

Capital Markets Union Key Performance Indicators

ITALY

November 2024

In Italy, capital markets
issuance by NFCs increased

62% YoY

with the increase driven by a
surge in bond issuance

Italian issuers
continue to originate the
**third-largest nominal
volume of green bonds**
among EU countries for the
second year in a row

Italy offered the
**Highest number of
ELTIF instruments**
among EU countries with 49
instruments marketed locally

INDICATOR AND RANKING OF ITALY WITHIN EUROPE

	Position within Europe	
	2024H1	3Y Average
Market Finance Capacity for companies to raise finance on public markets	16th	15th
Pre-IPO Risk Capital How well start-ups and non-listed companies are able to access finance for innovation	26nd	28th
Household Market Investment Availability of savings from retail investors to support capital market financing	6th	6th
ELTIF Products Availability of ELTIF fund products financing long-term projects and SMEs	1st	1st
ESG Finance Labelling of ESG bond markets	17th	16th
FinTech Capacity to enable an adequate FinTech ecosystem	25th	25th
Loan Transfer Capacity to transform bank loans into securitisation and loan transactions	5th	4th
Intra-EU Integration Measures capital markets integration within Europe	21st	21st
Global Integration Market attractiveness of European capital market	15th	19th
Market Competitiveness Overall market attractiveness of European capital markets	10th	10th

ACCESS TO CAPITAL IN ITALY

There has been encouraging signs in access to capital in Italy with Non-Financial Corporations (NFC) capital markets issuance increasing during 2024H1.

62% YoY

Increase (annualised) in total market-based finance in Italy, driven by a surge in bond issuance.



10.9%

Of funding for Italian NFCs was derived from market-based finance (bonds and equity), up from 7.1% in 2023.

CAPITAL MARKETS ISSUANCE

Debt issuance

Investment grade bonds	€16.3	+71% YoY
High Yield grade bonds	€8.3	+80% YoY

Equity issuance

IPO market	€0.1bn	-84% YoY
Secondary offerings	€0.9bn	+261% YoY

2024 is on track to have the highest NFC investment grade bond issuance on record (from 2000) in Italy.

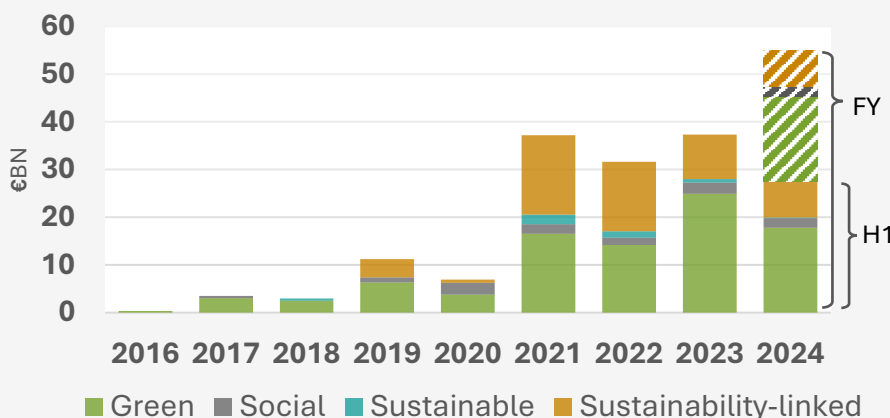
PRE-IPO RISK CAPITAL

The overall proportion of Italian SME risk capital investment was 0.5% in 2024H1, down from 0.9% in 2023. Among large Member States, Italy (and Spain) continue to over-rely on bank financing for SMEs and therefore have the **highest potential to increase the presence of funding from risk capital sources**.

TRANSITION TO SUSTAINABLE FINANCE

8.2% of total bond issuance in Italy had ESG-labelling in 2024H1, compared to 7.3% last year.

Total ESG issuance in Italy increased 38% YoY (annualised), driven by an increase in issuance in green labelled bonds which offset a decrease in issuance in sustainable and sustainability-linked ESG labels.



2024H1 ESG bond issuance (€bn)

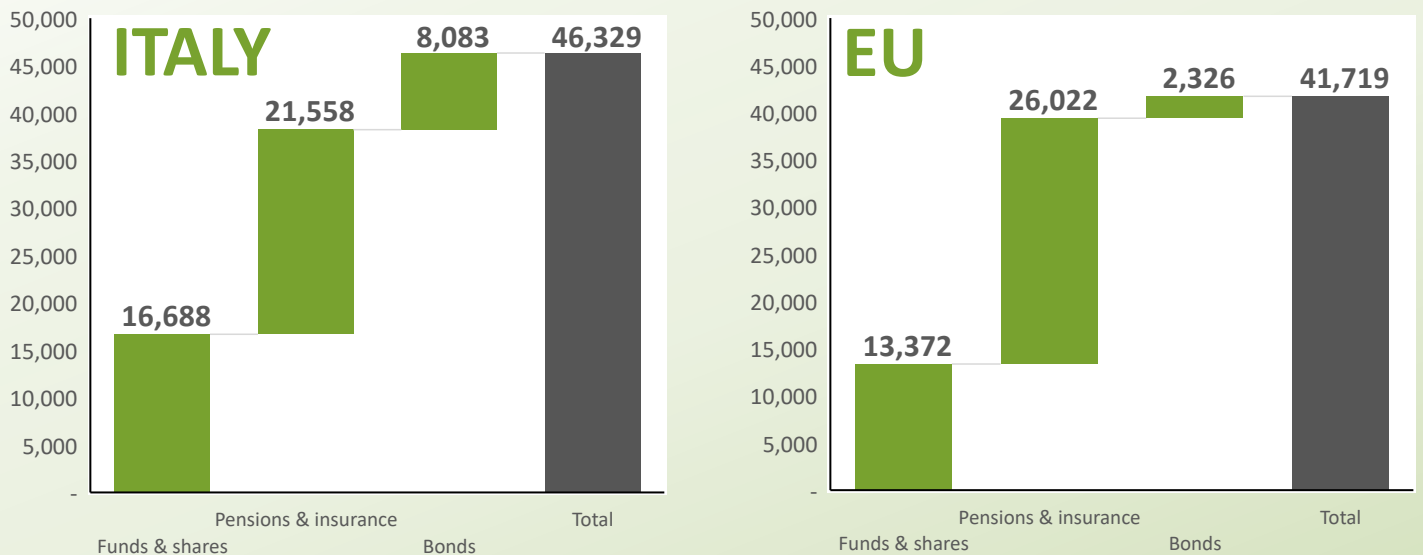
GREEN	€20.5	+43% YoY
SOCIAL	€2.0	+74% YoY
SUSTAINABLE	€0	-100% YoY
SUSTAINABILITY -LINKED	€0	-100% YoY
TOTAL ESG	€22.5	+38%

Italian issuers continue to originate the third-largest nominal volume of green bonds among EU countries for the second year in a row.

HOUSEHOLD MARKET INVESTMENT

Among EU countries, Italian households have the **fifth deepest pool of savings** invested on capital markets instruments with the equivalent of 116% of GDP invested in listed equity, bonds, investment funds, or insurance and pension products. This is above, but close to the EU average investment rate and similar to that of Belgium, France and Germany.

Savings per adult in market-based instruments (EUR, PPP adjusted)



There is a large gap between the amount of savings by Italian households and that in other European countries like the Denmark (198% of GDP), the Netherlands (173% of GDP), and the UK (145% of GDP).

NUMBER OF ELTIFS

Italy offered the **highest number of ELTIF instruments out of EU countries**, with 49 instruments marketed locally in H1 2024. By total euro amount managed, according to Scope data, France leads EU countries accumulating €4.5bn in AuM followed by Italy with €3.3bn.

DEVELOPMENT OF FINTECH ECOSYSTEM

The FinTech Indicator for Italy decreased in the first half of 2024, driven by:

Deterioration in FUNDING

Investment in fintech companies: **-39% YoY**
 Exits (number of deals): **-26% YoY**
 Fintech M&A deals: **0% YoY**
 (no Italian fintech M&A in 23-24H1)

Deterioration in INNOVATION

Number of fintech patents filed: **-18% YoY**
 Valuation of fintech unicorns: **0% YoY**
 (unicorns valuation unchanged at €2bn)

Italy is currently ranked 25th among EU countries for their capacity to host a Fintech ecosystem. Encouragingly, inaugural Italian DLT bond issuance (€25mm) took place in the first half of 2024 representing tangible progress in the adoption of technology in capital markets.

TRANSFER OF LOANS

The proportion of loans transferred into capital markets instruments (securitisation and loan portfolio sales) decreased to 2.3% in 2024H1, down from 3.6% of total outstanding loans in 2023.

Securitisation Issuance

€11.6 bn (-2% YoY)

Loan Portfolio Sales

€3.2 bn (-73% YoY)

2024 is on track to have the lowest loan portfolio sales issuance in Italy since 2015.

COMPETITIVENESS

The Italian capital market ecosystem ranked 10th in Europe in our Competitiveness Indicator.

Competitiveness in Italy decreased marginally during the first half of 2024;



Driven by a deterioration in capital markets liquidity



And a decline in the quality of the Spanish fintech ecosystem



However competitiveness was supported by increased NFC access to finance



Growth in the provision of sustainable finance



And marginal improvements in the availability of pools of capital