. Note that not all trades executed on venues with interoperable CCP arrangements result in interoperability flows, as both counterparties could select the same CCP even if alternative CCPs are available. Finally, some venues do not offer a clearing option and operate under bilateral trading arrangements.

1.1 Diagram of single CCP model

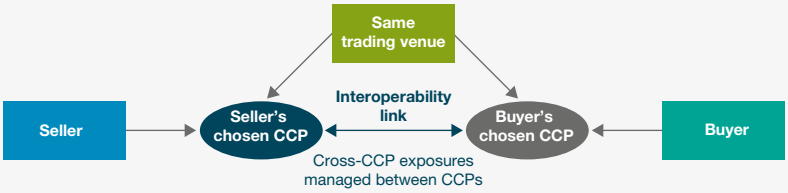


20 *Under this system, as noted by CBOE, there are evident economies of scale as "the greater number of participants, the greater the chance of a trade being cleared by the 'Preferred CCP' ". Alizadeh and Zoican (2026) discuss the wider market structure and competition repercussions of each clearing model.*

1.2 Diagram of preferred clearing arrangement

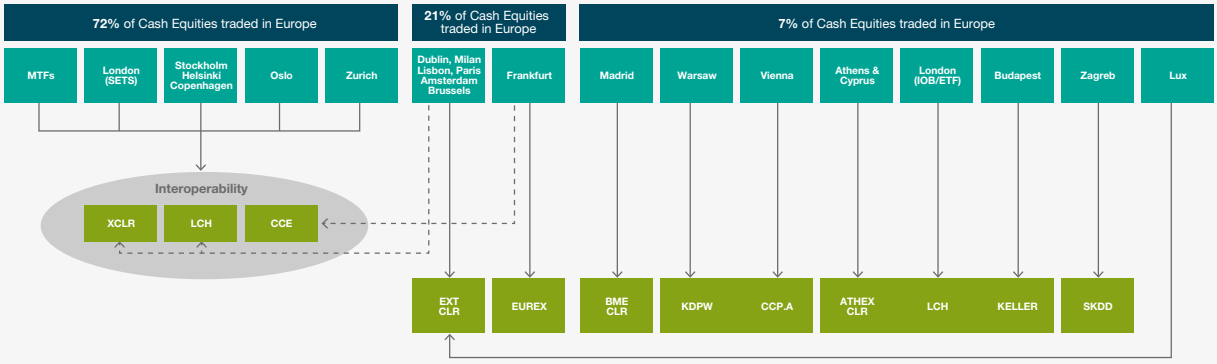


1.3 Diagram of interoperable CCP clearing arrangement when buyers and sellers choose different CCPs



Three CCPs currently offer interoperable clearing arrangements across multiple European equity trading venues: Cboe Clear Europe, LCH Ltd, and SIX x-clear. This means that clearing members can choose their preferred CCP for eligible equity trades, even when their counterparties use a different CCP.

1.4 Trading venue arrangements and CCP access[21] (percentages reflect volume traded)

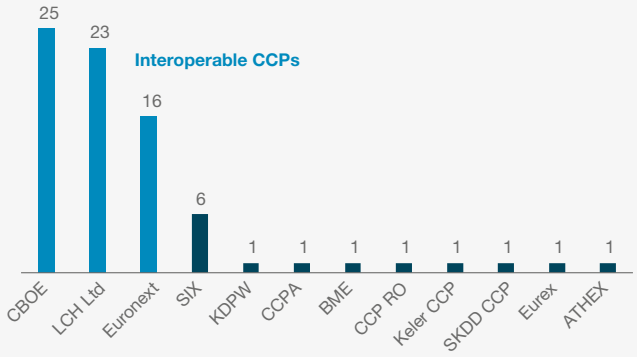


Source: Based on Cboe Global Markets reference data and FESE Equity Market Report data

As shown in charts 1.4 and 1.5, interoperable CCPs maintain by far the largest networks of links to European equity trading venues, with Cboe Clear Europe connected to 52 venues, LCH Ltd to 23 venues and SIX x-clear to 14 venues as of late 2025. Other CCPs active in European equities, are mainly linked to trading venues belonging to their respective exchange groups.

21 *Image has been modified to correct for a typographical error (KELER), update that LCH also maintains preferred connectivity with Euronext's primary markets in Amsterdam, Brussels, Dublin, Lisbon, Milan and Paris, and note that ATHEX Clear is now Euronext Clearing Athens.*

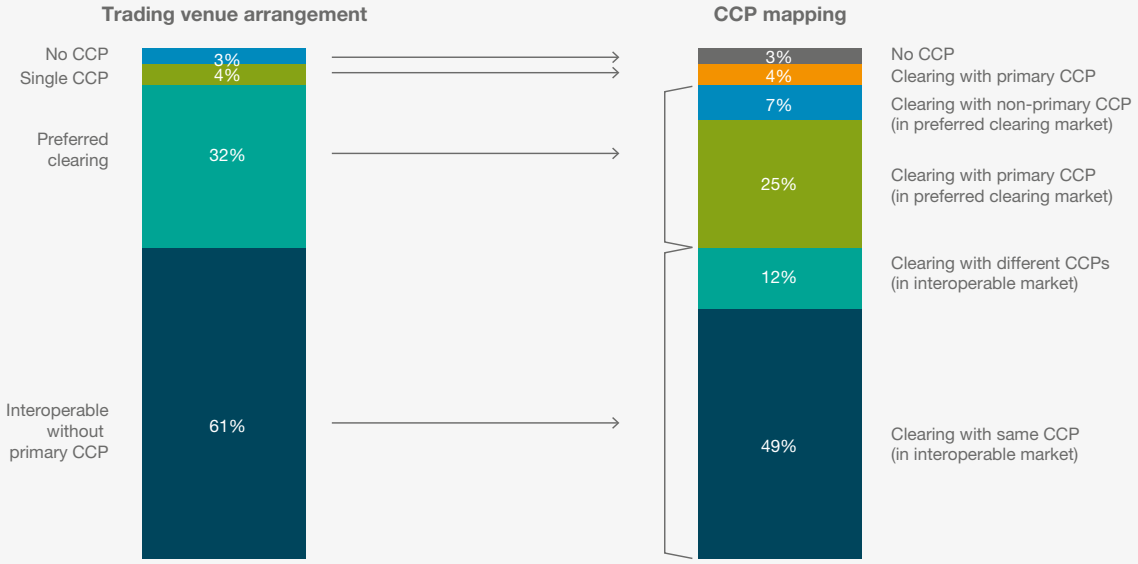
1.5 Trading venue arrangements and CCP access (2025)



Source: CCPs. Based on number of venues served. Note that in June 2026, LCH established a preferred clearing relationship with Euronext exchanges.

To better contextualise the equity post-trade landscape, chart 1.6 presents market share estimates for trading venue arrangements and CCP clearing outcomes in on-venue equity trading activity.

1.6 Trading venue arrangements and CCP clearing outcomes (% of European cash equity trading by value)



Source: AFME calculations based on XYT, Cboe 2025 annual report, IOSCO quantitative disclosures of Cboe Clear Europe, SIX x-clear and LCH Ltd, and CCP market shares as estimated by Euroclear and CBOE.

Based on trading venue data sourced from XYT, we estimate[22] that 4% of European cash equities (by value) are traded on venues operating under a vertically integrated single-CCP model, while 32% are traded on venues with preferred clearing arrangements and 61% on venues supporting CCP interoperability. The remaining 3% is traded on venues with no CCP arrangements.

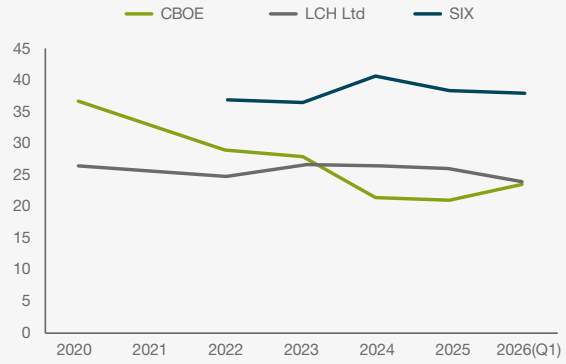
Note, however, that while 61% of cash equity trading occurs on venues that support interoperable clearing arrangements, only a proportion of this activity ultimately results in clearing across different CCPs. Most trading activity on interoperable venues is instead cleared through the same CCP selected by both counterparties.

22 *Market shares based on XYT, including all on-venue trading. Single CCP venues include Budapest, Athens, Vienna, Warsaw, Madrid. Preferred venues include Deutsche Borse and Euronext (ex-Athens, Oslo). Interoperability venues include CBOE, LSE, Aquis, Equiduct, AMP, Instinet, ITG, Liquidnet (via CBOE routing), Nasdaq, Sigma X, SIX Swiss, Oslo, and Turquoise. No CCP arrangements on Tradegate Berlin, Dusseldorf, Hamburg, Hannover, Munich, Prague, and Stuttgart. Market participants note the challenge to ascertain the size of the interoperable flow on Instinet. Note that the market shares are based on trading value and differ from CBOE estimates which are based on volume and estimate 7% to single CCP venues, 21% to preferred clearing, and 72% to interoperable markets.*

More specifically, 49% of total European equity trading is cleared through the same CCP despite taking place on interoperable venues, while approximately[23] 12% results in interoperability flows between different CCPs. A further 25% is cleared through the primary CCP of a preferred clearing venue and around 7% through an alternative CCP chosen within a preferred clearing arrangement[24]. This illustrates that although CCP choice is available for a large share of European equity trading, only a relatively small proportion ultimately generates interoperability flows between CCPs.

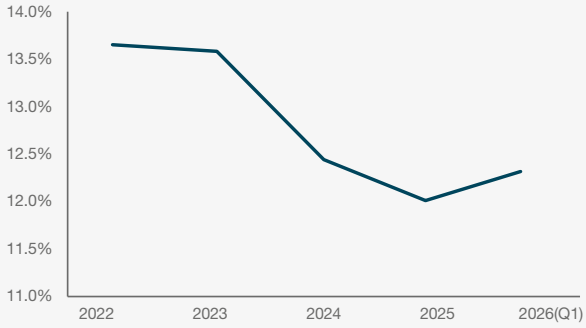
The share of activity cleared through interoperable arrangements varies across CCPs. According to IOSCO disclosures, interoperable links account for approximately 24% of total equity clearing volumes at Cboe Clear Europe, 38% at SIX x-clear, and 24% at LCH Ltd. Chart 1.7 illustrates the evolution of these shares since 2020, and Chart 1.8 presents an estimated market-wide average weighted by CCP market shares (adjusted to remove double counting of interoperable flows). Based on our estimates, as of early 2026 c12% of total European equity trading was cleared through different CCPs in interoperability arrangements (c14% in 2022).

1.7 Proportion of volumes cleared through interoperable links (% of total per CCP). Interoperable CCPs only. Equities



Source: IOSCO disclosures of the selected CCPs (20.1a)

1.8 Europe-wide equity volumes cleared through interoperable links (% of total eligible)



Source: AFME estimates with CCP IOSCO disclosures (21.1a). Assumes CCP market share estimates and excludes off-market equity trades not subject to CCP clearing. Adjusted to avoid double counting. Market weights per CCP based on anecdotal evidence indicating that CBOE clears c39.5% of the PanEuropean market, SIX c23%, and LCH c17%. The remaining 21% is cleared via other CCPs.

23 *Based primarily on IOSCO disclosures for the three interoperable CCPs. The total share (12%) has been estimated using a weighted average of the portion of interoperable clearing as reported in IOSCO CCP disclosures, weighted by the PanEuropean market share of the various CCPs, and adjusting for double counting (i.e. the flow between SIX and CBOE is twice captured in their respective portion of interoperable flow). For the size of interoperable flow by CCP, CBOE disclosed that in Q1'26, 24% of their equity clearing volume was with a link with another CCP; SIX reported 38%; and LCH Ltd reported 24%. For market share weights, CBOE disclosed in their 2025 annual report a 40% PanEuropean market share and a 50% share of the interoperable market. Euroclear estimates that SIX and LCH jointly represent a similar share as CBOE, but SIX with a slightly larger share than LCH.*

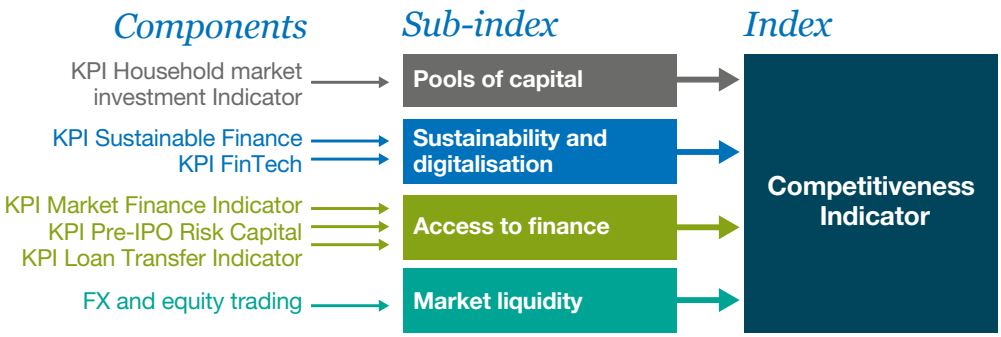
The weighted average share (unadjusted for double counting) of interoperability was estimated as: ∑ weight x IO shares= 40% x 24% (CBOE) + 23% x 38% (SIX)+ 17% x 24% (LCH)+ 20% x 0% (rest)= 22%. This is later adjusted to exclude double counting flow as: 50% x 22% / (1-22% x 50%) = 12%

24 *In its 2025 annual report, CBOE estimates the following market shares in preferred clearing markets: 16% in Euronext (ex-Milan), 15% in Milan, and 2% of Deutsche Borse. According to XYT, these venues represent 45% (Euronext ex-Milan), 21% (Milan), and 34% (DB) of their aggregate total. This was then calculated as: ∑ % market-wide portion of preferred clearing x market share in the venue x venue relative size in the preferred clearing segment = 32% x 16% x 45% (Euronext ex-Milan) + 32% x 15% x 21% (Milan) + 32% x 2% x 34% (DB)= 4%, for CBOE only. Applying a similar order of magnitude to other preferred clearing arrangements results in an estimated total share of approximately 7%.*

9. Market Competitiveness

We measure capital markets competitiveness from a holistic perspective.

This indicator is estimated as a composite indicator that considers the following dimensions: (i) availability of pools of capital, (ii) sustainability and digitalisation, (iii) access to finance, and (iv) equity and FX market liquidity[25]. Each of the four dimensions is composed of individual metrics as illustrated in the figure below:

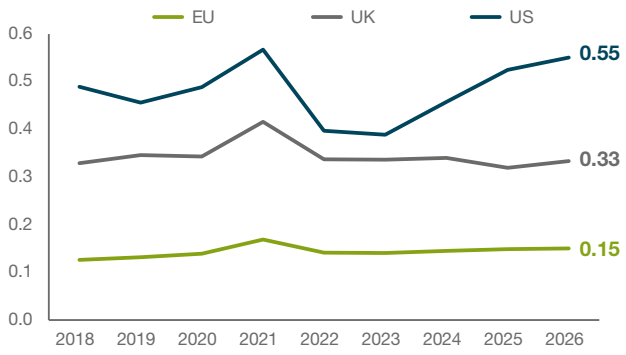


The EU continues to exhibit a large gap vs other global competitors

The United States continues to rank as the global leader in capital markets competitiveness, supported by the depth, liquidity, scale and attractiveness of its markets across most components of the indicator. The UK remains the second-ranked jurisdiction globally, although recent years have seen some marginal deterioration in the depth of its public primary markets, particularly equity markets. China has continued to strengthen its position and increasingly emerges as another global capital markets hub, notably through improvements in risk capital availability and primary market activity.

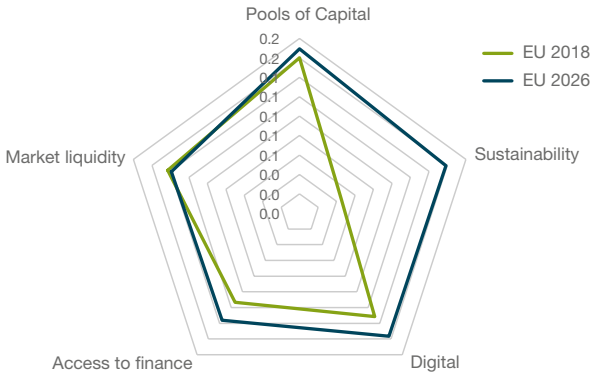
The EU exhibited gradual improvements across most dimensions of the competitiveness indicator since 2018; however, the relative gap with the world's leading jurisdictions remains significant.

9.1 Global Competitiveness Indicator [0: Min, 1: Max]



Source: AFME from multiple sources

9.2 Global Competitiveness Indicator by components [0: Min, 1: Max]

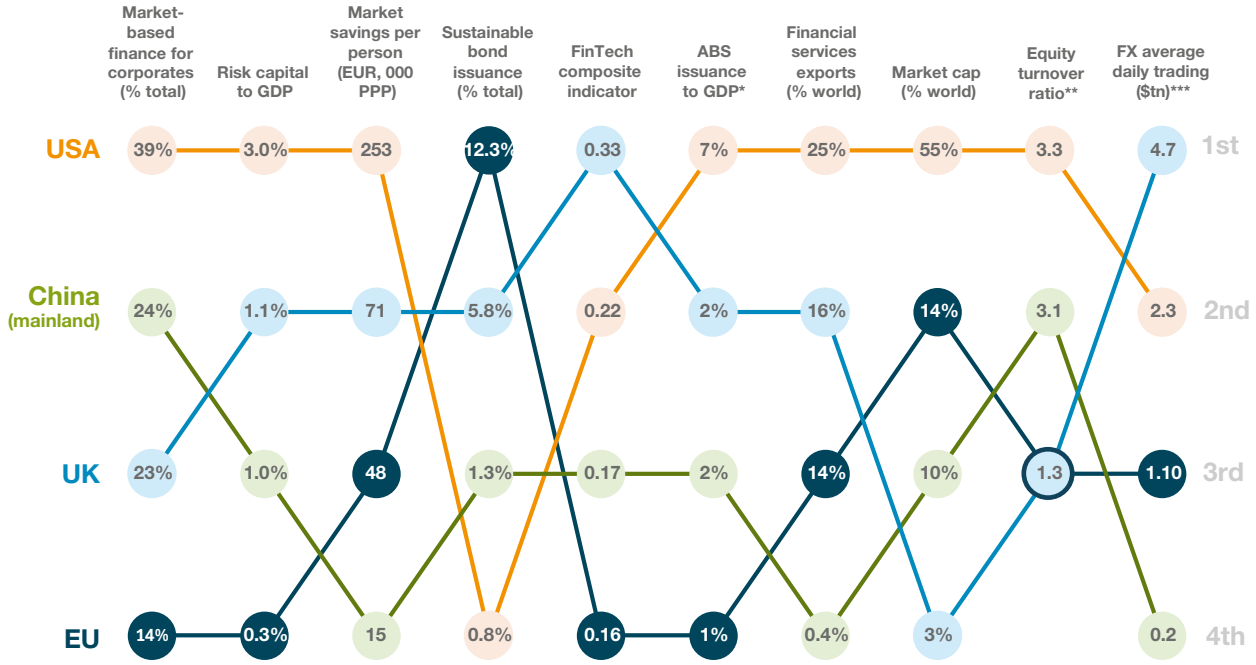


Source: AFME from multiple sources

As shown in Chart 9.2, the most notable improvement in the EU ecosystem since 2018 has been in sustainable finance, which has become a recurring finding across the editions of our report. Improvements are also visible in digitalisation, access to finance, market liquidity and pools of capital, albeit at a more moderate pace. However, as can be seen in Charts 9.1 and 9.3, the overall gains have not been sufficient to close the competitiveness gap with leading global jurisdictions.

25 *FX turnover relative to GDP and equity trading liquidity based on on-exchange bid-ask spreads*

9.3 Comparison of EU Capital Markets Competitiveness: 2026



**Includes ABS, CLO, RMBS. US securitisation issuance excludes agency RMBS.*
***Includes EEA and UK due to methodological challenges to assess the geographical location of OTC equity trades in Europe.*
**** Mainland China only. USD 1tn/day with Hong Kong.*

As shown in Chart 9.3, the United States outperforms other jurisdictions across most of the competitiveness sub-indicators, reflecting its large scale, deep institutional investor base and ability to support companies throughout the funding lifecycle. The UK stands as a global leader in fintech and FX trading, where it continues to benefit from established global market infrastructure and international connectivity. By contrast, the EU frequently ranks fourth across several dimensions of competitiveness, behind the United States, China and the UK, particularly in the areas of risk capital, public equity financing and securitisation.

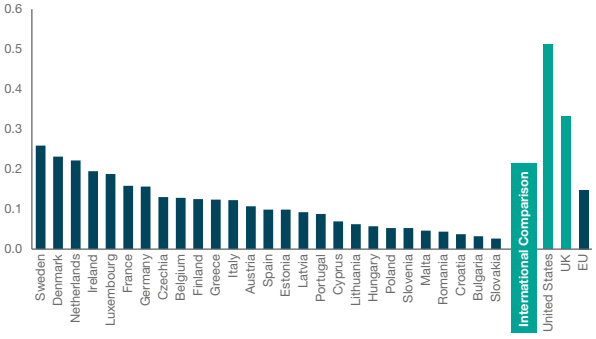
Sweden remains the EU's most competitive capital market

Within the EU, competitiveness remains broadly dispersed across a number of highly developed capital markets.

Sweden once again leads the EU competitiveness ranking, followed by Denmark, the Netherlands, Ireland and Luxembourg. France and Germany follow closely behind, although the differences between the top countries remain relatively minor.

Chart 9.5 shows the contribution of each sub-indicator for selected EU countries and the EU as a whole. The table further illustrates how strengths and weaknesses are broadly shared across EU Member States, with similar challenges in areas such as securitisation and access to finance for SMEs.

9.4 Global Competitiveness Indicator 2026 by EU countries [3Y average, 0: Min, 1: Max]



Source: AFME from multiple sources

9.5 EU countries: Global Competitiveness Indicator by component [0: Min, 1: Max]

	Pools of Capital	ESG	Tech	Corp funding	SME	Loan Transfer	Equity liquidity	FX liquidity
NL	0.4	0.3	0.2	0.4	0.1	0.0	0.1	0.0
FR	0.2	0.2	0.2	0.5	0.1	0.0	0.1	0.0
DE	0.2	0.1	0.2	0.2	0.1	0.0	0.2	0.1
SWE	0.4	0.2	0.2	0.4	0.4	0.0	0.2	0.0
LU	0.2	0.2	0.4	0.4	0.1	-	0.0	0.0
EU	**0.2**	**0.2**	**0.2**	**0.3**	**0.1**	**0.0**	**0.1**	**0.2**

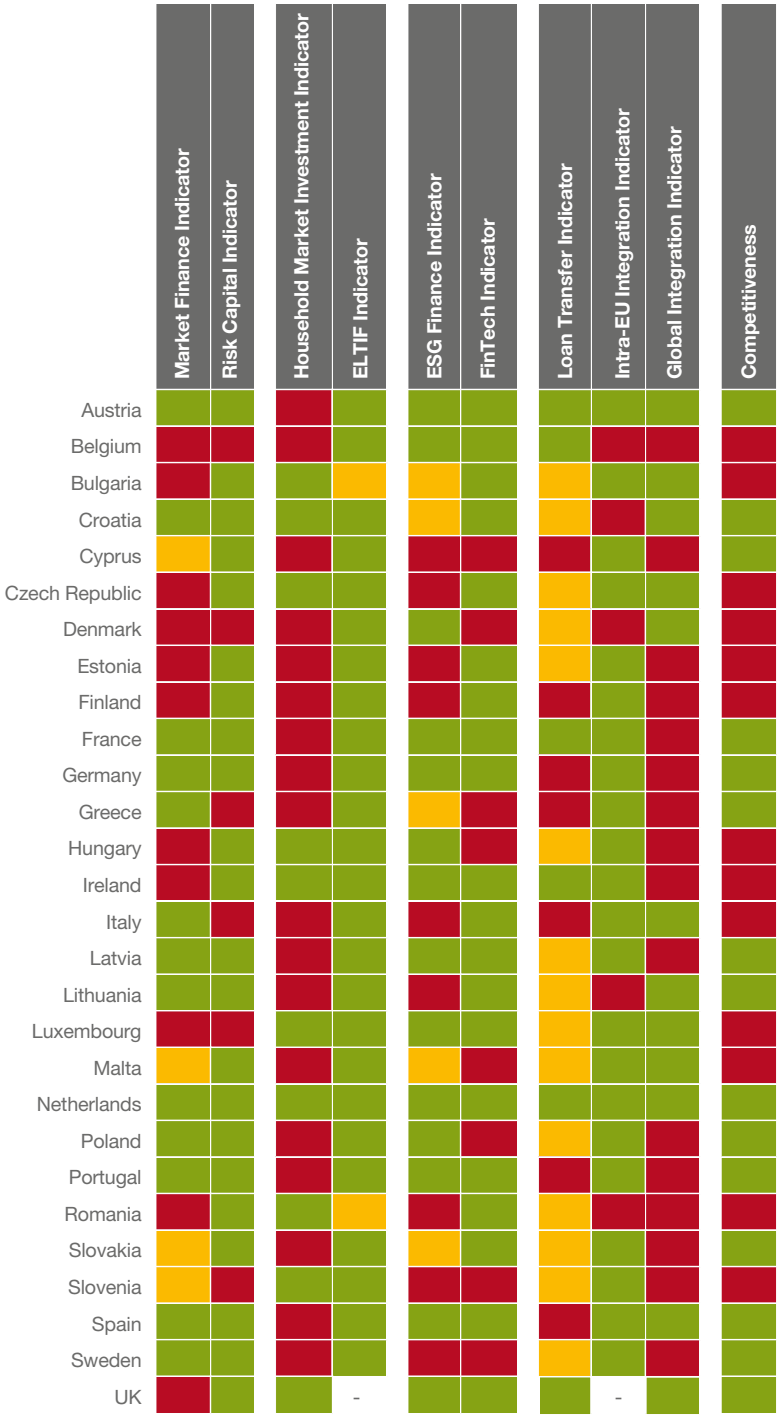
Source: AFME from multiple sources

Appendices



Appendix 1: Key performance indicators by country and component

Comparison of progress between 2026 and 2025



Green: increase in 2026 vs 2025

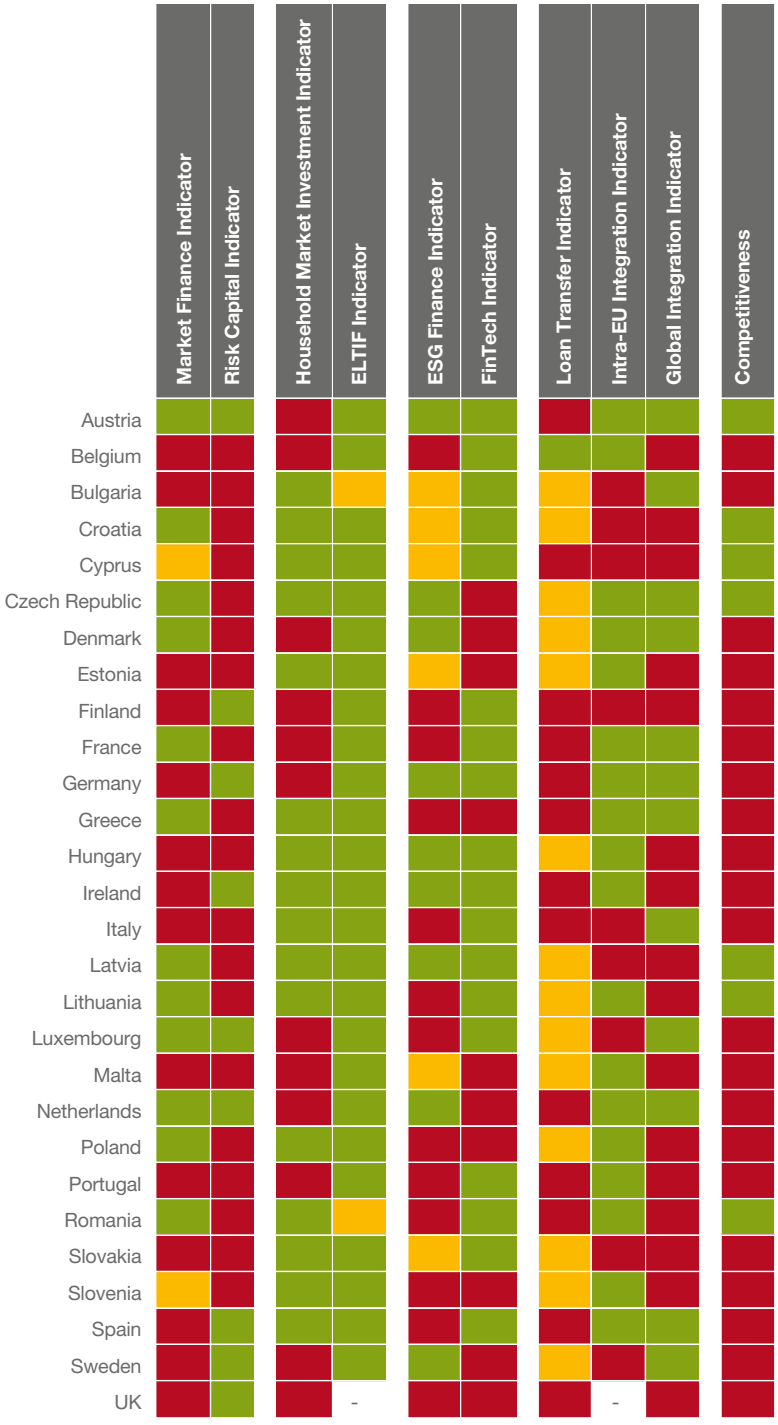
Red: decrease in 2026 vs 2025

Yellow: no variation between 2026 and 2025

We have produced the above scorecard chart which seeks to assist in keeping track of the evolution of the key performance indicators at the Member State level. Each cell shows in colour coded form if a country's indicator value has increased, decreased, or shown no change in the indicator value over the last year.

Appendix 2: Key performance indicators by country and component

Comparison of progress between 2026 and 2021



Green: increase in 2026 vs 2021

Red: decrease in 2026 vs 2021

Yellow: no variation between 2026 and 2021

We have produced the above scorecard chart which seeks to assist in keeping track of the evolution of the key performance indicators at the Member State level. Each cell shows in colour coded form if a country's indicator value has increased, decreased, or shown no change in the indicator value since 2021.

Appendix 3: Methodology and Data Sources

Scope of data collection

We have constructed nine Key Performance Indicators (KPIs) in the form of composite indicators and ratios to assess progress across the seven political priorities of the CMU action plan.

The focus of the study is primarily European, although we have tried to compare EU capital markets with other non-EU jurisdictions on a best efforts basis where data is available.

The data is drawn from a wide range of sources, including contributions from trade associations, data platforms, central banks, Eurostat, and other international organisations.

All data is expressed in euros (EUR) unless otherwise indicated and translated using period-end exchange rates as reported by the ECB.

Data collection and methodology

Market Finance Indicator

Data sources – IPOs, Secondary Offerings, Investment Grade and High Yield Bonds (all Dealogic), NFC loans new issuance (ECB, National Central Banks, Federal Reserve, OECD, Mortgage Bankers Association).

For the EU, NFC loans are estimated using bank loans to NFCs due to the relatively low participation of non-bank lenders. For some EU countries in which data provided by the ECB for bank loans to NFCs is incomplete, issuance is estimated using central bank data or longer-term trends. In the US, there is significant participation of non-banks in the loan market and so lending from non-banks needs to be accounted for in the indicator.

A recent OECD study published the amount of commercial and industrial (C&I) lending originated by banks in the US, using data originally sourced from the US Federal Reserve. The aggregation does not include loans originated by non-banks such as finance companies and insurers, and doesn't include commercial real estate (CRE) or farm lending. Data from the Kansas City Fed was used to account for bank lending to farms and the Mortgage Bankers Association to account for bank and non-bank lending for CRE.

After adding the farm and CRE lending with C&I lending, this provides an estimate of total US bank lending to NFCs, however the comparison of lending between the EU and the US is not complete as non-bank lending to farms and C&I in the US needs to be accounted for (CRE lending data already included non-banks).

The Federal Reserve website states that bank lending represents c30% of total outstanding lending to NFCs. This proportion is stable over the last 3 years and was used to estimate the total amount of C&I and farm lending originated by banks and non-banks. This gives the following breakdown and comparison:

US Bank lending = EUR 2.28tn
CRE: USD 584bn
C&I: USD 501bn / 0.3 = USD 1.7tn
Farm: USD 90.1bn / 0.3 = USD 300bn

US bonds = EUR 872bn
US equity = EUR 136bn
Total financing for US NFCs = EUR 3.29tn

EU bank lending= EUR 3.5tn
EU bonds= EUR 479bn
EU equity = EUR 50bn
Total financing for EU NFCs = EUR 4.1tn

The indicator does not consider NFC finance provided by unlisted equity and trade credit.

Loan Transfer Indicator

Data sources – Securitisation (AFME/SIFMA, JPMorgan and BofA), Portfolio sales (Deloitte, React News, FDIC for the US), outstanding loans (ECB, Federal Reserve).

As was the case with the Market Finance indicator, outstanding loans in Europe are estimated using outstanding bank loans, due to the relatively low participation of non-banks in the lending market in Europe. For the US, both bank and non-bank lending is considered when calculating outstanding loan volumes.

Annualised SRT issuance figures were estimated using the average seasonal issuance pattern observed over 2017-2025:

- EU: 26% issued in H1, 74% in H2
- UK: 28% issued in H1, 72% in H2
- US: 29% issued in H1, 71% in H2

Sustainable Finance Indicator

Data sources – Green, social, sustainable/dual purpose, and sustainability-linked bonds (Climate Bonds Initiative), securitisation (AFME/SIFMA, JPMorgan, BofA), NFC and Financial bonds (Dealogic), government bonds (ECB, SIFMA, national central banks), municipal and agency bonds (Dealogic), covered bonds (ECBC).

Greenhouse gas emissions are production based and sourced from Climate Watch. To the extent possible, the Climate Watch dataset has followed the IPCC Common Reporting Framework used by the UNFCCC. Additional information such as the data sources used, and the preprocessing performed for compiling the data, can be found in their Climate Watch Methodology.

Annualised issuance figures were estimated using the average seasonal issuance pattern observed over 2021-2025:

- Green bonds: 59% issued in H1, 41% in H2
- Social bonds: 71% issued in H1, 29% in H2
- Sustainable bonds: 60% issued in H1, 40% in H2
- Sustainability-linked bonds: 64% issued in H1, 36% in H2

FinTech indicator

Data sources – Regulatory sandbox and innovation hubs (ESMA, EBA and EIOPA), investments in FinTech companies (Crunchbase); exits (Crunchbase); number of patents filed with the following key terms: “G06Q”, “G07F”, “G07G”, “finance”, “banking”, “fintech”, “crypto”, “insurance”, “asset management” (Google Patents); valuation of FinTech unicorns (CB Insights); M&A activity (Dealogic); percentage of working age population with a tertiary degree (US FED, World Bank, Eurostat); STEM graduates (OECD, UNESCO, World Bank and Accenture).

Household market investment indicator

Data sources – Household financial assets for EU countries (Eurostat and OECD), and household financial assets for the US (US Federal Reserve, Balance Sheet of Households and non-profit organisations) and for non-EU countries (OECD), population (Eurostat, FED FRED, ONS). Cash, deposits and unlisted shares are excluded from the aggregation to include only capital markets instruments. Includes equity shares, mutual fund shares, bonds, life insurance reserves and pension fund holdings.

ELTIF indicator

Data sources – ESMA ELTIF register.

Risk capital indicator

Data sources – SME loans new issuance (ECB, National Central Banks), Business Angel (EBAN, Crunchbase, and University of New Hampshire), Equity Crowdfunding (Crunchbase), and Private Equity (Invest Europe, Crunchbase and NVCA).

SME loans in this context are loans to NFCs with amount below EUR 1m.

InvestEurope private equity (PE) statistics do not include infrastructure funds, real estate funds, distressed debt funds, primary funds-of-funds, secondary funds-of-funds and PE/VC-type activities that are not conducted by PE funds. The aggregation basis for these statistics is the location of the private equity firm where the resources are invested.

Business angel statistics are EBAN estimates which assume that survey results (i.e. “visible market”) represent 10% of the total market. This report includes both visible and non-visible market based on EBAN’s methodology.

Cross-border finance indicator

Data sources – cross-border holdings of equity shares and fund shares issued by European companies (IMF) ; cross-border holdings of bond instruments issued by European companies (IMF); cross-border private equity investment based on the location of the fund (InvestEurope and Eikon); cross-border M&A transactions (Dealogic); issuance of global corporate bonds (Dealogic); issuance of corporate Eurobonds (Dealogic); cross-border issuance of public equity on the national exchange (Dealogic): FX average daily turnover (BIS); average daily interest rate derivatives trading (BIS).

Both the European integration indicator and the global integration indicator are estimated as weighted averages of the standardised value of the different inputs. The results are later normalised into an index that ranges from 0-1 subtracting from each score the minimum score value from the sample divided by the maximum and minimum values: (X-min/max-min)

The results were validated using principal components analysis, with minor differences in trends and rankings. A sensitivity analysis was also undertaken by removing FX and cross-border equity issuance (using principal components analysis), which resulted in a significantly lower integration level in 2017 compared to that pre-crisis— the country rankings also exhibited variation compared to those presented in the report.

Competitiveness indicator

Data sources – the “availability of pools of capital” component follows the same methodology as the Household market investment indicator; “sustainability and digitalisation” follows the ESG and FinTech indicators; access to finance follows the market finance indicator and the amount of risk capital adjusted by GDP. For the construction of the liquidity component, FX average daily turnover is sourced from the BIS; equity from FESE and Eikon.

All subcomponents (availability of pools of capital, sustainability and digitalisation, access to finance, and market liquidity) have the same weight for the construction of the indicator. The results are standardised and normalised into an index that ranges from 0-1 subtracting from each score the minimum score value from the sample divided by the maximum and minimum values: (X-min/max-min)

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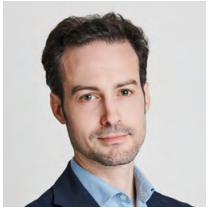
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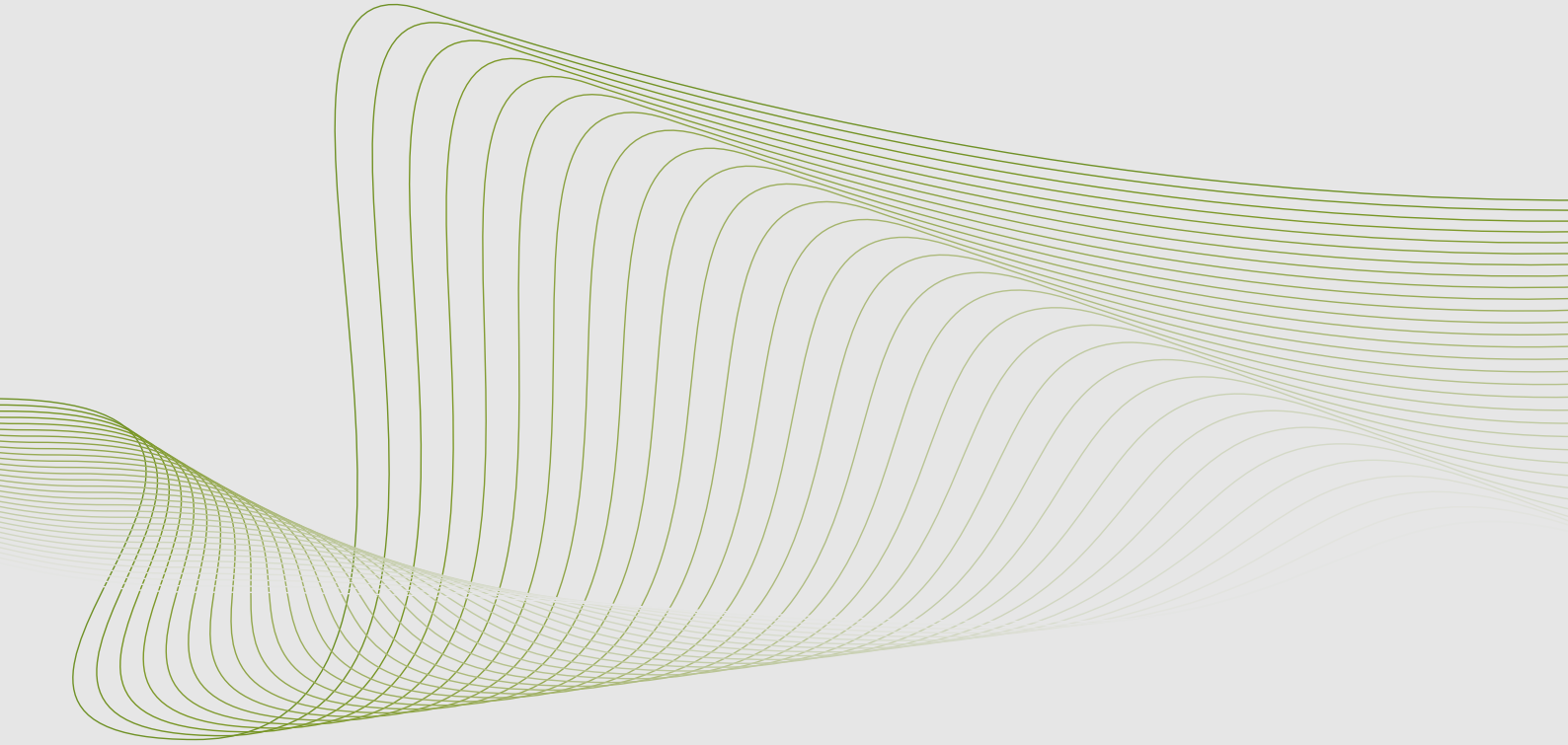
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