Statistics and analyses

Capital markets in Italy

Economic report

CONSOB

COMMISSIONE NAZIONALE
PER LE SOCIETÀ E LA BORSA

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The opinions expressed in this Report are the authors' personal views and are in no way binding on CONSOB.

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The Report provides an overview of trends and risks of the Italian financial system in a comparative perspective, also analysing the developments that can affect the achievement of CONSOB remit

ABSTRACT

ECONOMIC LANDSCAPE

In 2025, the global economy remained exposed to elevated uncertainty, reflecting shifts in geopolitical and economic relations. Rising protectionism has contributed to greater fragmentation and, in turn, to weaker growth prospects. A key source of uncertainty has been the new US approach to international trade policy. Although the protectionist measures ultimately implemented were considerably milder than those initially announced, US import tariffs remain above their pre-2025 levels. Nevertheless, international trade in goods was resilient in the first half of 2025 (+5% versus the same period of 2024). This performance is consistent with evidence of import front-loading ahead of anticipated tariff changes, despite the weakness of the US dollar. Alternative indicators of global activity available at higher frequency, however, point to a slowdown in international trade during the third quarter of 2025. Recent tensions between the US and the EU regarding Greenland and the threat of new trade tariffs have further increased uncertainty over future developments in the international trade.

Current account balances in the world's major economies have also adjusted to the changing global trade environment. According to the latest IMF estimates, the US is expected to record the largest deficit in 2025, at -4% of GDP (higher than its 10-year average), while Japan and China would improve their surpluses. In the Eurozone, the current account balance would remain positive, albeit on a smaller scale than the 10-year average.

As for international capital flows, in the first half of 2025 foreign direct investments (FDI) inward flows (i.e. investments from abroad) remained unchanged in the US compared with the same period of 2024 while they increased in Japan and decreased sharply in China and the UK. Within the EU, the trend has been positive, with an increase in inflows. Sweden and Italy recorded the most significant growth in FDI inflows, with both countries achieving a share of the global FDI of 3%, compared to just over 1% in the first half of 2024. In addition to the dynamics of FDI, reflecting cross-border transactions through which foreign investors acquire a lasting interest over a resident company, the trends in foreign portfolio investment (FPI), attributable

to cross-border investments in market-based financial instruments are also relevant. With specific reference to foreign portfolio investments in Italy, in the first nine months of the year most inflows were related to debt instruments, whereas foreign investment in Italian equity instruments slightly declined.

A further source of market uncertainty concerns the evolution of fiscal policies. Geopolitical tensions have led several economies to announce or expand multi-year plans to increase defence spending, an especially demanding objective for countries with already-strained public finances.

In the EU, the general government debt-to-GDP ratio increased on average in 2025 (after the post-pandemic decline), although remaining below the 2020 peak. At the same time, several Member States continue to exhibit debt ratios well above the EU average. Outside the EU, the largest fiscal imbalances among advanced economies concern the US (with a public deficit projected at about 7.9% of GDP in 2026 and gross public debt at 128.7% of GDP) and Japan (where the debt-to-GDP and deficit-to-GDP ratios are expected at 226.8% and 2% in 2026, respectively).

At the same time, the financial system is undergoing profound changes driven by technological innovation. Overall, current trends point to a rapid acceleration in the adoption of generative AI and to rising investments in quantum computing, two general-purpose technologies expected to serve as strategic levers for the future competitiveness of the financial system. However, in terms of investment, Europe appears to lag behind the US, which leads global investments in start-ups operating in the AI and quantum computing sectors.

In this context, 2025 was also marked by pronounced instability in the cryptocurrency sector, with the market value of cryptocurrencies undergoing boom-bust cycles, and stablecoins expanding rapidly – also thanks to a softening of regulatory stance recorded in some important jurisdictions, such as the US with the so-called the GENIUS Act – while raising financial-stability concerns. These developments boost stablecoins prices (+55% in 2025), with a market value above $300 billion by October 2025 ($312 billion as of 22 January 2026), representing almost 10% of the total cryptocurrency market value.

FINANCIAL MARKETS PERFORMANCES

During 2025, financial markets delivered broadly positive price performances, reaching new record highs despite persistent geopolitical tensions. Across advanced economies, equity benchmarks posted solid double-digit gains: the S&P500 rose by 16.4%, the Nikkei225 surged by 26.2%, while the Ftse100 and EuroStoxx50 increased by 21.5% and 18.3%, respectively. Among the main European markets, the Ftse Mib advanced by 31.5%, its strongest performance in more than twenty years, although it remains below its historical peak set in 2000 (–11%). Since 2015, Ftse Mib has gained approximately 110%, compared with 128% for Germany's Dax30, 76% for France's Cac40, 81% for Spain's Ibex35, and 76% for the EuroStoxx50.

Focusing on the Italian stock market, similarly to Ftse Mib, the indices representing smaller-cap companies also exhibited a notable increase: the Ftse Italy Small Cap and the Ftse Italy Mid Cap rose by 30.2% and 23.2%, while the Ftse Italy STAR and the Ftse Italy Growth posted weaker gains (10.2% and 9%, respectively).

A more in-depth analysis of the Italian and European reference indices Ftse Mib and EuroStoxx50 can provide additional insights. Indeed, when the index constituents are grouped by sector, financial companies stand out with the highest average price performance (70% in Italy and 65% in Europe). However, it should be noted that financial companies account for approximately 45% of the Ftse Mib index, which is more than double the proportion represented by financial sector in the EuroStoxx50 (21%). Consequently, the Ftse Mib exhibited a substantial outperformance in comparison to its European peer over the course of the year. It is estimated that the financial sector contributed approximately 72% to the annual performance of the Ftse Mib, in comparison with 48% for the EuroStoxx50.

Despite its positive performance, the Ftse Mib continued to show slightly higher volatility than the broader euro area, and the Italian equity market remains characterised by an elevated equity risk premium (ERP), persistently above its long-term average throughout 2025.

In this context, structural features of the Italian market – particularly liquidity – remain subdued. In 2025, liquidity has declined compared with 2015 data: on EXM, the turnover ratio fell from nearly 100% to 88%, while on EGM it declined from 25% to 22%. Both markets are highly concentrated. In addition, concentration on EXM increased, with the share of market capitalisation of top ten companies at 55% in 2025 compared with 37% in 2015.

Shifting the focus to government bonds, during 2025, 10-year yields across selected advanced countries have remained broadly aligned with levels observed prior to the most recent policy rate cuts by the US, UK, and euro area central banks. The 10-year BTP-Bund spread had reached at year-end 65 basis points (minimum value since 2009), narrowing over the year by 47 basis points, due to the increase in the Bund yield.

CAPITAL MARKETS DEVELOPMENT

In Italy, the reliance on capital markets for financing purposes by non-financial companies remains limited. In 2025, the market-funding ratio (computed as the ratio of listed shares and bonds to the sum of these instruments and bank debt), that is an indicator of the intensity of market financing for companies, stood at 34% in Italy, a value lower than the EU average (37%) and significantly lower than levels observed in the US and the UK (74% and 57% respectively).

Moreover, the equity market in Italy keeps showing a size not comparable to the size of the overall economy: the Italian equity market capitalisation accounts for only 0.8% of global market capitalisation despite Italian GDP representing over 2% of global GDP. At the end of 2025, the Italian market-cap-to-GDP ratio stands at 48%, among the lowest in advanced economies.

Measures to foster the development of capital markets – both regulatory and non-regulatory – cannot be postponed. In fact, Italy has considerable untapped potential in market-based financing, underpinned by households' substantial stock of financial assets, standing at €6,148 billion in mid-2025. However, the incidence of insurance and pension products in household portfolio of financial assets is 19%, a value significantly lower than the euro area (27%) and the US (28%). This means a comparatively smaller pool of long-term and professionally managed household savings and a thinner demand base for equities and corporate debt instruments.

The asset management industry appears to be underdeveloped in comparison to both households' wealth and the size of the economy. The assets managed by domestic operators amount to approximately 70% of GDP, which is considerably lower than the ratio recorded in other major European countries, both outside the EU (for example, Switzerland and the UK, with ratios of 424% and 349%, respectively) and within the EU, where the Netherlands and France record values close to 187% and 181%. The pension fund sector also remains modest in scale, with Italian funds' net assets accounting for approximately 9% of GDP. This figure is higher than in Germany and France, but significantly lower than in the

Netherlands and Sweden. Furthermore, despite significant growth of the sector in Italy, investments in domestic equities remain modest, accounting for 7% of total assets for the Italian asset management industry and 1.9% for Italian pension funds. Even Individual Savings Plans (PIRs), designed to support the allocation of private savings to Italian companies, remain small in relation to household wealth (with assets under management of €25.5 billion in September 2025) and display limited exposure to listed Italian SMEs (7.8% of assets under management).

An analysis of the ownership structure of Italian companies listed on Euronext Milan (EXM) indicates that, despite the proportion of asset managers in the capital has increased over the last decade (from 32% to 41%), in 2025 the contribution of domestic managers remains limited (12% of the share held by asset managers). By contrast, the share of institutional investors (pension funds, insurance companies, sovereign wealth funds, foundations and endowments) has remained largely unchanged over the period, at around 10%. Data show that only 20% of total pension funds investing in Italian listed companies refers to Italian operators.

Private equity and private debt have become key components of capital markets, complementing public markets by providing patient resources, active ownership, and strategic support. Global, European and domestic private equity (PE) fundraising activity slowed significantly in 2025, both in terms of amounts raised and number of funds after almost a decade of strong growth. Global PE deal activity, however, kept growing for a second year in a row in 2025, both in terms of amounts invested and number of deals. According to AIFI data, in Italy the overall sector – PE, venture capital and infrastructure investments deal activity – increased in the first half of 2025, both in terms of amounts invested (+17% standing at €5.2 billion) and number of deals (+24%) in comparison with the first half of 2024.

PRIMARY MARKETS TRENDS

The need to pursue the goal of developing the capital market is evident when observing the dynamics on the equity primary markets. In fact, although at the end of 2025 the capitalisation of Italian stock markets reached an all-time high of €1,077 billion, this result is mainly attributable to the prolonged positive performance of secondary markets. Since the end of 2010, price increases have contributed approximately €748 billion to total capitalisation (price effect), while primary market dynamics have been negative (-€96 billion), with a capitalisation related to new listings (€91 billion) lower than that lost as a result of delistings (€187 billion). This trend intensified over the past five years, with a net loss of €72 billion.

Against a backdrop of sustained but essentially stable delisting, the decline in IPOs has been the main factor behind the fall in the number of companies listed on EXM from 277 to 198 since the end of 2010.

However, such decline is a trend common to the main international markets: over the last decade, the London and Paris markets have seen a reduction in the number of companies listed on the regulated market of 20% and 46% respectively, compared with a 20% decline in Italy.

On the Italian SME growth market EGM the worsening balance has been primarily explained by a surge in delistings. The translisting phenomenon has declined significantly in the last two years, compared to its peak in 2018-2023, with only one unit in 2024 and zero in 2025.

Over 2005-2025 period, total IPO proceeds on EXM amounted to €34 billion, with 21% coming from primary offerings, while on EGM they reached €7.3 billion, of which 81% came from primary shares. The difference suggests a clear feature of the EXM, where the decision to go public is often driven by shareholders' search for liquidity rather than companies' funding needs.

The market intermediation indicator – measuring net financial flows channelled by the Italian stock market to and from companies and investors – has remained negative throughout for the past 19 years. Since 2007, investors have received a total of €457.4 billion in dividends and €87.9 billion through share buy-backs, with a marked acceleration in the last five years. Overall, these findings indicate that the stock market has operated primarily as a channel for redistributing value to investors rather than as a source of financing for companies.

Over the past ten years, Italian companies (and shareholders) have received almost three times more resources from private equity than in proceeds from all IPOs on the EXM and EGM combined. Taking follow-on transactions into account, the resources provided by private equity and the stock market over the decade are broadly equivalent. Analysing private versus public markets solely from the perspective of corporate financing captures only part of the picture. Public markets not only provide direct funding to firms but also offer households liquid and accessible investment opportunities. While private markets can serve as a viable alternative for corporate financing, as recent evidence have shown, private equity cannot replace the standardised, transparent, and easily tradable instruments available in public markets. Efforts to bring private market instruments to retail investors – the so-called 'democratisation' or retailisation of private markets – have therefore raised concerns and attracted scrutiny from regulators worldwide, given the complexity, illiquidity, and risk profile of these products.

On bond markets, public-sector debt issuance was substantial over the year. The US issued government securities equivalent to 36% of the total outstanding stock, with almost 60% concentrated in short-term maturities. In Europe, Italy and Germany continued to be the two largest issuers, with volumes close to €450 billion each. Among the main Eurozone economies, Germany and Italy show the lowest share of issues of short-term securities (respectively, 22% and 30% of the total 2025 issuance). The risks associated with refinancing are pronounced for the US debt, as the bonds maturing by the end of 2026 account for more than 30% of the total outstanding bonds. This figure ranges between 8% and 15% for the main European countries.

As for the private sector, financial corporate bond issuance remained close to the peak levels observed in 2024 while non-financial bond issuance slightly declined. In both sectors, issuances remained well above the 2015-2024 annual average sustained by reference rates cuts occurred during the year. Focusing on Italy, in 2025 corporate bonds issued and listed on Italian trading venues accounts for more than 14% of the total amount issued against a 10-year average of 3.5%.

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Economic landscape

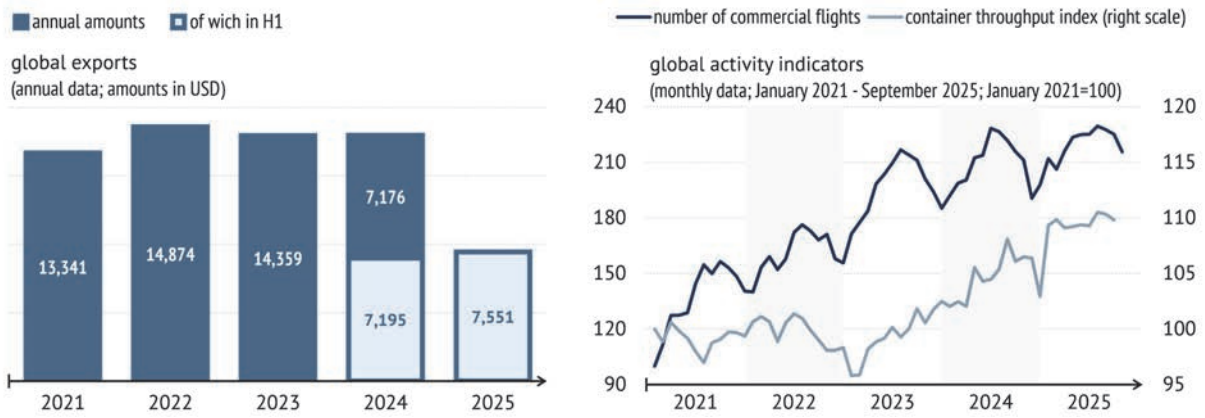
1. GLOBAL TRENDS

In 2025, the global macroeconomic landscape keeps being exposed to high uncertainty, mainly deriving from changes in political and economic relationships worldwide. The shift towards greater protectionism has contributed to greater fragmentation and, in turn, to weaker growth prospects.

According to the latest estimates from the IMF (January 2025 World Economic Outlook Update), global GDP is projected to rise by 3.3% in 2026. However, growth is expected to be lower for advanced economies (+1.8% on average) and particularly for the euro area (+1.3%). In this context, Italy is expected to exhibit one of the worst performances in the euro area, with a GDP growth projected to 0.7% in 2026.

One of the main channels of uncertainty was linked to the new stance of the US international trade policy. Despite the adoption of considerably milder protectionist measures than those initially announced, US import tariffs continue to exceed pre-2025 levels. However, international trade in goods remained strong in the first half of 2025 (+5% compared to the same period of 2024). This dynamic is consistent with evidence of import front-loading ahead of anticipated tariff changes and despite the weakness of US dollar (with the USD/EUR exchange rate down by 11.4% in the first half of the year and by 11.6% over 2025 as a whole). However, alternative indicators of global activity, available at a higher frequency, suggest a slowdown in the international trade during the third quarter of 2025 (Fig. I.1).

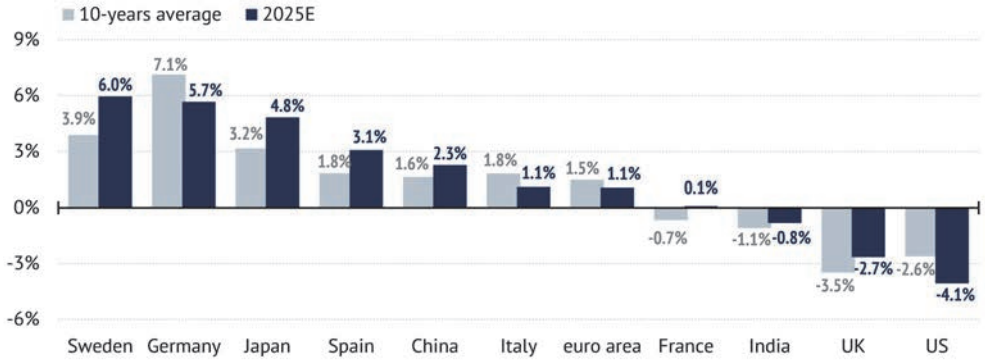
Fig. I.1 – International trade in goods and global activity indicators



Source: United Nations Trade and Development Data Hub, RWI Leibniz Institute for Economic Research and Flightradar24. Data on flights retrieved from https://www.flightradar24.com/data/statistics, on 2 December 2025. The RWI/ISL Container Throughput Index consists of container throughput data from 90 international ports gathered continuously by the ISL Monthly Container Port Monitor as part of its market observation. These ports account for approximately 64% of global container traffic.

The current account balances of the world's major economies have also evolved in response to changes in the global trade landscape. According to the most recent IMF estimates, in 2025 the US is expected to show the worst figure at -4% of GDP (higher than its 10-year average), while Japan and China would improve their surplus. In the Eurozone, the current account balance would continue to display a positive trend, although on a smaller scale than the 10-year average (Fig. I.2).

Fig. I.2 – Current account balance to GDP



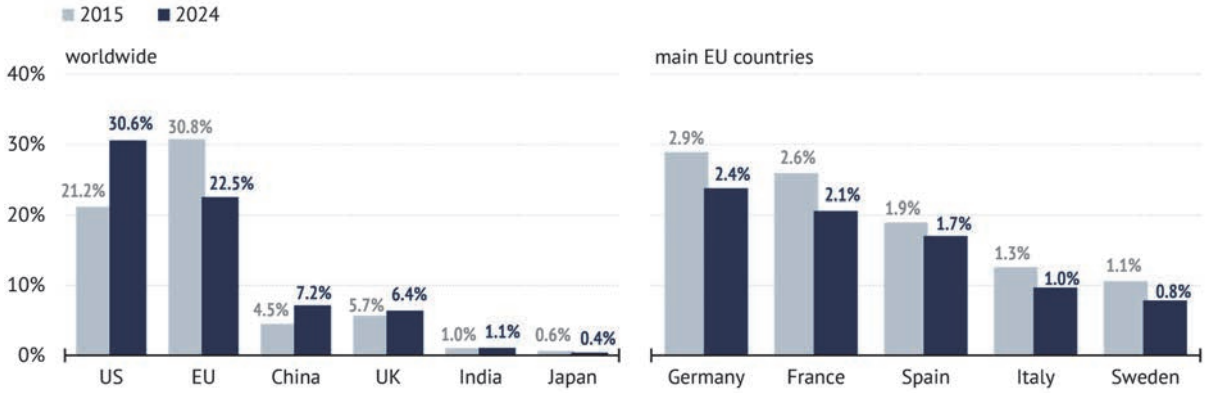
Source: calculations on IMF and World Bank data.

As for international capital flows, in the first half of 2025 foreign direct investments (FDI) inward flows (i.e. investments from abroad) remained unchanged in the US compared with the same period of 2024 while they increased in Japan and decreased sharply in China and the UK. Within the EU, the trend has been positive, with an increase in inflows. Sweden and Italy recorded the most significant growth in FDI inflows, with both countries achieving a share of the global FDI of 3%, compared to just over 1% in the first half of 2024.

While FDI flows provide information on cross-border direct investment transactions undertaken during the year, FDI positions (stocks) capture the accumulated level of direct investment exposure to a given economy. Therefore, positions can therefore be informative about the longer-term linkages and scale of foreign investor involvement, although they also reflect non-transaction effects such as valuation changes and exchange-rate movements.

Although detailed data for 2025 on FDI stocks by country are not yet available, the 2024 figures still offer useful insights into how cross-border investments are distributed across economies. In 2024, the United States was the leading destination for FDI worldwide (31% of global inward FDI stocks), followed by the EU. On a long-term perspective, the EU's share of global inward FDI stocks has declined markedly, falling from 31% in 2015 to almost 23% in 2024 (Fig. I.3).

Fig. I.3 – Share on global inward FDIs stocks by country

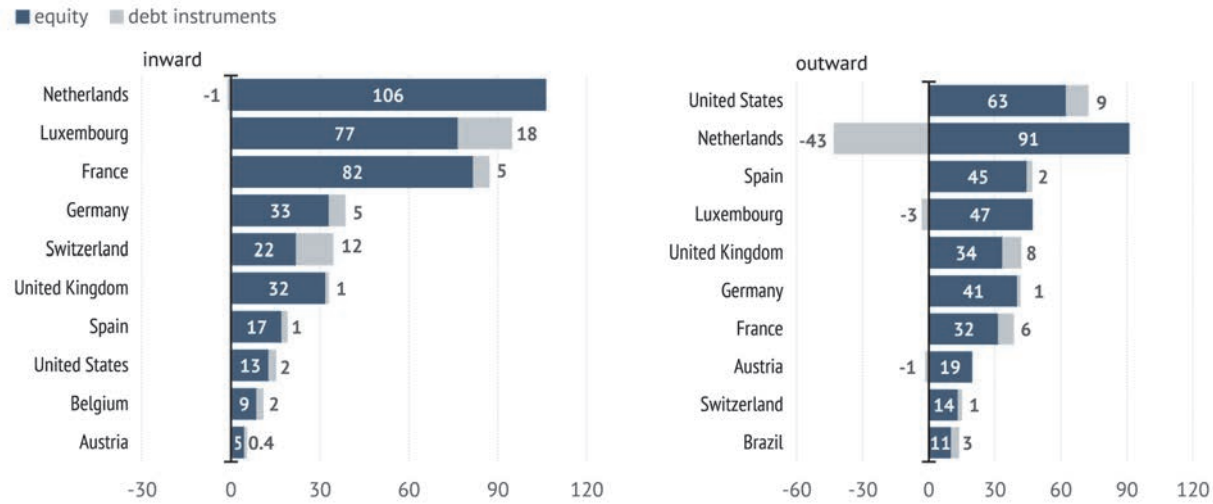


Source: calculations on United Nations Trade and Development Data Hub.

With particular reference to Italy, the top three countries by FDI inward position by immediate counterparty (i.e. countries that have invested the most in Italy) are the Netherlands, Luxembourg and France (22%, 20% and 18% of the total FDI inward Italian position), while the countries where Italian residents have the highest FDI outward investment position (i.e. those in which Italians have invested the most) are the US (12% of the total outward position), the Netherlands and Spain (around 8% each; Fig. I.4).

Fig. I.4 – Italian FDI stocks by country and type of investments in 2024

(amounts in billions of euros)



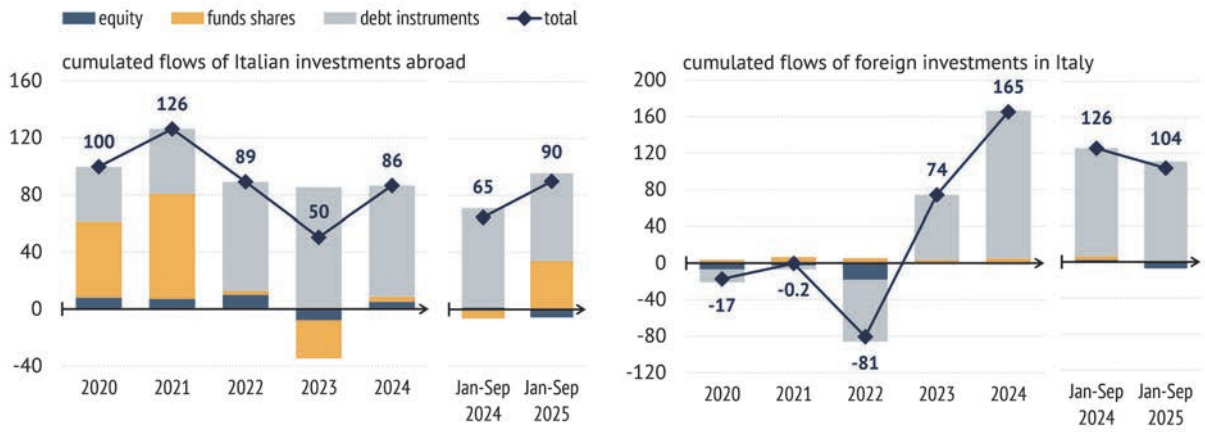
Source: calculations on Bank of Italy data. Nationality based on immediate counterparty. The category 'equity' includes the reinvestment of earnings. FDI positions below zero in the equity component could derive, among other reasons, by negative earnings in resident affiliate of a foreign company, while in the debt component a negative position could be linked, among other things, to circumstances in which the resident parent company is financing non-resident group entities.

Together with trends in FDI, representing cross-border investments where the foreign investor gains a lasting interest over a domestic company, it is also interesting to see trends related to foreign portfolio investment (FPI), representing cross-border investments in market-based financial instruments.

With specific reference to Italian FPI, in the first nine months of 2025 most inflows were related to debt instruments, while foreign investments in Italian equity instruments slightly declined (Fig. I.5).

Fig. I.5 – Italian portfolio investment outflows and inflows

(monthly data; billions of euros)



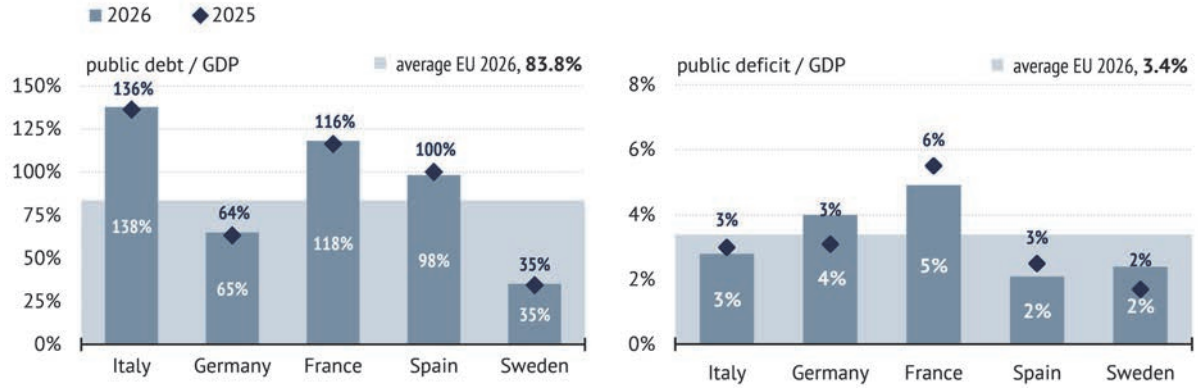
Source: calculations on Bank of Italy data.

A further source of uncertainty for the markets stems from the evolution of fiscal policies. Geopolitical tensions have prompted several economies to announce or expand multi-year plans to raise defence spending, a particularly challenging objective for countries with already-strained public finances.

In the EU, the general government debt-to-GDP ratio is forecast to slightly rise on average in 2025 (after the post-pandemic decline), although remaining below the pandemic peak. Several Member States maintain debt ratios well above the EU average. France is a particular concern, with the European Commission's forecasts indicating a deficit significantly higher than the European average (Fig. I.6). Outside the EU, the IMF (October 2025 Fiscal Monitor) indicate that the largest advanced-economy fiscal imbalances include the United States, where the overall deficit is projected at about 7.9% of GDP in 2026 and gross public debt at 128.7% of GDP and Japan (where the debt-to-GDP and deficit-to-GDP ratios are 226.8% and 2%, respectively). Among the major emerging economies, China is showing rather negative dynamics, with a debt-to-GDP ratio that is expected to reach 102% in 2026 and a deficit exceeding 8% (compared to, respectively, 70% and 6% on average in the last decade).

Fig. I.6 – Public debt and deficit to GDP ratio in selected EU countries

(annual data)



Source: European Commission Economic Forecasts Autumn 2025.

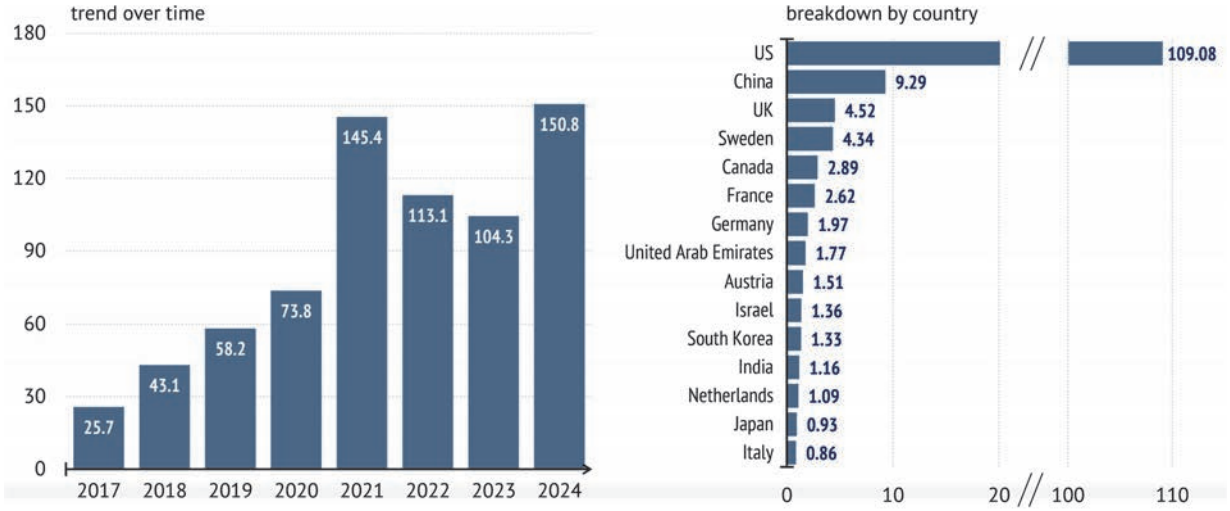
2. TRENDS DRIVEN BY TECHNOLOGICAL INNOVATION

The financial system is undergoing profound changes driven by technological innovation. Recent surveys indicate that in 2025 the proportion of companies utilising AI in at least one business function has increased to 88%, up from the 78% recorded in 2024 (McKinsey & Company, The State of AI: Global Survey 2025). Adoption of generative artificial intelligence (genAI) systems increased fivefold in the major advanced economies between 2023 and 2025, with the proportion of organisations reporting the implementation of genAI systems rising from 6% to 30%. In Italy, according to latest available estimates, AI market recorded significant growth, increasing by 58% in 2024 compared to the previous year and reaching approximately €1.2 billion.

In terms of AI private investments, the USA is the leader country, with $109 billion invested in 2024. This is 11.7 times the amount invested in China ($9.3 billion) and 24.1 times the amount invested in the UK ($4.5 billion). Italy ranks fifteenth among the top countries investing in the sector in 2024 (Fig. I.7).

Fig. I.7 – Global private investments in AI start-ups

(annual data)

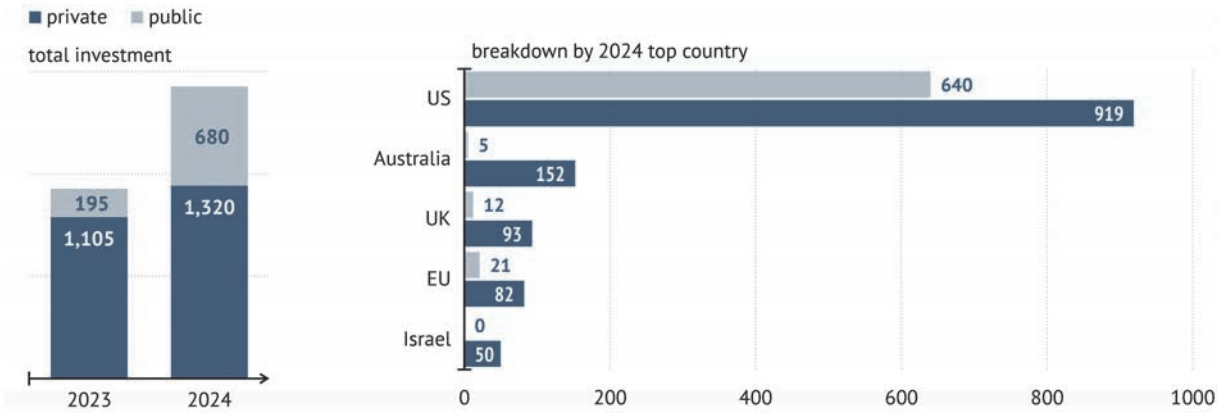


Source: Stanford Institute for Human-Centered AI (HAI), The 2025 AI Index Report.

Another innovative general-purpose technology with the potential to significantly impact future development is quantum computing. Quantum technologies are expected to become a strategic driver of competitiveness and innovation in the financial system as they represent a fundamental shift in analytical and simulation capabilities. Indeed, these technologies are poised to enable the examination of problems that currently lie far beyond the capacity of even the most advanced supercomputers. Analysts report that investments in start-ups operating in this sector rose by 54% in 2024, reaching $2 billion (Fig. I.8).

Fig. I.8 – Global investments in start-ups operating in the quantum computing sector

(annual data; amounts in millions of US dollars)

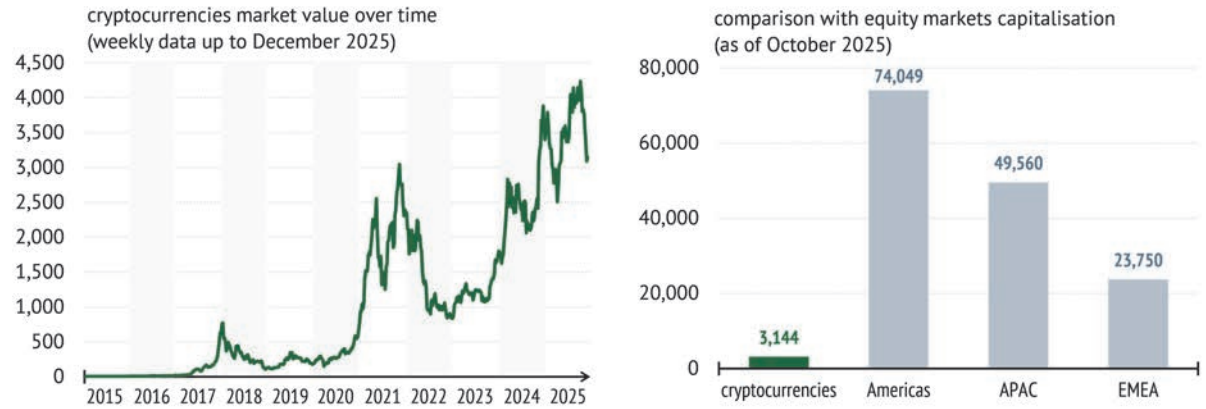


Source: McKinsey Digital, Quantum Technology Monitor, June 2025.
https://www.mckinsey.com/~/media/mckinsey/business%20functions/mckinsey%20digital/our%20insights/the%20year%20of%20quantum%20from%20concept%20to%20reality%20in%202025/quantum-monitor-2025.pdf

2025 was marked by pronounced instability in the cryptocurrency sector. Early in the year, the introduction of a new US regulatory framework – the GENIUS Act – helped sustain market valuations, buoyed by expectations of continued industry expansion and by renewed debate on the role of crypto-assets, particularly stablecoins, within the global monetary and financial landscape (Fig. I.9).

Fig. I.9 – Market value of main cryptocurrencies and equity markets capitalisation

(amounts in billions of US dollars)

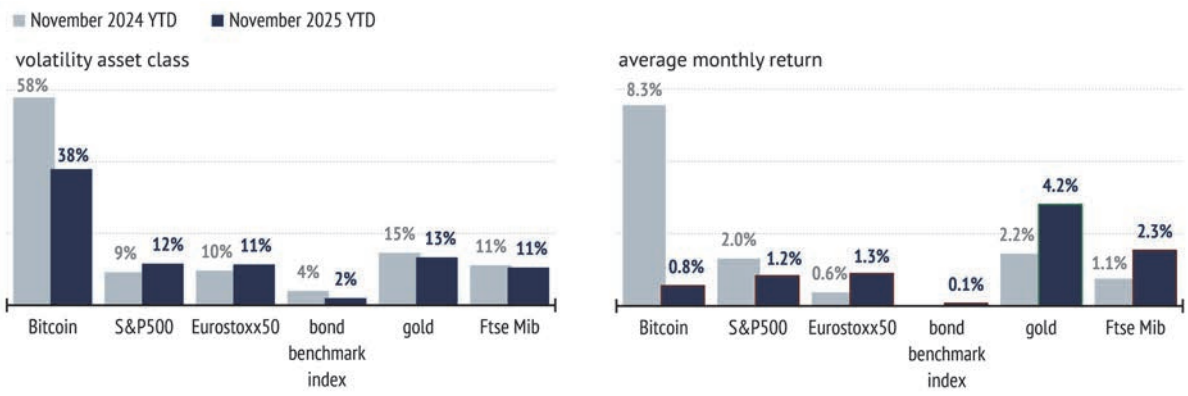


Source: calculations on Coingecko, Statista and World Federation of Exchanges (WFE) data.

The year also saw a sharp rise in Bitcoin prices, which reached a new high in early October of $126.000.

In only two months, Bitcoin's market value declined by more than 50% reaching $90.000 at the end of November ($89.000 as of 22 January 2026). This correction was attributed to a combination of unfavourable macroeconomic conditions and was amplified by the inherent volatility of the asset class. Indeed, Bitcoin has continued to exhibit significantly higher price fluctuations than traditional asset classes (Fig. I.10).

Fig. I.10 – Volatility and returns of Bitcoin compared to traditional assets



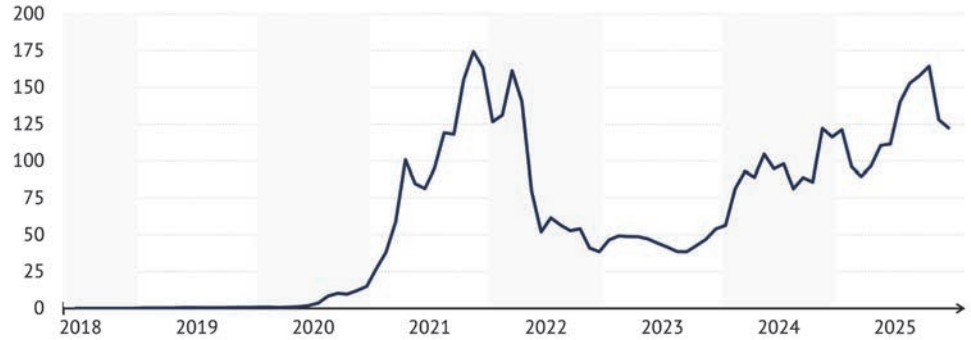
Source: calculations on Coingecko and FactSet data. Volatility refers to the annualised standard deviation computed on monthly returns.

The high inherent volatility of this type of asset also causes intense contagion phenomena in the cryptocurrency markets. During the October 2025 flash crash, for example, when the price of Bitcoin fell by over 14% in a single day, other altcoins saw even steeper declines. Market analysts have emphasised that these dynamics triggered margin calls and the automatic liquidation of long positions.

The decentralised finance (DeFi) sector followed a similar boom–bust cycle. Total value locked (TVL) peaked in October at $164 billion before falling back to around $122 billion in December (Fig. I.11).

Fig. I.11 – Total value locked in DeFi protocols

(monthly data up to December 2025; amounts in billions of US dollars)



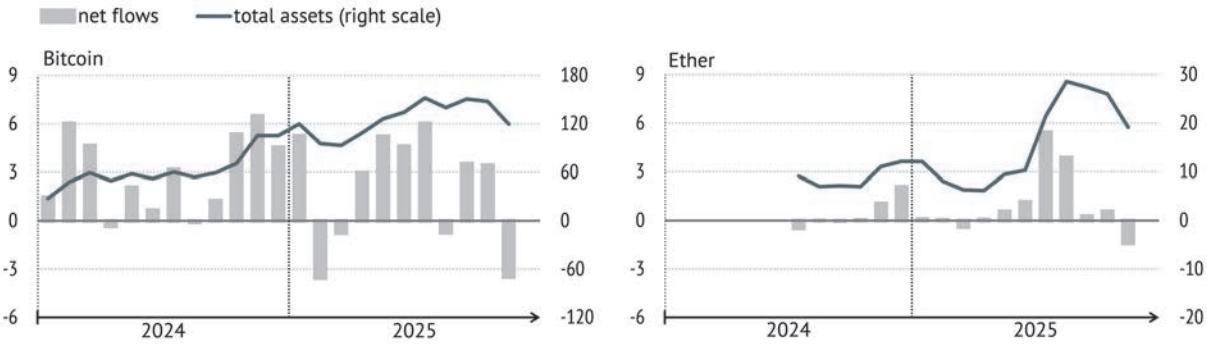
Source: calculations on Statista and DefilLama data.

Focusing on Italy, data from OAM (the body responsible for managing the Italian register of virtual currency operators) show that in the second quarter of 2025 the number of cryptocurrency holders stood at 1.4 million, down from 1.6 million in the fourth quarter of 2024. The value of the cryptocurrencies held also declined, falling from €2.6 billion at the end of 2024 to just under €2 billion by mid-2025. Regarding the classification of cryptocurrency holders by age group, the 18-29 age group represents the largest share at 35%, followed by individuals aged 30-39 (29%). The percentage decreases as the age bracket rises, reaching 1% among those over seventy. However, the amount held is primarily concentrated in the 40-60 age group (about 53% of the total), while those aged 18-40 hold 35%, and the remaining 12% is held by individuals over 60.

The structural vulnerability of the crypto sector is evident when considering the dynamics experienced by financial instruments associated with major cryptocurrencies Bitcoin and Ether. Indeed, in 2025, US Bitcoin ETFs experienced inflows that exceeded $22 billion. In November alone, however, outflows reached $3.5 billion, resulting in a decline of approximately 20% in total assets within a single month. A similar dynamic was observed for the US Ether ETFs (Fig. I.12).

Fig. I.12 – Net flows and total assets of spot ETFs on Bitcoin and Ether

(monthly data up to November 2025; amounts in billions of US dollars)

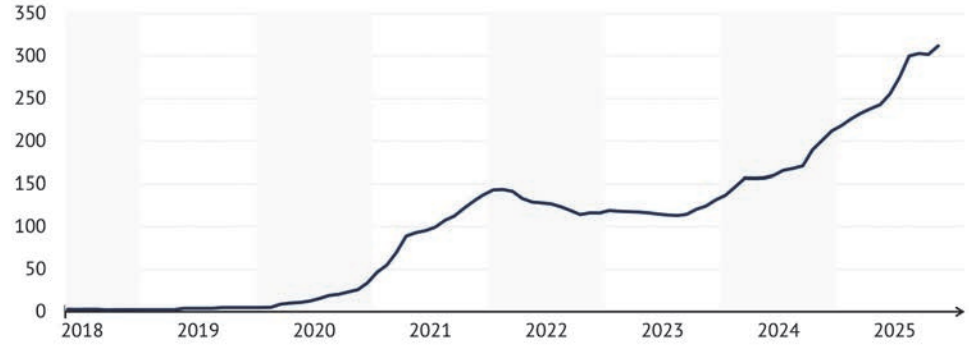


Source: SoSoValue.com, data available at https://sosovalue.com/ accessed on 10 December 2025.

In 2025, with stablecoins reaching a record high, these cryptocurrencies (which claim to maintain a stable value relative to a specified asset or basket of assets) became a central focus for policymakers worldwide. A softening of regulatory approach emerged in several major jurisdictions, such as the US and the UK. US crypto policies even aim to reinforce the dollar's global role by encouraging the development and adoption of USD-denominated stablecoins internationally. These developments supported an increase in stablecoin valuations with their market value surpassing $300 billion by October 2025 ($312 billion as of 22 January 2026), representing almost 10% of the total cryptocurrency market value (Fig. I.13).

Fig. I.13 – Aggregated market value of main stablecoins

(monthly data up to November 2025; amounts in billions of US dollars)



Source: calculations on Statista and Coingecko data.

The integration of stablecoins with payment and financial services is still limited as they are mainly used as a simple exchange instrument within the crypto ecosystem. However, given their growing relevance, it is important to continue monitoring risks associated with their deeper integration into the payments system and, more broadly, into the traditional financial sector. As a matter of fact, the amount of US public debt instruments held by the two largest stablecoins in their reserves was $170 billion.

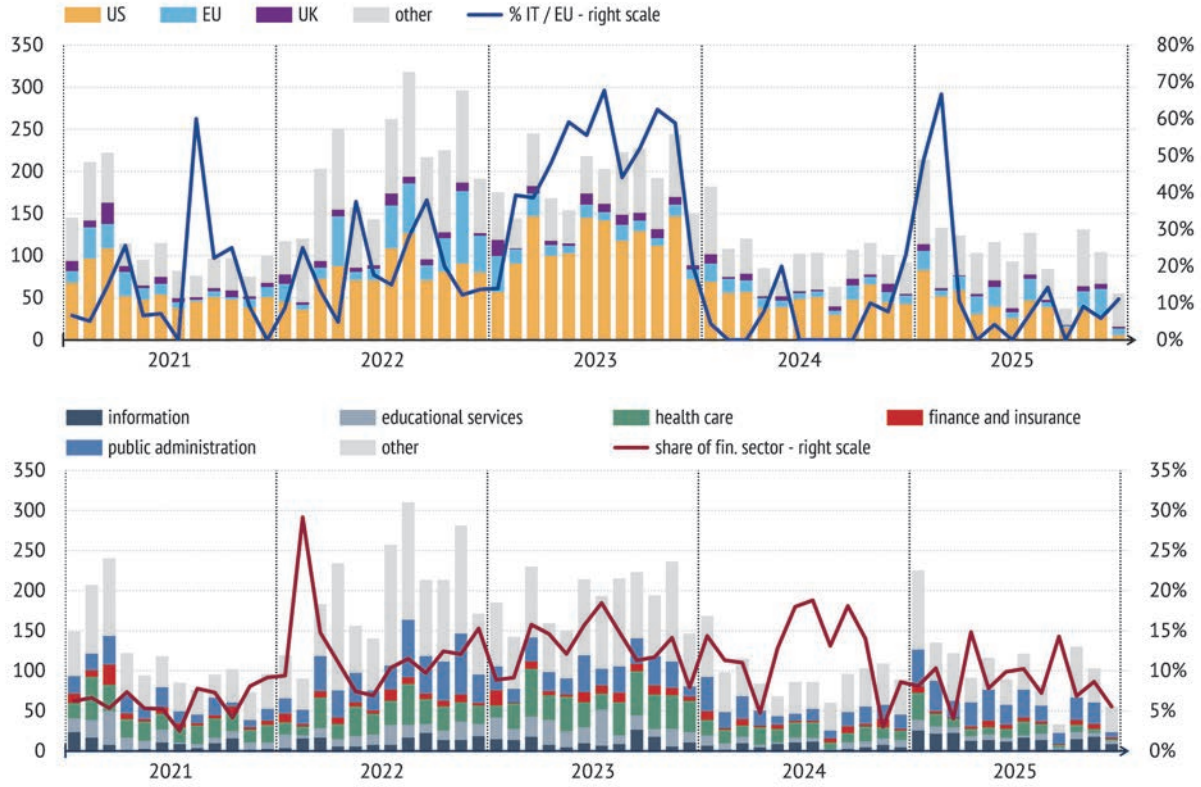
In the ranking of countries holding US public debt securities, the two largest stablecoins would place seventeenth, ahead of many large European countries such as Germany, Italy, Spain and the Netherlands. This could reflect the US intention to strengthen the dollar's global dominance by promoting the development and adoption of USD-denominated stablecoins worldwide. However, this trend introduces new vulnerabilities, stemming from the potential shortening of the average maturity of US government securities.

In this context, new technologies, coupled with the advantages they offer in terms of efficiency and productivity, gives rise to potential risks pertaining to the cyber-security of public and private infrastructure. According to data from the University of Maryland, the number of cyberattacks worldwide declined in 2024 and 2025 to around 100 per month, down from more than 200 per month in 2022 and 2023. Italy, after a period of relative calm, recorded the highest percentage share of cyberattacks in Europe in February 2025 (70%).

In terms of sectors, public administration and information sector were the most targeted by cyberattacks in 2025, while the financial sector was relatively less affected compared with others.

Fig. I.14 – Number of cyber-attacks worldwide by country

(monthly data up to December 2025)



Source: calculations on University of Maryland data, CISSM, Harry, C., & Gallagher, N. (2018). Classifying cyber events. Journal of Information Warfare, 17(3), 17-31; https://cissm.umd.edu/research-impact/publications/cyber-events-database-home (accessed on 21 January 2026).

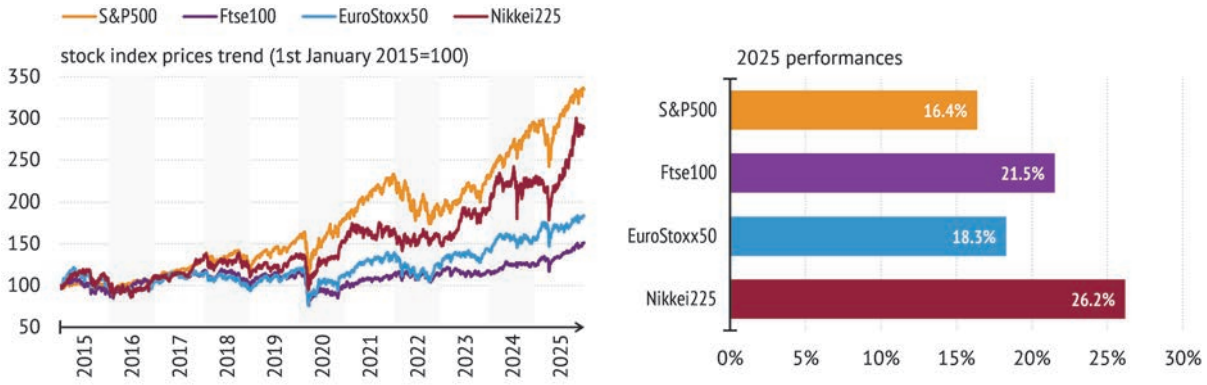
Financial markets performances

1. EQUITY MARKETS

In 2025 the financial markets delivered broadly positive price performances, achieving new record highs despite global geopolitical tensions. Two events – the tariffs announcement in early April and the US shutdown in October – resulted in spikes in volatility and temporary declines in index prices, without however altering the overall positive tone for the entire year. In the advanced countries, equity indices recorded double digit growth, with S&P500 increasing by 16.4% and Japan Nikkei225 gaining 26.2%. In Europe, the Ftse100 and the EuroStoxx50 increased by 21.5% and 18.3%, respectively. All these indices reached all-time highs during the 2025 period (Fig. II.1).

Fig. II.1 – Stock markets performances in the advanced countries

(daily data up to 31 December 2025)



Source: calculations on FactSet data.

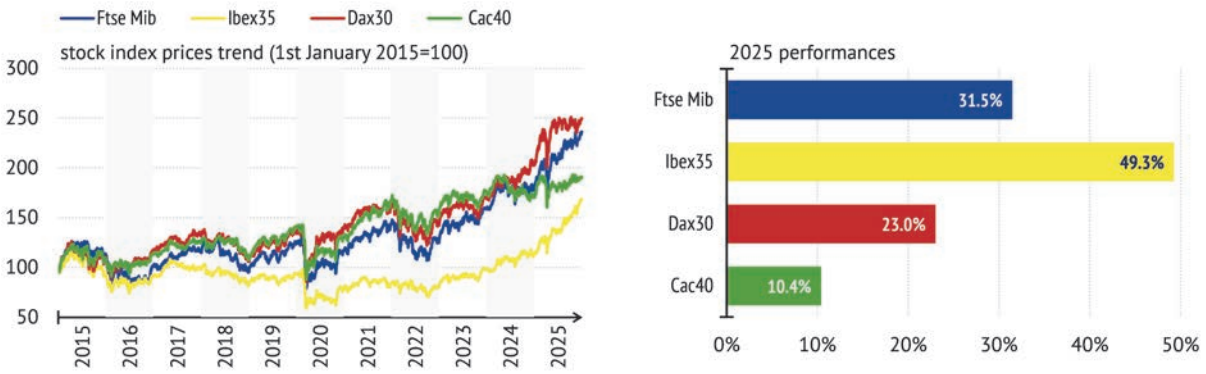
In the US, the technology sector was the main driver of growth in the stock market, as demonstrated by the difference in performance between the S&P500, characterised by a diversified sector mix, and the Nasdaq index, tilted heavily towards technology companies (Box 1).

In Asia, the two largest economies, China and India, also recorded positive performance in their equity markets, albeit with contrasting dynamics. The China's SSE Composite Index rose by 18.4%, while the India S&P BSE Sensex recorded a more limited gain of 9.1%. The latter, however, has demonstrated a notable growth trajectory in recent years, with an approximate 226% increase since 2015. In the same period, China – a unique case among the major global economies – has seen its indices remain largely stable, with the SSE Composite Index increasing by only 12%. In 2025, major EU countries exhibited more robust market dynamics compared with other advanced economies. The Ibex35 recorded the largest gain at 49.3%, followed by the Ftse Mib and Dax30 with increases of 31.5% and 23%, respectively. In contrast, the Cac40 posted a modest rise of 10.4%, primarily due to uncertainty surrounding political developments

in France. It is worth noting that all European indices except the Ftse Mib reached new highs, with the latter remaining approximately 11% below its 2000 historical peak (Fig. II.2).

Fig. II.2 – Stock markets performances in the main European countries

(daily data up to 31 December 2025)

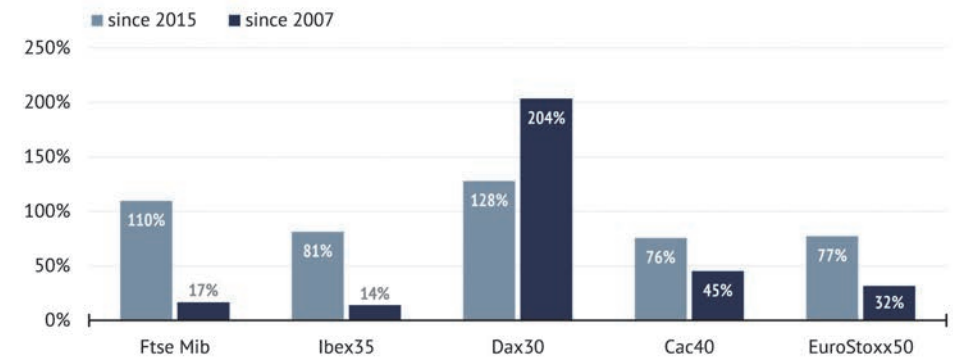


Source: calculations on FactSet data.

Since 2015, Ftse Mib has gained approximately 110%, compared with 128% for Germany's Dax30, 76% for France's Cac40, 81% for Spain's Ibex35, and 76% for the EuroStoxx50. Considering the longer period, since 2007 the Ftse Mib advanced by approximately 17%, the Spanish market by 14%, while the German market surged by 204%, the French market by 45%, and the EuroStoxx50 by 32%.

Among the other major European financial hubs, in 2025 the Sweden's OMX Stockholm 30 rose by 16.1%, while the Switzerland's SMI and the Netherlands' AEX gained 14.4% and 8.3%, respectively (Fig. II.3).

Fig. II.3 – Main European countries performance comparison

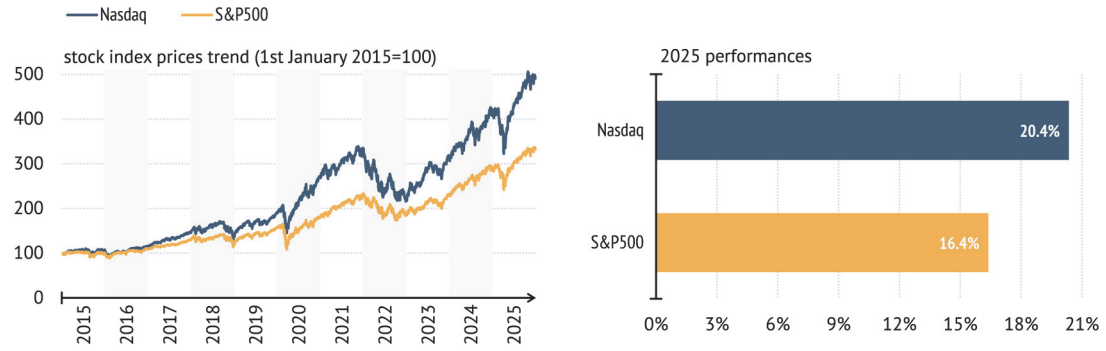


Source: calculations on FactSet data.

1 Stock markets performance of the United States technology sector

The technology sector, and in particular expectations regarding the development of artificial intelligence, was the primary catalyst for growth in equity markets, particularly in the US, where the Nasdaq Composite Index (Nasdaq) outperformed the S&P500 (20.4% vs. 16.4%), thereby consolidating the long-term trend.

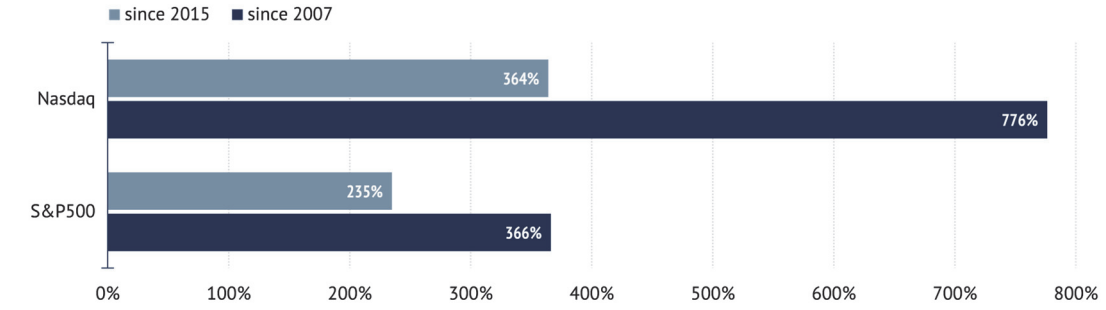
Comparison of stock market performance of S&P500 and Nasdaq
(daily data up to 31 December 2025)



Source: calculations on FactSet data.

Since 2015, the Nasdaq has outpaced the S&P500 by approximately 130% (by 410% since 2007).

Long term performance of S&P500 and Nasdaq



Source: calculations on FactSet data.

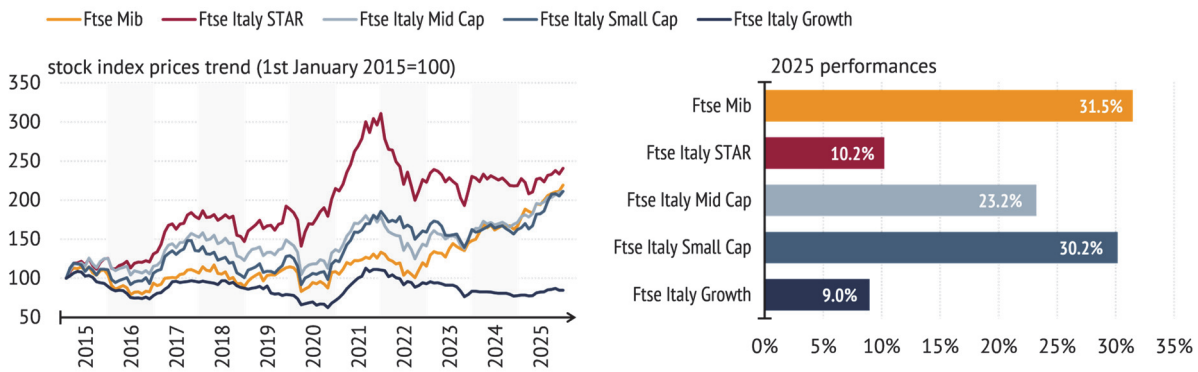
Focusing on the Italian stock market, similarly to Ftse Mib, the indices representing smaller-cap companies also exhibited a notable increase: the Ftse Italy Mid Cap index increased by 23.2%, while the Ftse Italy Small Cap index increased by 30.2%. Despite this positive backdrop, the Ftse Italy STAR (index of medium-sized Italian companies distinguished by high transparency and liquidity as well as strong governance) just registered a modest increase of

10.2%, thus remaining below the maximum reached at the beginning of 2022. From 2015 to the end of 2025, the STAR index demonstrated a performance of 92% (Fig. II.4).

Despite recording a 9% gain in 2025 – one of its best annual results ever – the Ftse Italy Growth index has shown a downward trend since 2015. The index, which tracks the performances of companies traded on the Euronext Growth Milan (EGM) market, has demonstrated a trend not aligned with other Italian benchmarks, particularly in the last three years.

Fig. II.4 – Stock market performance in Italy

(monthly data up to December 2025)



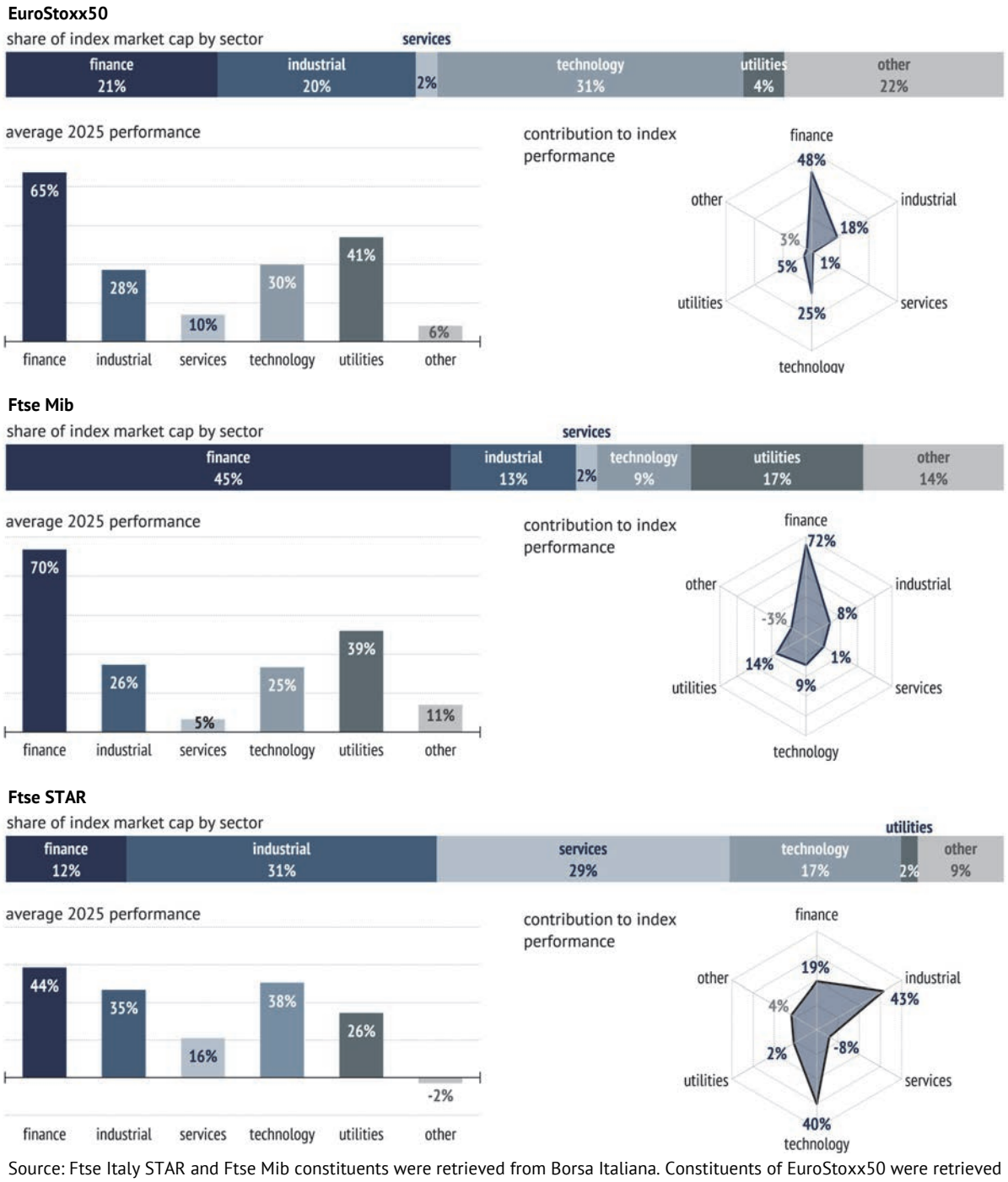
Source: calculations on FactSet and Bloomberg data.

A more in-depth analysis of the Italian and European reference indices Ftse Mib and EuroStoxx50 can provide additional insights. Indeed, when the index constituents are grouped by sector, financial companies stand out with the highest average price performance (70% in Italy and 65% in Europe), followed by utilities (39% in Italy and 41% in Europe). Companies operating within the technology sector demonstrate comparable positive performance in Italy (29%) and Europe (30%). However, the Ftse Mib and the EuroStoxx50 differ significantly in terms of sector composition. At the end of 2025, the capitalisation of companies operating in the financial sector accounted for 45% of the total in the Ftse Mib, compared with 21% in the EuroStoxx50. Meanwhile, those operating in the utility and technology sectors accounted, respectively, for 4% and 9% in Italy, compared with 17% and 31% in Europe (Fig. II.5).

Consequently, despite comparable average annual performance, companies operating in the financial sector contributed unevenly to index performance, driving almost 72% of the Ftse Mib's gain compared with 48% of the EuroStoxx50. Focusing on banks within the broader financial sector, they alone contributed approximately 67% to the Ftse Mib's performance and nearly 38% to the EuroStoxx50. Regarding the Ftse Italy STAR, the financial sector contributed for only 19% of its overall performance in 2025.

Fig. II.5 – Sector contribution to Ftse Mib and EuroStoxx50 performance in 2025

(daily data up to 31 December 2025)



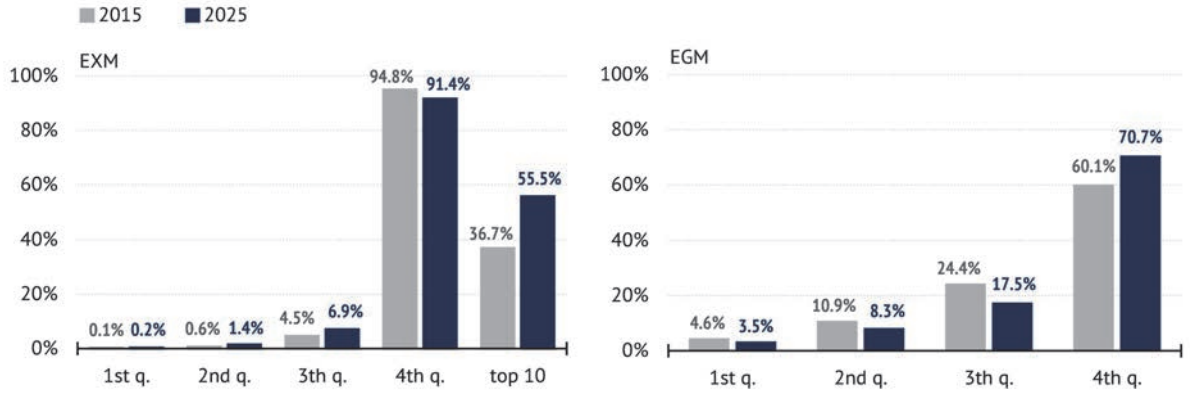
Source: Ftse Italy STAR and Ftse Mib constituents were retrieved from Borsa Italiana. Constituents of EuroStoxx50 were retrieved from FactSet. Sectoral average performance is computed as the simple average of performances of each constituent. The share of index market capitalisation is computed as the ratio between market capitalisation of each constituent and the total market capitalisation at the end of 2025. Sector contribution to the index performance was obtained by firstly calculating the weight of each constituent in the index (market capitalisation of constituent *i* over the total market capitalisation) and then multiplying the weight for the related performance of each constituent. The contribution of the sector is the sum of the contribution of the constituents belonging to the sector. Finally, the contribution of the sector to the overall index performance is obtained by the ratio of the contribution of the sector *i* to the sum of all contributions.

Italy's equity market is characterised by a high degree of concentration. In the regulated market (EXM), companies in the top market-capitalisation quartile account for 91.4% of total market value, while the remaining three quartiles collectively represent only 8.6%. Italy's growth market (EGM) exhibits a comparable concentration profile, with the top market-capitalisation quartile accounting for approximately 71% of the total market value (Fig. II.6).

Despite the decade-long comparison, evidence suggests that on EXM concentration at the top quartile level has eased somewhat since 2015. However, this masks a marked concentration among the largest names. Indeed, focusing on the top ten issuers reveals a pronounced shift towards the largest firms as their share of aggregate market capitalisation rose from 36.7% in 2015 to 55.5% in 2025. In summary, market value has become increasingly concentrated among a small group of very large firms, thereby reinforcing the market's reliance on a narrow set of leading stocks.

Fig. II.6 – Market concentration

(percentage of total market capitalisation)



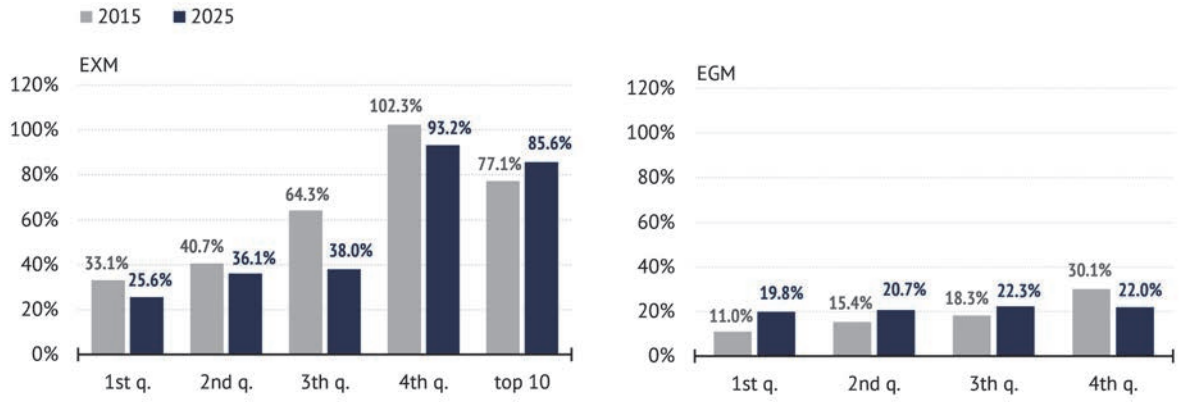
Source: calculations on FactSet and CONSOB data. The sample includes 199 companies listed on the EXM at the end of 2025 and 272 at the end of 2015; for the EGM, 205 companies at the end of 2025 and 73 at the end of 2015. The quartiles are calculated based on the distribution of the average market capitalisation of the companies included in the sample in the two years considered. Specifically, the 1st quartile includes the 25% of companies with the lowest average annual market capitalisation.

Market concentration is closely linked to liquidity conditions. Over the past decade, on EXM the annual turnover ratio (TR, measured as the value of shares traded over one year relative to average market capitalisation) declined from almost 100% in 2015 to 88% in 2025. On EGM, the decline was more modest in absolute terms but occurred from a lower base, with TR falling from 25% to 22% (Fig. II.7).

The quartile analysis indicates a clear skewness towards the largest issuers, with the top-quartile companies posting the highest average TR (93%), and the smallest firms exhibiting the lowest (26%). In contrast EGM, characterised by a lower liquidity, does not display the same monotonic relationship between size and turnover ratio. In fact, even larger companies do not demonstrate a significantly higher TR.

However, it is important to note that the results of the analysis of market liquidity should be interpreted considering a material change in the investable universe. Therefore, it is possible that the results for EXM could overestimate the deterioration in liquidity, while the reverse may be true for EGM.

Fig. II.7 – Turnover ratio

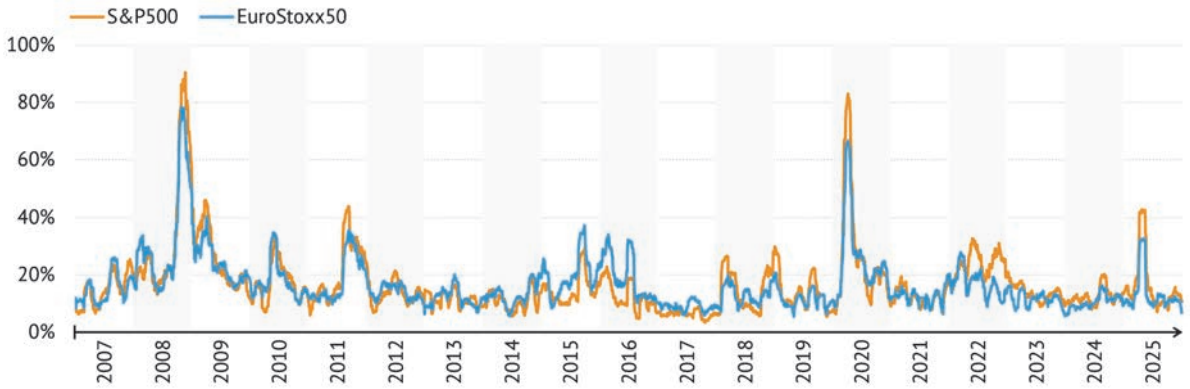


Source: calculations on FactSet data and CONSOB data. For details about the sample see not to Fig. II.7.

Regarding market volatility, despite the turbulence experienced in April and October, levels in 2025 remained well below those observed during previous crises. The tariffs announced by the Trump administration have indeed caused a spike in market volatility in major advanced economies and Eurozone countries. This increase was higher than that recorded at the beginning of the Russia-Ukraine conflict, but lower than that related to the spread of the financial crisis in 2007-2008 and the impact of the pandemic in 2020-2021 (Fig. II.8).

Fig. II.8 – Volatility comparison in United States and Europe

(daily data up to 31 December 2025)



Source: FactSet. Figures refer to historical volatility on options on futures.

Regarding the Italian market, the Ftse Mib continued to exhibit a slightly higher volatility in comparison with the broader euro area, albeit on a downward path (Fig. II.9).

Fig. II.9 – Equity markets volatility in Italy compared to the euro area

(daily data up to 31 December 2025)

Source: calculations on FactSet data. Figure shows the differences between EuroStoxx50 and Ftse Mib historical volatilities are represented (0%=no difference).

The analysis of equity risk premium (ERP) provides further insights into prevailing markets trends. The indicator measures the extra return that investors expect from stocks compared to a risk-free investment, as compensation for taking on higher risk. According to empirical evidence, ERP and prices tend to move in opposite directions. Since 2020, the US and Europe have exhibited a clear and persistent downward trend in ERP, falling well below historical averages. However in Italy, ERP revealed a less pronounced declining trend together with structural higher levels (approximately 6.6% on average compared to 5.4% in the US and 4.3% in the EU). At the time series' peak, ERP stood at 9.5% in Italy (2.9 percentage points below its 10-year average), compared to 9.1% in the United States (3.7 points below) and 7.2% in the Eurozone (2.9 points below; Fig. II.10).

Fig. II.10 – Equity Risk Premium (ERP) in United States, euro area and Italy

(monthly data up to November 2025)

Source: calculations on FactSet data. Equity Risk Premium (ERP) is estimated using Damodaran methodology that is based on the dividend discount model by incorporating dividends, buy-backs and free cash flows in the analysis. FactSet market indices were used for the calculation.

An analysis of the price-to-earnings (P/E) ratio reveals that, since 2022, the US P/E ratio has consistently been higher than those of Italy and the Eurozone. Furthermore, 2025 values exceed the 75th percentile, indicating higher valuations in comparison to the historical dynamics. In Italy, the PE is rising during 2025 but still below historical peaks (Fig. II.11).

Fig. II.11 – Price-to-earnings (P/E) ratio in United States, euro area and Italy

(daily data up to 31 December 2025)

Source: calculations on FactSet and Bloomberg data. P/E are based on last twelve months and referred to the S&P500 for the US, the EuroStoxx50 for Europe and the Ftse Mib for Italy.

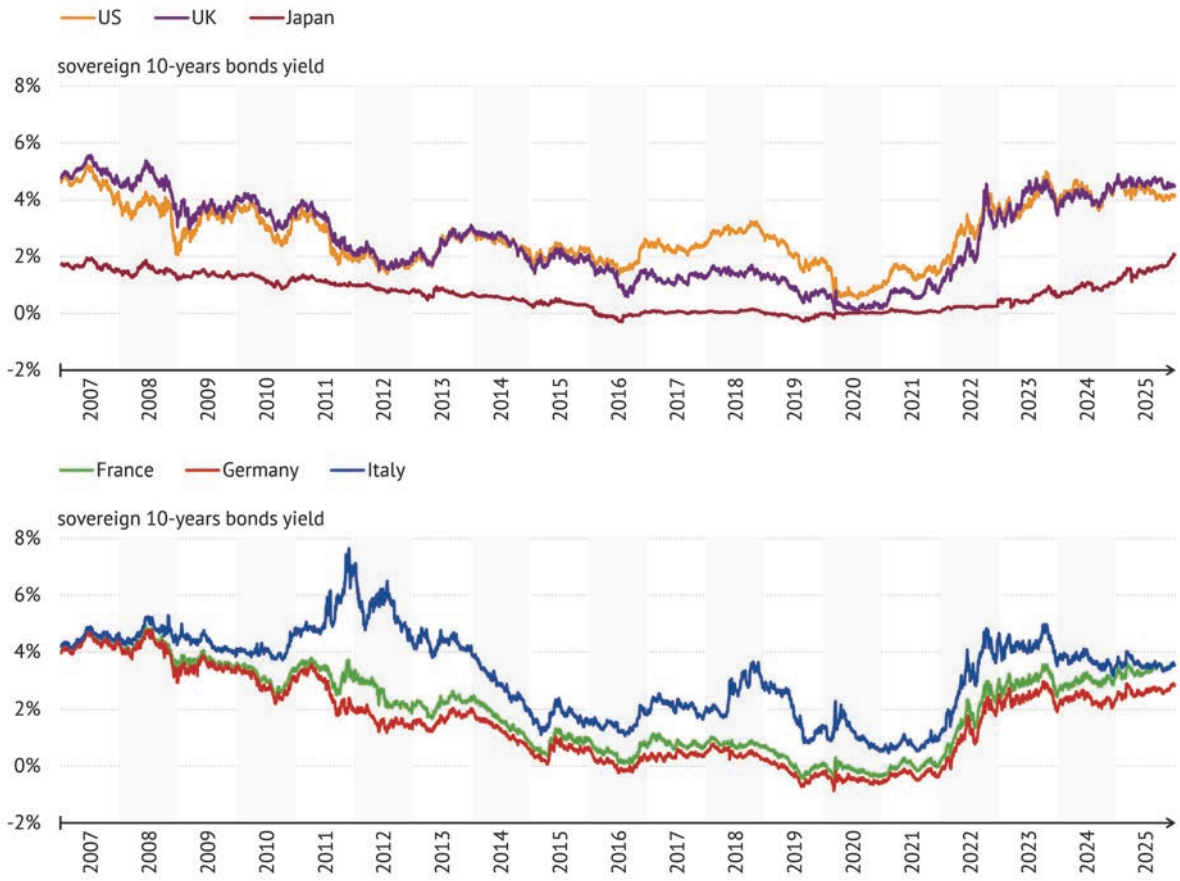
Assessing long-term trends in S&P500 valuations requires accounting for shifts in sector composition. Over the past decade, the weight of the information technology sector in the S&P500 has roughly doubled, from about 17% in 2015 to approximately 35% in 2025 as tech companies have outpaced other sectors in market cap growth. This structural shift amplifies the influence of sectors with above-average P/E ratios, meaning current headline P/Es partly reflect composition changes rather than broad-based overvaluation. Direct comparisons with levels from ten years ago are therefore of limited analytical relevance.

2. BOND MARKETS

Focusing on government bonds, the 10-year yield across selected advanced countries has remained broadly aligned with levels observed prior to the most recent policy rate cuts by the US, UK, and euro area central banks. This is due to the lower sensitivity of long-term maturities to short-term monetary policy actions. These maturities are more strongly driven by persistent inflation expectations and ongoing geopolitical risks, which continue to exert upward pressure on yields. Japan, on the other hand, did not cut rates but instead raised them in 2024, a shift clearly reflected in the yield dynamics (Fig. II.12).

Fig. II.12 – Sovereign bond yields international comparison

(daily data up to 31 December 2025)

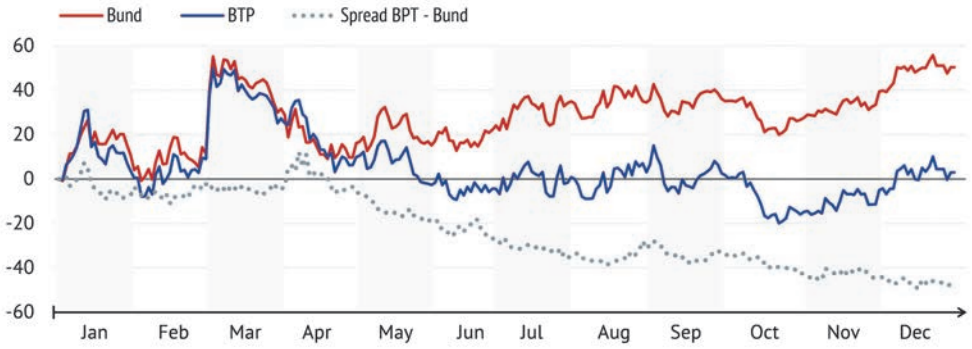


Source: calculations on FactSet data.

By the end of 2025, the 10-year BTP–Bund spread had narrowed to 65 basis points (bps). Over the course of year, the spread decreased by 47 basis points, primarily due to a increase in the Bund yield (50 bps), while the BTP yield remained almost stable. For comparison, over the same period the spread between the 10-year French government bond (OAT) and the Bund narrowed by only 13 bps, as the OAT yield increased by 37 bps, less than the 50 bps rise in the Bund yield (Fig. II.13).

Fig. II.13 – Spread BTP–Bund in 2025

(basis points; 1st January 2025=0)



Source: calculations on FactSet data.

The favourable developments concerning the narrowing of the Italian sovereign bonds spread are also confirmed by the trends in correlation between equities and sovereign bond prices. Since 2010 a positive correlation has been observed, particularly during the period of turbulence affecting the secondary markets for public debt instruments in the wake of the European sovereign debt crisis. However, the correlation has been showing a downward trend since 2019, and it appears to be increasingly aligned with the correlation observed in the euro area (Box 2).

In the corporate bond secondary market, following the restrictive monetary policy introduced in August 2022, yields peaked in 2023 and subsequently began a gradual decline with policy easing. However, yields continue to exceed pre-tightening levels. This persistence can be attributable to credit risk, geopolitical risk and lingering inflation uncertainty (Fig. II.14).

2 Correlation between equities and government bonds

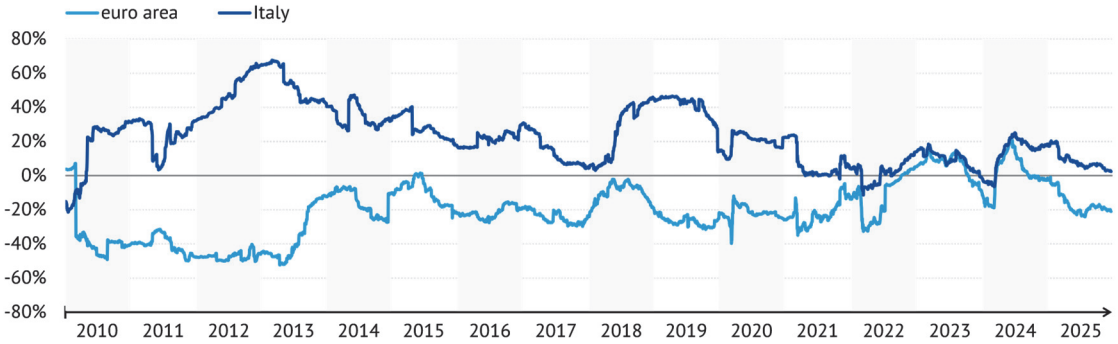
A negative correlation between equity and government bond prices plays a key role in mitigating portfolio risk, as it allows for effective diversification within a long-term investment strategy. However, it is important to note that the behaviour of this correlation is not stable over time and is heavily influenced by the macroeconomic regime and on investors' perceptions of sovereign risk.

It is well established that periods of countercyclical inflation (when inflation and output move in opposite directions) are usually associated with a positive correlation between equity and bond prices. In the presence of supply shocks, real output and inflation tend to move in opposite directions. Equity valuations worsen due to a decline in dividends and an increase in the discount rate (defined as the sum of inflation and real growth). At the same time, government bond prices tend to move in the same direction as coupon payments remain fixed, while higher inflation raises the discount rate, leading to lower bond prices. In contrast, inflation is likely to be pro-cyclical when it is low or negative and propelled by demand rather than supply shocks. In procyclical inflation regimes, stronger real growth tends to support equity prices, while bond prices decline as discount rates rise, generating a negative correlation between the two asset classes.

Empirical evidence based on rolling correlations confirms these mechanisms in absence of credit risk. German government bonds, which are often used as a benchmark for the euro area safe asset, exhibited a strongly negative correlation with EuroStoxx50 returns until the post-Covid inflation shock. More recently, the correlation has turned negative again, consistent with easing inflation expectations.

For Italy, the correlation remained consistently positive over the same period, indicating that Italian government bonds were not perceived as safe assets to the same extent. This was particularly evident during periods of market stress, when correlation divergence compared to euro area was highest. However, recent developments point to a gradual shift in investor perceptions. Despite the differences that still exist, Italian government bonds are increasingly aligned with core Eurozone assets in terms of sovereign risk. This suggests a partial redefinition of their role within diversified investment portfolios.

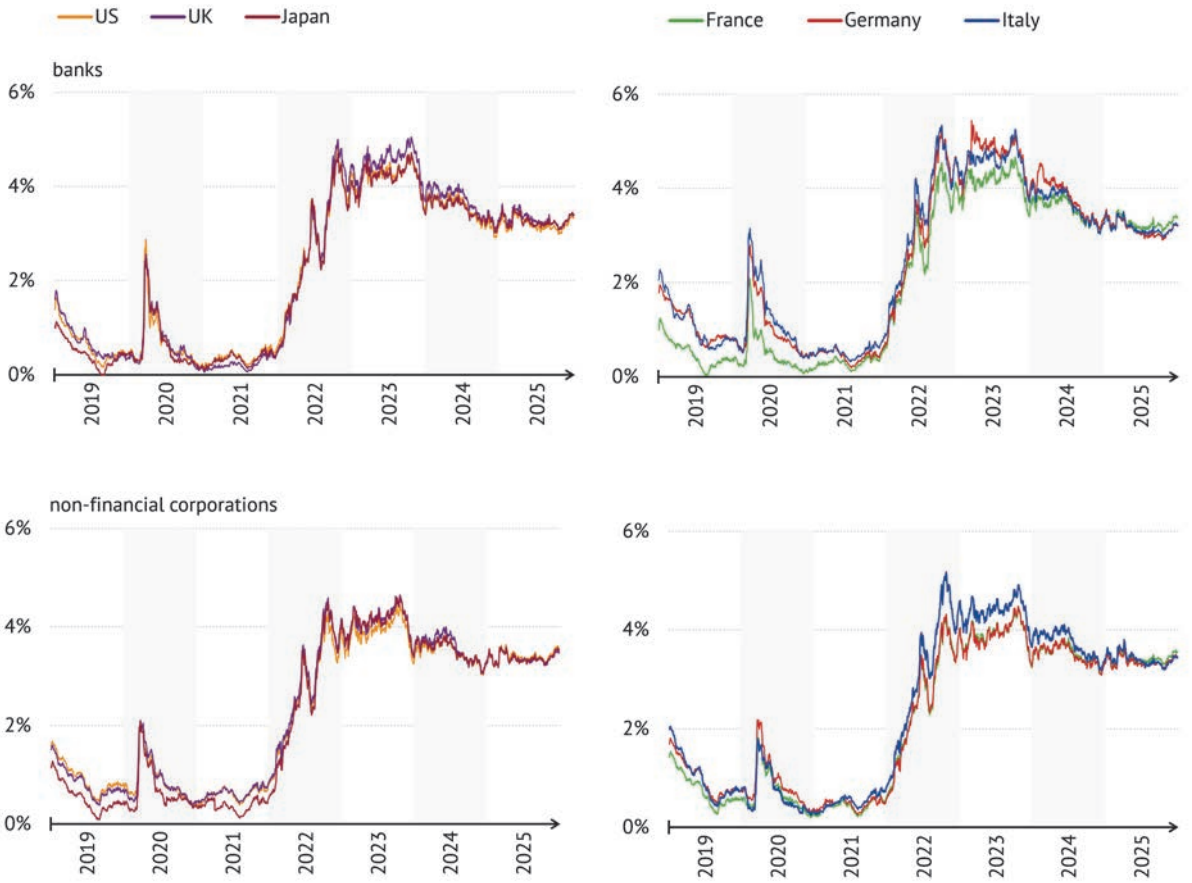
Correlation between stock and government bond indices
(daily data up to 31 December 2025; 12-month rolling correlation)



Source: calculations on FactSet data. The stock-bond correlation is computed based on a twelve-month moving window on stock and bond price returns at a daily frequency. For the euro area, the 10-year German government bond price is used to capture bond returns; the EuroStoxx50 index is used for equity returns. For Italy, the 10-year Italy government bond price is used to capture bond returns; the Ftse Mib index is used for equity returns.

Fig. II.14 – Banks and NFCs investment grade bond yields

(daily data up to 31 December 2025)

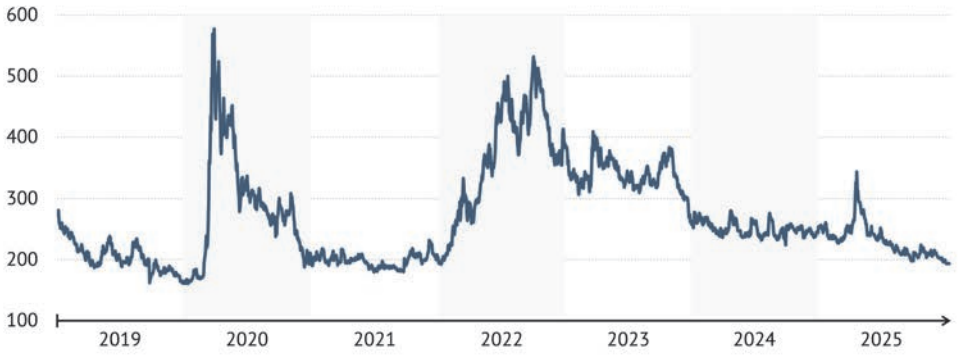


Source: calculations on FactSet data. Figures refer to Markit iBoxx Indices, designed to reflect the average performance of investment grade instruments over different maturities.

However, credit risk perception has declined over the past two years. This is evident from the spread between European corporate credit default swaps (CDS) premiums for investment-grade and sub-investment-grade issuers. Investment-grade CDS reflect stronger credit quality, while sub-investment-grade CDS are used to cover riskier borrowers who are more sensitive to changes in market conditions. The evolution of CDS spreads over time highlights alternating phases of stress and normalisation. Following a relatively stable period in 2019, spreads widened sharply in early 2020, reflecting the market shock triggered by the COVID-19 crisis. This spike was followed by a gradual compression throughout 2020 and 2021 as financial conditions improved. A second, more sustained widening emerged in 2022, in line with heightened macroeconomic uncertainty, tighter financial conditions, and increased recession risks. From the end of 2023, CDS spreads resumed a renewed downward trend (Fig. II.15).

Fig. II.15 – European CDS spread: investment grade vs sub-investment grade

(daily data up to 31 December 2025)



Source: calculations on FactSet data. The spread is calculated as the difference between the Markit iTraxx Europe index and the Markit Europe iTraxx Crossover index.

A further consideration for corporate bonds is the scale of AI-related funding needs. As investment requirements increasingly outstrip internally generated cash flows, financing risk is no longer confined to equity markets and is beginning to spill into fixed income. In 2025, large global cloud infrastructure providers – commonly referred to as hyperscalers – significantly expanded their reliance on bond markets, issuing approximately $120 billion in new debt (Bank of America). This surge, driven by unprecedented AI-related capital expenditure, contributed to a broad widening of investment grade credit spreads across the segment and to a potential increase in volatility across corporate bond markets.

Capital markets development

1. STRUCTURAL FEATURES

Economic growth in Italy has remained persistently weak for more than two decades. This condition, partly shared by other major European economies, is largely attributable to sluggish productivity growth, itself reflecting a prolonged period of insufficient investment in high-potential innovative sectors.

Supporting innovation and revitalising productivity now require the mobilisation of substantial financial resources to sustain the most advanced and dynamic economic activities. However, this objective is constrained by several structural characteristics of the Italian economy.

First, Italy's high level of public debt significantly limits the scope for fostering economic growth through public investment (see Section I). Second, the Italian financial system has traditionally relied on bank-based financing, with the result that non-financial corporations (NFCs) make relatively limited use of capital market instruments.

Indeed, in this respect, Italy differs from other major European countries. As of June 2025, regarding NFCs, the market funding ratio (computed as the ratio between bonds and listed shares issued NFCs and the sum of bonds, listed shares and bank debts of NFCs) amounted to 34%. Such a level, although up from 28% a decade earlier, remains below the EU average and major peers' values. In attrition, it is significantly lower than those recorded in more developed financial systems (i.e. in the US and UK figures are 74% and 57%, respectively). Considering total liabilities, loans accounted for 26% in the euro area and 21% in Italy, while market-based instruments – listed shares and debt securities – made up 18% in the euro area and 13% in Italy. In the United States, these figures stood at 10% and 45%, respectively (Fig. III.1).

Fig. III.1 – Market funding ratio and liabilities composition of NFCs in selected advanced countries

(end-of-period data)

Source: calculations on Eurostat and Bank for International Settlements accessed on 11 December 2025. The market funding ratio is computed as the ratio between bonds and listed shares issued NFCs and the sum of bonds, listed shares and bank debts of NFCs at current prices.

Among major European economies, only Sweden and the UK display a higher reliance on capital market instruments than on bank loans. Italian firms also exhibit a relatively strong dependence on trade credit, which represented 13% of total liabilities as of June 2025, compared with an average of 8% in Europe and just 4% in the United States.

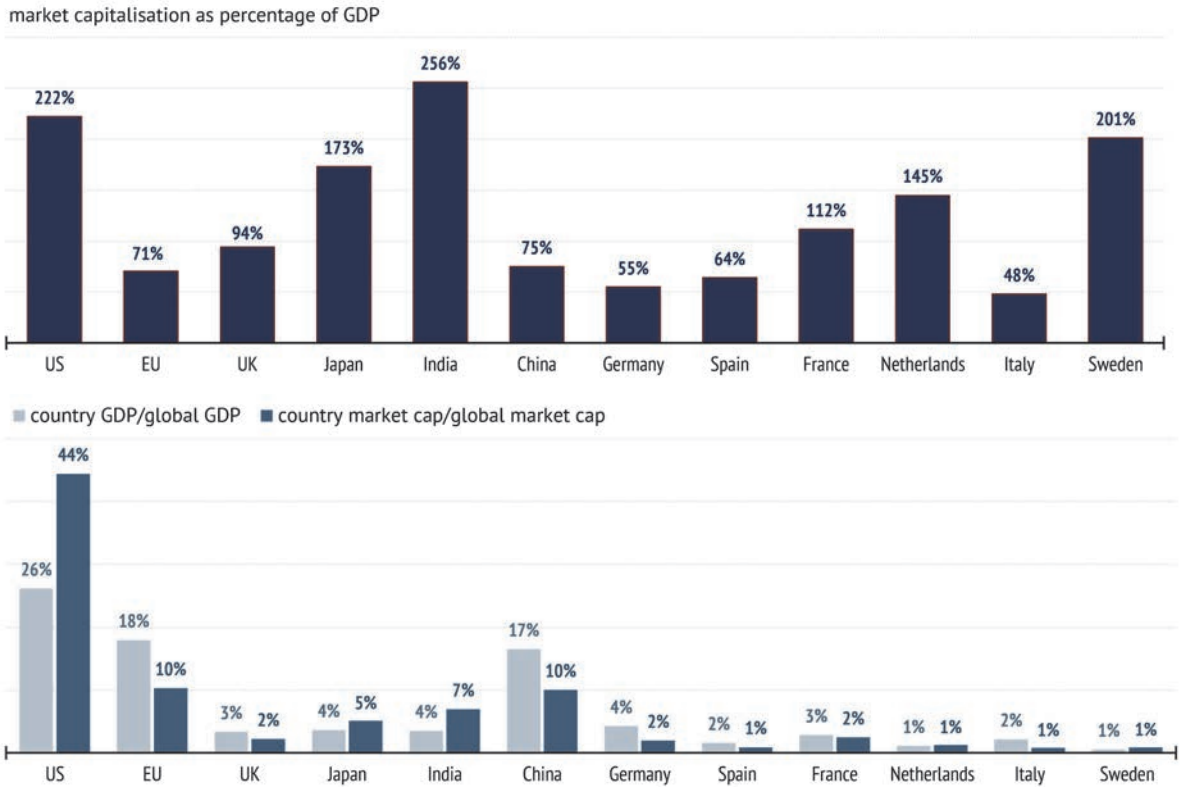
In terms of scale, the Italian equity market remains underdeveloped relative to the potential of the national economy. In 2025, Italy's GDP accounted for over 2% of global GDP (12% of EU GDP), while its stock market capitalisation represented only 0.8% of global market value (8% of the EU total). Consistent with this, Italy also exhibits one of the lowest market-capitalisation-to-GDP ratios among selected economies (48%), up from the previous year due to stocks valuation effect.

A similar, though less pronounced, gap characterises the EU, which accounts for 18% of global GDP but only 10% of global market capitalisation, meanwhile the EU aggregate market-cap-to-GDP ratio stands at 71%. Cross-country heterogeneity in market-cap-to-GDP ratio within Europe is substantial, ranging from Germany (55%) and Spain (64%) to higher ratios in Sweden (201%) and the Netherlands (145%), reflecting differences in sectoral composition, listing choices, and the presence of large multinational issuers. Among advanced economies, the US is a clear outlier: equity market accounts for 44% of global market capitalisation against a 26% share of global GDP, with a correspondingly high market-cap-to-GDP ratio (222%). Among emerging economies, India displays a similar equity footprint, with 7% of global market capitalisation versus 3.5% of global GDP and a high market-cap-to-GDP ratio (256%). Overall, the evidence points to persistent cross-country heterogeneity in equity-market development and in the degree to which their economic size is reflected in their equity markets scale (Fig. III.2).

At the same time, Italy presents significant scope for the development of alternative financing channels beyond bank lending as the country can draw on the substantial financial wealth accumulated by households over time. As of the end of June 2025, households' financial assets stood at €6,148 billion, corresponding to approximately 2.7 times the country's GDP.

Fig. III.2 – Equity markets size in selected economies

(data as of December 2025)



Source: calculations on IMF, WFE, LSGE and CEIC data. GDP at current prices.

2. HOUSEHOLDS' PARTICIPATION TO CAPITAL MARKETS

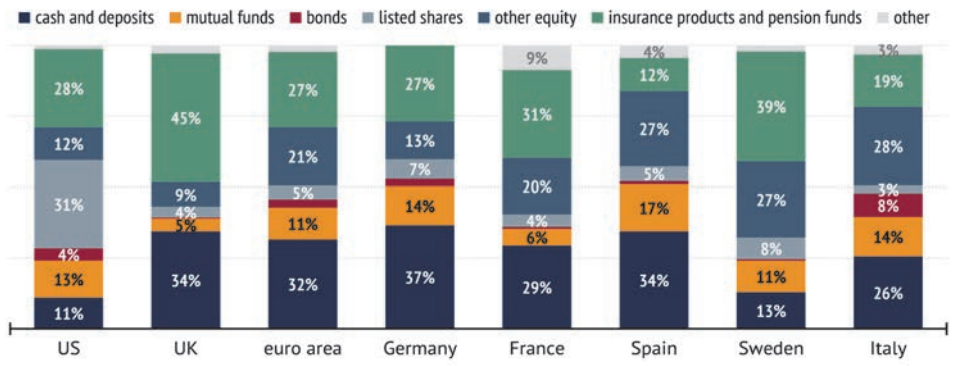
Italy is also characterised by a household saving rate that has remained below the euro area average since 2011. As of June 2025, the saving rate in Italy stood slightly above 12%, compared with levels above 15% for the euro area (and around 5% in the US). This figure reflects the unfavourable evolution in Italian households' disposable income, which, in real terms, remains well below the euro area average and persistently at levels lower than those recorded in 2007.

Regarding asset composition, 26% of Italian households' financial assets are held in cash (€1,543 billion), compared with 32% in the euro area and 11% in the US. The incidence of listed shares on total financial assets amounts to 3% in Italy, compared with 5% in the euro area and 31% in the US. In Italy, debt securities represent 8% of total financial assets, a value higher than both the European average (3%) and the US figure (4%), as well as the incidence of mutual fund shares at 14% in Italy compared to lower values in the euro area (11%) and in the US (13%). In contrast, the share of insurance and pension products is 19%, a value significantly lower than those recorded in the euro area (27%) and the US (28%). This composition indicates a comparatively smaller pool of long-term and professionally managed household savings – typically channelled through insurance companies and pension funds – which in more market-based systems provides a stable demand base for equities and corporate debt instruments (see below).

In June 2025, the ratio of capital market instruments (listed shares, mutual fund shares, debt securities, insurance products and pension fund units) to total financial assets held by households amounted to 44% in Italy, slightly lower than the 46% recorded in the euro area. By comparison, the corresponding figures for the US and UK stood at 76% and 54%, respectively. This highlights the importance of strengthening private long-term savings – particularly private pension assets – to support household demand for market-based instruments and, more broadly, efforts to deepen capital markets in the EU, especially in Italy (Fig. III.3).

Fig. III.3 – Financial assets held by households in selected advanced countries

(data as of June 2025)

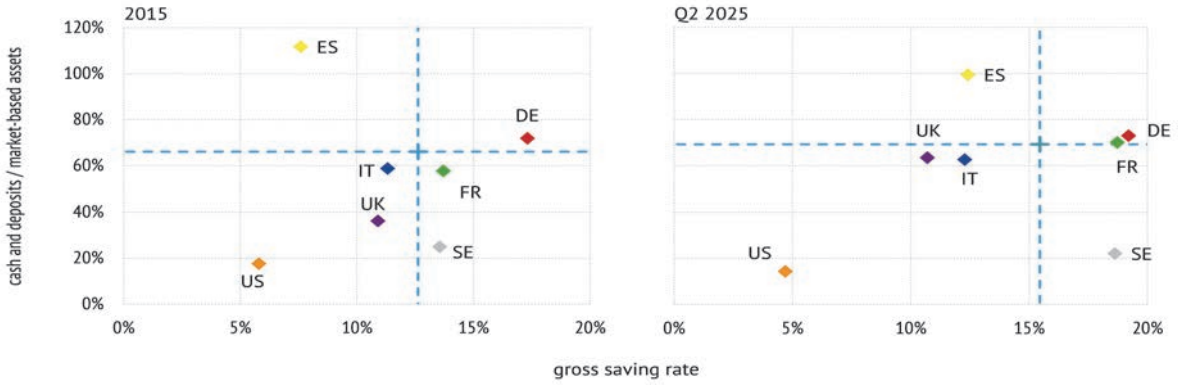


Source: calculations on Eurostat data, Quarterly sector accounts.

Examining both the gross saving rate and the share of liquidity relative to market-based assets (listed equities, debt securities, investment fund shares, and insurance and pension products) provides deeper insight into households' propensity to participate in capital markets. Data for the second quarter of 2025 highlight pronounced differences both between Europe and the US, as well as among major European economies. US households exhibit a very low preference for liquid assets, while posting a saving rate that is significantly lower than those recorded in European countries. Within Europe, Spain stands out for combining a comparatively low saving rate with a higher-than-average share of liquidity, suggesting a more conservative asset allocation. By contrast, Sweden emerges as the most virtuous case, combining a high saving rate with a relatively low preference for liquid assets. Italy is characterised by a below-average saving rate together with a liquidity share that is also lower than the Eurozone average. The Italian context points to two key areas for potential improvement. First, policies aimed at increasing disposable income could help raise the saving rate, potentially bringing it closer to the Eurozone average. Second, encouraging a stronger preference toward market-based investments could result in a more efficient allocation of household resources toward higher-yielding assets (Fig. III.4).

Fig. III.4 – Household financial market participation and gross saving rate in the main European countries

(quarterly data; blue dashed line stands for euro area average)



Source: calculations on Eurostat, UK Office for National Statistics and US Bureau of Economic Analysis via FRED data. 'Market-based assets' does not include loans, unlisted shares, participations and other financial assets.

In Europe, within the framework of EU's Savings and Investments Union (SIU) several initiatives aimed at fostering household participation in capital markets are currently under way.

Among these the European Commission (EC) launched in September 2025 a proposal for Savings and Investment Accounts (SIAs) designed to help citizens channel a portion of their savings into capital-market instruments. In Italy a comparable initiative has been in place since 2018, namely the so-called Individual Savings Plans (PIRs), which provide a full exemption from capital gains and investment returns, provided that the assets are held for at least five years. According to Assogestioni, assets managed under ordinary PIRs rose from €17.4 billion at the end of 2018 to €25.5 billion in September 2025 (Box 3).

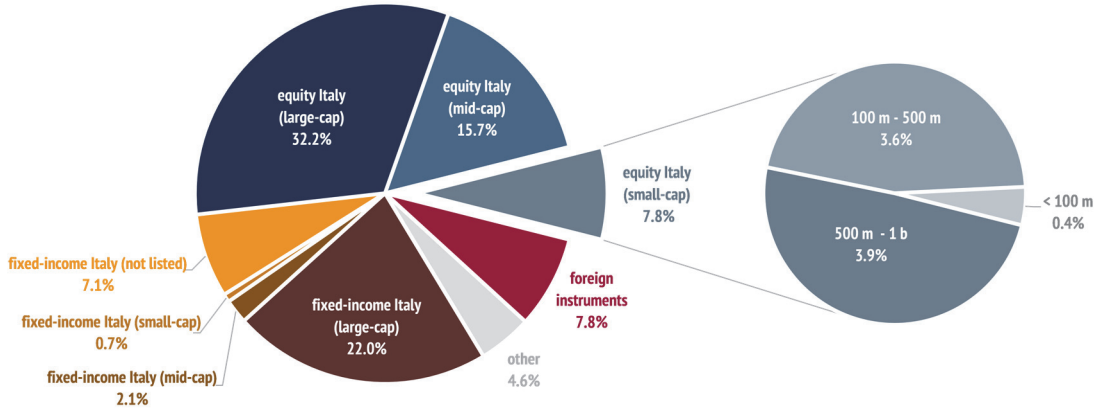
3 Italian Individual Savings Plans

Ordinary PIRs are required to invest at least 70% of their total assets in financial instruments, including unlisted instruments, issued by non-real-estate companies, resident in Italy or in other EU countries. In addition, at least 25% of the 70% must be allocated to financial instruments of companies other than those included in the Ftse Mib index (or an equivalent benchmark), and at least 5% must be invested in financial instruments of companies other than those included in both the Ftse Mib and Mid Cap indices (or equivalent).

An analysis of the investment composition of a sample of the top 20 ordinary PIRs by AuM (representing around 70% of total AuM of ordinary PIRs) reveals a strong concentration in debt and equity instruments issued by large-cap firms. Investments in large-cap issuers account to 54.2% of total AuM, of which 32.2% in equity and 22.0% in debt instruments. In addition, most of the 7.8% allocated to foreign instruments refers to large-cap.

By contrast, exposure to equity and debt instruments issued by Italian small-cap firms remains limited, amounting to only 8.5% of total AuM, of which 7.8% is allocated to equity instruments. Within this category, instruments issued by companies with a market capitalisation below €100 million – typically firms listed on the Euronext Growth Milan market – represent just 0.4% of total AuM. Consistent with this pattern, 98.6% of total PIR AuM is invested in regulated markets, while only 1.4% is allocated to growth markets.

PIR AuM breakdown
(data as of Q2 2025)



Source: calculations on Morningstar data. The categories 'large-cap', 'mid-cap' and 'small-cap' refer, respectively, to issuers with a market capitalisation greater than €5 billion, between €1 billion and €5 billion, and less than €1 billion. Fixed income categories rely on market capitalisation of the issuers.

3. INSTITUTIONAL INVESTORS AND ASSETS MANAGERS

The presence of asset owners (institutional investors) and asset managers plays a pivotal role in the development of capital markets, affecting both the supply and the demand side. The financial literature consistently highlights a positive relationship between greater participation by institutional investors and asset managers and a more developed capital market.

On the supply side, an expanded range of market-based investment instruments allows households to more effectively address their long-term financial needs over the life cycle, including those related to retirement. Compared with traditional financial assets, these instruments tend to offer higher potential returns and enhanced risk diversification. Investment funds and pension funds constitute a key channel through which households can access liquid, well-diversified, and professionally managed market-based instruments, thereby supporting more efficient and sustainable investment choices.

On the demand side, the resources channelled into capital markets by asset managers and institutional investors – particularly into equity markets – represent a key source of financing for firms, notably in support of long-term investment and innovation. Beyond the provision of capital, institutional investors and asset managers also contribute to the efficient functioning of markets by fostering listings, enhancing market liquidity, strengthening price discovery, and encouraging sound corporate governance practices among listed companies.

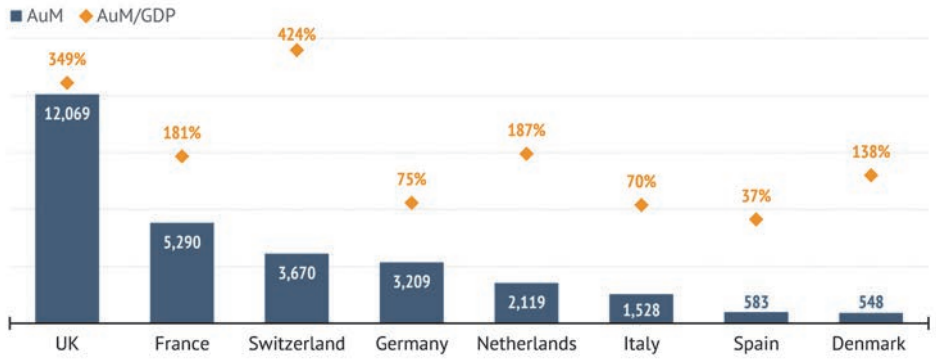
In Italy, the asset management industry still appears relatively underdeveloped when compared with the volume of private wealth and the overall size of the economy. The assets under management (AuM) by domestic operators account for 70% of GDP, a level significantly lower than those recorded in other main European countries (Fig. III.5).

Breaking it down by type, investment funds accounted for 34% (521 billion), while discretionary mandates represented 66% (1,007 billion).

Looking at asset allocation, Italian investment funds exhibit a lower exposure to equity instruments compared with the European average (27% versus 44%), a pattern that likely reflects the higher risk aversion of Italian investors (Fig. III.6).

Fig. III.5 – Asset management industry size in European countries

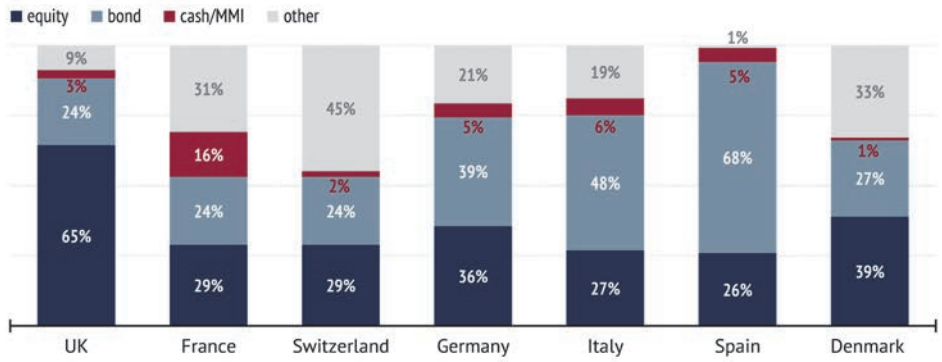
(data as of end of 2024; billions of euros)



Source: calculations on EFAMA data. Data refers to asset under management of investment funds and discretionary mandates by country of management company. Discretionary mandates are legal agreements in which an investor delegates portfolio management to an asset manager, granting them the authority to buy and sell assets on the investor's behalf within agreed terms and limits. End clients include not only individuals (retail clients), but also pension funds, insurance companies, banks, and institutional investors more broadly. Therefore, insurance companies and pension funds are not directly included in the figures, except when acting through discretionary mandates granted to asset managers.

Fig. III.6 – Investment funds AuM by asset class in European countries

(data as of end of 2024)

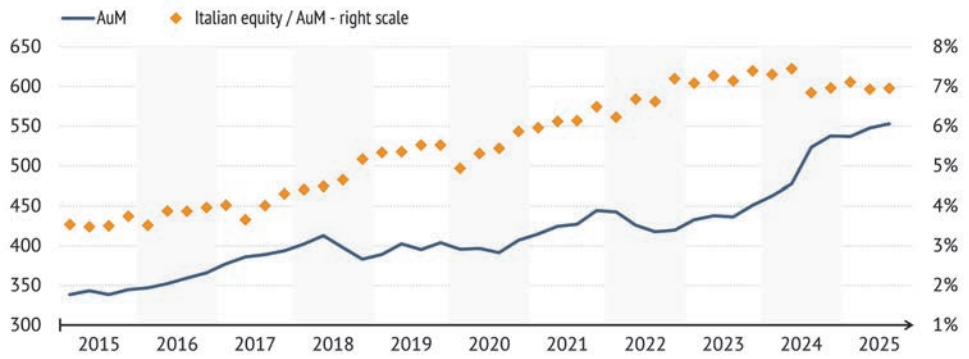


Source: calculations on EFAMA data. Data refers to AuM of investment funds by country of management company. 'Other' includes private equity, private debt, hedge funds, real estate, securitised debt, infrastructure and commodities.

Out of this 27%, around 20% corresponds to investment in foreign companies while only 7% is allocated to investments in Italian firms; although this share has increased from 3.5% in 2015, it remains relatively low. Indeed, such increase is likely driven more by valuation effects than by net inflows into Italian equities: since 2015, Ftse Mib index has risen by approximately 110% while the value of other asset classes has grown at a less than proportional pace (Fig. III.7).

Fig. III.7 – Investment funds AuM in Italy

(quarterly data up to Q3 2025; billions of euros)

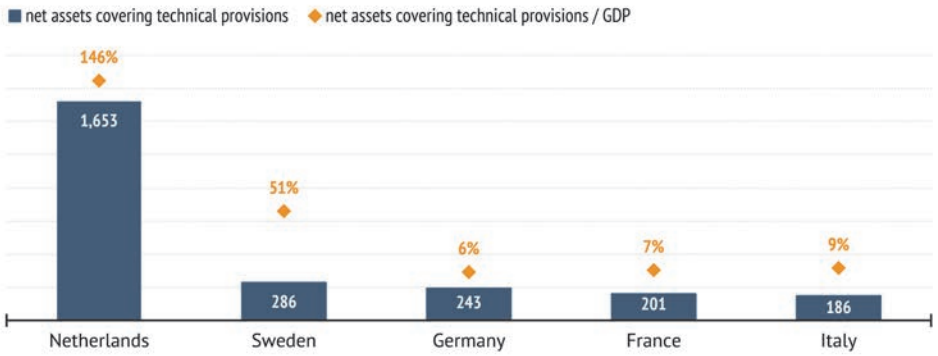


Source: calculations on ECB data. Data refers to AuM of investment funds managed by Italian companies.

Turning to the pension funds industry, net assets of Italian funds relative to GDP stood at around 9% as of the second quarter of 2025, a level higher than that recorded in Germany and France, but well below the shares observed in countries such as the Netherlands and Sweden (Fig. III.8).

Fig. III.8 – Pension funds size in EU countries

(data as of Q2 2025; billions of euros)

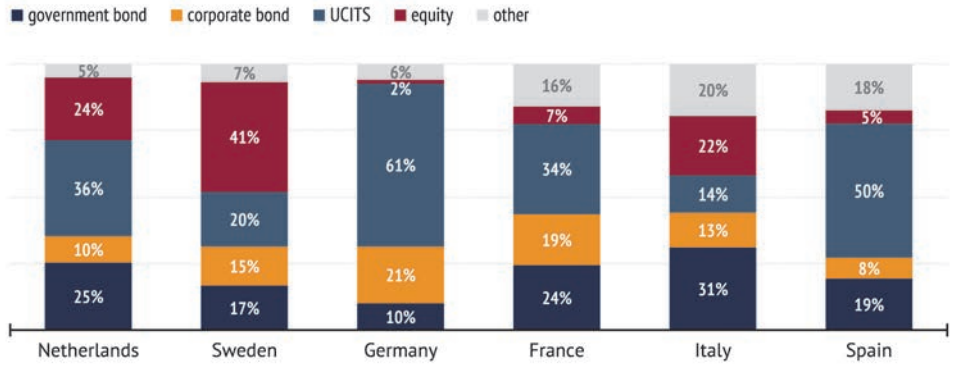


Source: calculations on EIOPA and IMF data. Data refers to net assets covering technical provisions of second pillar pension funds. Second pillar funds are institutions for occupational retirement provision, named in Italian as 'fondi negoziali', 'fondi aperti' and 'fondi preesistenti'.

From an asset-class perspective, Italian pension funds show the highest allocation to government bonds among selected peer countries. One positive development is the comparatively higher direct exposure to equities which stands at 22%, compared with France, Spain, and Germany (7%, 5% and 2% respectively). Nevertheless, equity allocations remain lower than those observed in more mature pension systems, most notably the Netherlands and Sweden (Fig. III.9).

Fig. III.9 – Pension fund net assets by asset class in EU

(data as of Q2 2025)



Source: calculations on EIOPA data. 'Other' includes cash and deposits. For further details see note to Fig. III.8.

From a long-term perspective, Italian pension funds' net assets have almost doubled over the last decade. Nonetheless, as of the second quarter of 2025, domestic investment by Italian pension funds – considering both direct investment in equities and indirect investment via UCITS – remains limited (1.9%) compared with other main EU countries with Sweeden recording the highest share, at 26.1%, followed by France (11.2%), Germany (8.6%) and the Netherlands (6%; Fig. III.10).

Fig. III.10 – Pension fund net assets in Italy

(end-of-period data; billions of euros)

Source: calculations on EIOPA data. Domestic data includes direct investment in equity shares and UCITS invested in equity. Net assets include cash and deposits. For further details see note to Fig. III.8.

Although the Italian asset management and pension fund sectors have grown significantly over the past ten years, their investments in Italian equities remain low, as highlighted by the ownership analysis of Italian listed companies (Box 4).

4 Institutional investors and asset managers in Italian listed companies

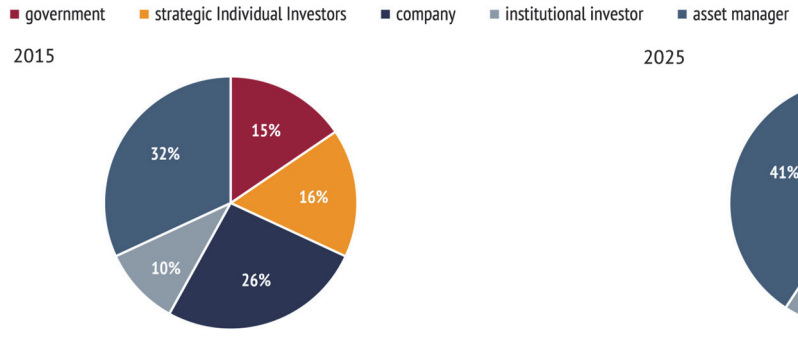
In Italy, the share of listed equity held by asset managers is broadly in line with that observed in the other major euro area countries but remains limited compared with jurisdictions characterised by more developed equity markets (OECD 2025, Institutional investors engagement and stewardship).

An analysis of Italian companies listed on Euronext Milan (EXM) indicates that the share of ownership held by asset managers – including mutual funds, investment firms, private equity and venture capital firms, private banks, wealth managers, and family offices – has increased over the past decade, rising from 32% to 41% since 2015 (net of valuation effects). Nonetheless, Italian asset managers account for only 12% of the share held by asset managers, a value that has remained stable since 2015.

By contrast, the share of institutional investors (pension funds, insurance companies, sovereign wealth funds, foundations and endowments) has remained largely unchanged over the period, at around 10%. Pension funds and insurance companies account for only 1.5% of total shares, while banking foundations and other pension schemes (the so-called 'Casse previdenziali') represent 6% of the total.

Italian institutional investors holding domestic listed companies account for 63% of institutional investors category. However, data show that only 20% of total pension funds investing in Italian listed companies refers to Italian operators.

Italian listed companies' ownership by holder type
(year-end data)

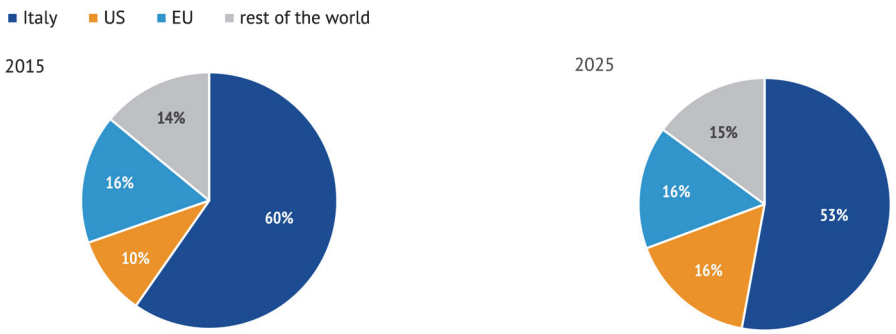


Source: calculations on FactSet data. Percentages are calculated using the number of ordinary shares, to exclude valuation effects deriving from changes in market prices. The sample consists of firms' shares listed on the EXM in 2015 and 2025 for which ownership data are available. The market capitalisation of the shares represents 61% in 2015 and 65% in 2025 as ownership data for each company included in the analysis do not cover all the shares outstanding. According to the Bank of Italy, Italian households owned 14% of the shares in 2015 and 8.5% in 2025. 'Institutional investors' includes organisations that invest their own or fiduciary capital under long-term mandates, typically pension funds, insurance companies, sovereign wealth funds, foundations and endowments. 'Asset managers' includes entities that hold, manage, or administer shares on behalf of shareholders, or provide services related to shareholding, typically mutual funds, investment firms, private equity and venture capital firms, private banks, wealth managers, and family offices.

At the end of 2025, foreign ownership accounted for 47%, compared with 40% a decade earlier, signalling renewed interest in Italian listed equities.

Cont. Box 4 Institutional investors and asset managers in Italian listed companies

Italian listed companies' ownership by country
(year-end data)



Source: calculations on FactSet data. For further details see note to the previous figure.

4. PRIVATE MARKETS

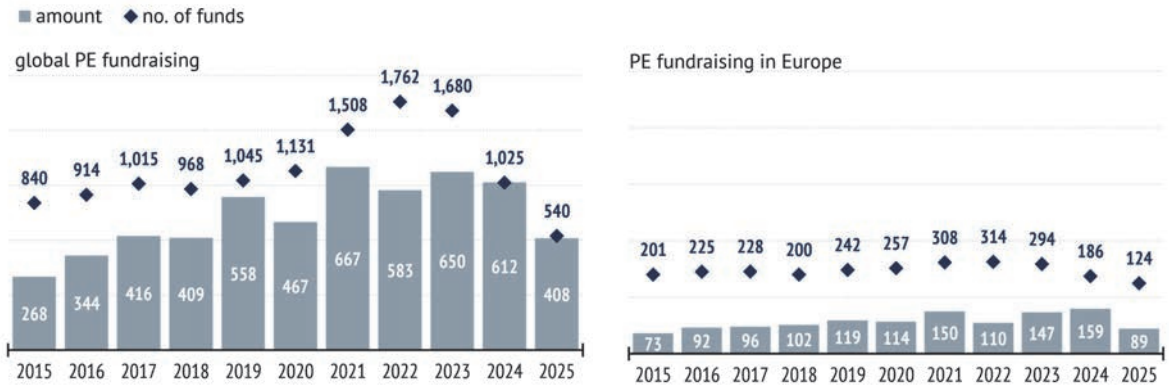
Private equity and private debt have increasingly become key components of capital markets, complementing public markets by supplying patient resources, active ownership, and strategic support, particularly for innovative and technologically advanced firms that benefit from longer investment horizons and lower exposure to short-term market pressures. They can also serve as a bridge to public markets, by financing growth and restructuring in preparation for a potential listing.

At the same time, private equity has increasingly competed with public markets by shifting financing and value creation away from exchanges, contributing in some jurisdictions both to a decline in listings and consequent extension of private ownership period (so-called "staying private for longer" paradigm) and to a reinforcement of delisting trend by means of a rise in the public-to-private (p2p) transactions.

According to market analysts, global private equity (PE) fundraising activity declined sharply in 2025, both in terms of amounts raised ($408 billion; -33%) and number of funds involved (540; -47%). These data mark the first pronounced contraction after almost a decade of strong growth, which came to an end in 2021 amid a broad-based tightening of monetary conditions. From 2022 to 2024 fundraising had broadly stabilised at historically high levels. The decline in amounts raised in Europe was even more pronounced in relative terms (-45%; €89 billion; Fig. III.11).

Fig. III.11 – Private equity fundraising activity

(year-end data; amounts in billions of US dollars)



Source: Pitchbook. Data refer only to closed-end funds and do no not include venture capital, real estate, infrastructure, secondaries, private debt, funds of funds, and co-investments. 2025 data are partly estimated.

Europe continues to represent the second most important region in terms of global fundraising in 2025 (with a share of about 22%), while the dominant share remains concentrated in North America (nearly 70% of all funds raised).

In line with PE global trends, fundraising also declined in the venture capital (VC) sector – for the third consecutive year in 2025 – falling by around 46% compared with the previous year.

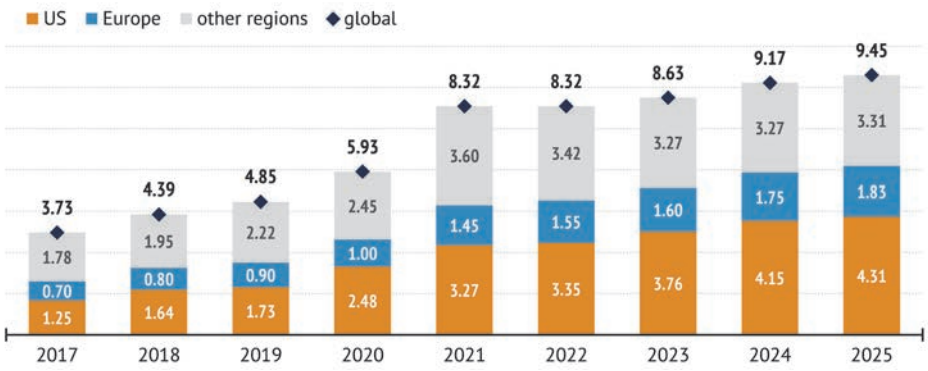
According to research by McKinsey, this trend in VC fundraising might suggest that, with the exception for the AI bet, VC has been facing a challenging environment for start-ups globally, and in particular in Asia, which accounts for more than half of venture capital's total assets under management.

Similarly to global trends, in Italy PE fundraising in the first half of 2025 experienced a sharp decline (-40%) relative to the first half of 2024 according to AIFI data. Main contributors to fundraising were pension funds (18.7% of all funds raised, down from 27.7% in 2023), followed by the public sector (17.8%, up from 9.6%). While banks and individual investors almost halved their contributions (from 17.6% to 9.9% and from 10% to 5.5% respectively), insurance companies increased their shares significantly (from 4.7% to 10.4%).

With regard to assets under management (AuM), PE funds held nearly $9.5 trillion globally as of August 2025, marking an increase of 3% relative to the end of 2024 and reaching new all-time hights (Fig. III.12).

Fig. III.12 – Private equity assets under management

(amounts in trillions of US dollars)



Source: Statista Market Insights. AuM data denominated in other currencies converted in US dollars using average exchange rates of the respective year. 2025 data refer to the first eight months.

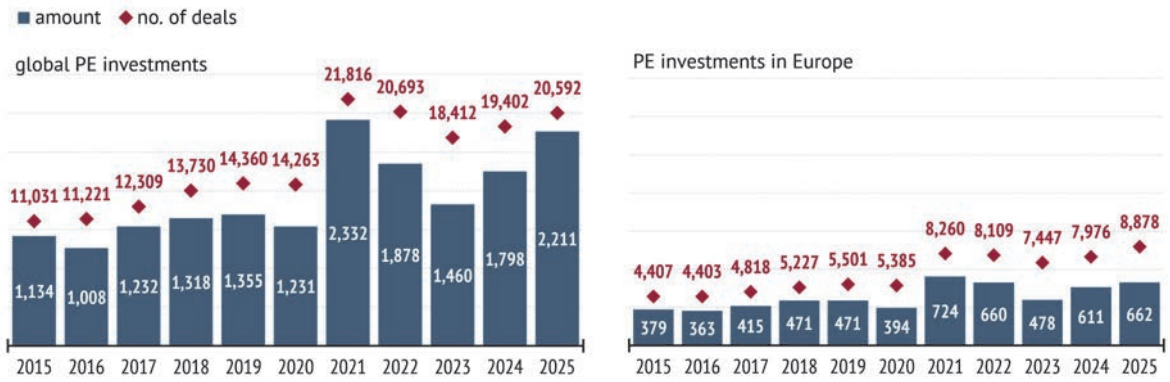
US account for the largest share of global PE AuM with around $4.3 trillion, corresponding to 45.6% of the total, managing also the largest funds by size. By comparison European PE funds represent less than half of the US funds AuM (about $1.8 trillion), of which only a marginal share refers to Italy ($132 billion).

Despite the slowdown in fundraising, global PE deal activity kept growing for the second consecutive year in 2025, both in terms of amounts invested ($2,221 billion; +23%) and number of deals ($20,592; +6%), getting closer to the post-pandemic highs recorded in 2021 (Fig. III.13).

As far as Italy is concerned, according to AIFI data – which include only deals closed and amounts effectively invested and referred to PE, venture capital and infrastructure investments deal activity – increased in the first half of 2025 compared with the first half of 2024, both in terms of amounts invested (+17% standing at €5.2 billion) and number of deals (+24%).

Fig. III.13 – Private equity investment activity

(year-end data; amounts in billions of US dollars)



Source: Pitchbook. Data do no not include venture capital. 2025 data are partly estimated.

Regarding VC, Pitchbook data indicate that deal value in the global VC market reached $512 billion in 2025, with a significant increase compared with the previous year and almost matching the 2022 level, which remains the second highest on record.

By comparison, European VC deal activity totalled around €66 billion in 2025, while, as already noted, Italian VC accounted for only about €1 billion.

In terms of target sectors and companies involved, global VC investments in artificial intelligence (AI) reached $270 billion (+81% compared with 2024), accounting for about 53% of total deal value in 2025 and 31.4% of closed deals.

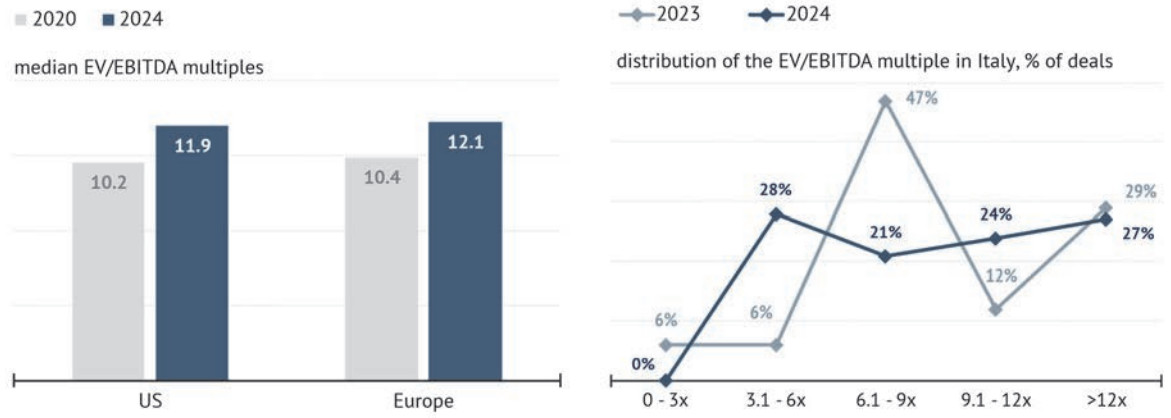
Regarding PE deals multiples, last available data (2024) display a median enterprise value (EV) to EBITDA increased to 12 times compared with 10 times in 2020, both for US and European PE deals.

For a quick comparison, 2024 values are well above 2000-2010 average (ranging between 5 and 10 times), supporting the view that PE deal pricing has trended upward over the past twenty years (Fig. III.14).

According to LIUC data on Italian deals, in 2024 most of the transactions (73%) were executed at EV/EBITDA multiples between 3.1x and 12x, i.e. below/not above the US/EU median.

Fig. III.14 – Private equity deals multiples in the US, Europe and Italy

(ratios and percentage points)



Source: calculations on Bain&Co (for US and EU) and LIUC data (for Italy). EV means Total Enterprise Value. The ratio EV/EBITDA for 2020 is estimated.

As for divestments, global PE exits strongly accelerated in 2025, both in terms of value ($1,347 billion; +50% relative to 2024) and number of divestments ($3,977 billion; +5.6%), reaching the highest figures of the last ten years, exception made for 2021. However, this trend has been uneven across regions: very strong in the US (+72%) and almost flat in Europe (+0.9%; Fig. III.15).

Fig. III.15 – Private equity divestment activity

(year-end data; amounts in billions of US dollars)

Source: Pitchbook. Data do no not include venture capital and refer only to completed exits. 2025 data are partly estimated.

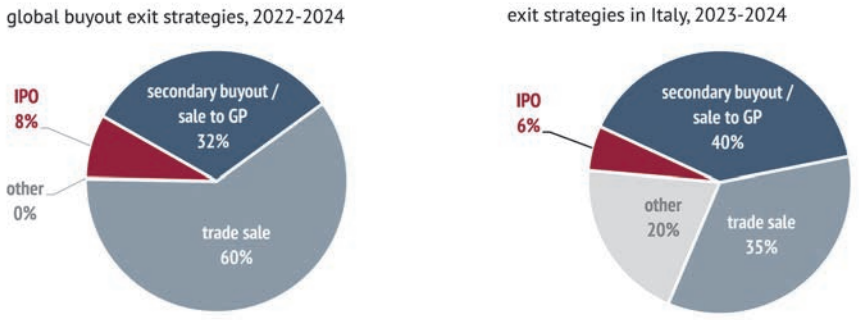
With regard to exit strategies, at global level (restricting the analysis to the core PE segment, namely buyouts, for which consistent data are available) trade sales (sale to strategic partner operating in the same sector) have been the most important exit strategy (60%) over the past three years, while secondary buyouts (sales to other PE funds) and sales to general partners together accounted for

32%. IPOs represent, on average, only 8% of exits in terms of value over 2022-2024 period, declining from 18% in the period 2019-2021.

Long-term evidence suggests, however, that such a breakdown can be considered a consolidated path, with IPOs never accounting for more than 10-15% of buyout exits and the strong majority of divestments consistently represented by trade sales.

A similar picture can be observed in Italy, where secondary buyouts and sales to general partners have been predominant (40%) during 2023-2024 period and IPOs accounted for only 6% (Fig. III.16).

Fig. III.16 – Private equity exit strategies



Source: calculations on S&P Global, Preqin and AIFI data. The data on global exit strategies considers only buyouts exits.

As for private credit (PC) segment, according to Pitchbook data, the US remains by far the largest market globally, with lending volumes estimated at $247 billion in 2025 (down 11% from 2024) and deal activity totalling 842 transactions (down 16% from 2024). By contrast, European direct lending reached new records in 2025, with volumes and deal flow amounting to €41.4 billion and 160 transactions.

Relative to the size of the European market, the Italian market still appears to be in its infancy, but is growing rapidly, both in terms of funds raised and credit granted.

Total fundraising amounted to €464 million in the first half of 2025 (down 21% from the same period of 2024). Over the same period, investment activity recorded a growth both in terms of amounts (almost €2.1 billion invested posting a +66% increase) and in the number of financed entities (94; +18%). Importantly, at this early stage the market seems to be dominated by international operators, representing 78% of the amounts invested in the first half of 2025. SMEs represented 49% of the target firms receiving private credit.

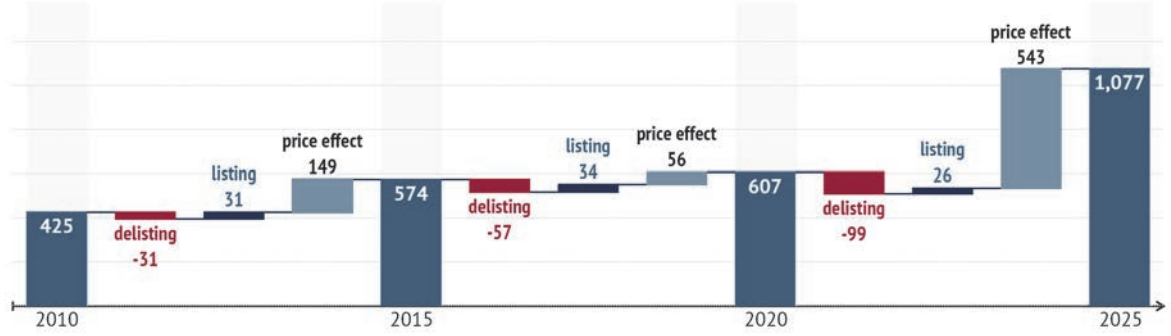
Primary markets trends

1. EQUITY MARKETS

The need to pursue the goal of developing the capital market is evident when observing the dynamics on the equity primary markets. In fact, although at the end of 2025 the capitalisation of Italian stock markets reached an all-time high of €1,077 billion (with 99% attributable to Euronext Milan), this result is mainly due to the prolonged positive performance of secondary markets. Indeed, over the last 16 years, price increase contributed €748 billion to market capitalisation (the 'price effect'). In the same period, primary market flows (i.e. the difference, in terms of market value, between new listings and delistings) resulted in a net loss of €96 billion, with capitalisation added by new listings (€91 billion) more than offset by the capitalisation vanished through delistings (€187 billion; Fig. IV.1).

Fig. IV.1 – Bridge analysis of Italians market capitalisation

(market capitalisation at the end of the year; billions of euros)



Source: calculations on Borsa Italiana, FactSet and Bloomberg data. Market capitalisation refers to the end of the first day of trading for listings and to the end of the last day of trading for delistings. The Italian equity market is divided into two broad perimeters. For years before 2021, data for EGM are referred to ME, MAC, AIM and AIM-MAC. Data for EXM include MIV and, for years before 2021 are referred to MTA MTAX.

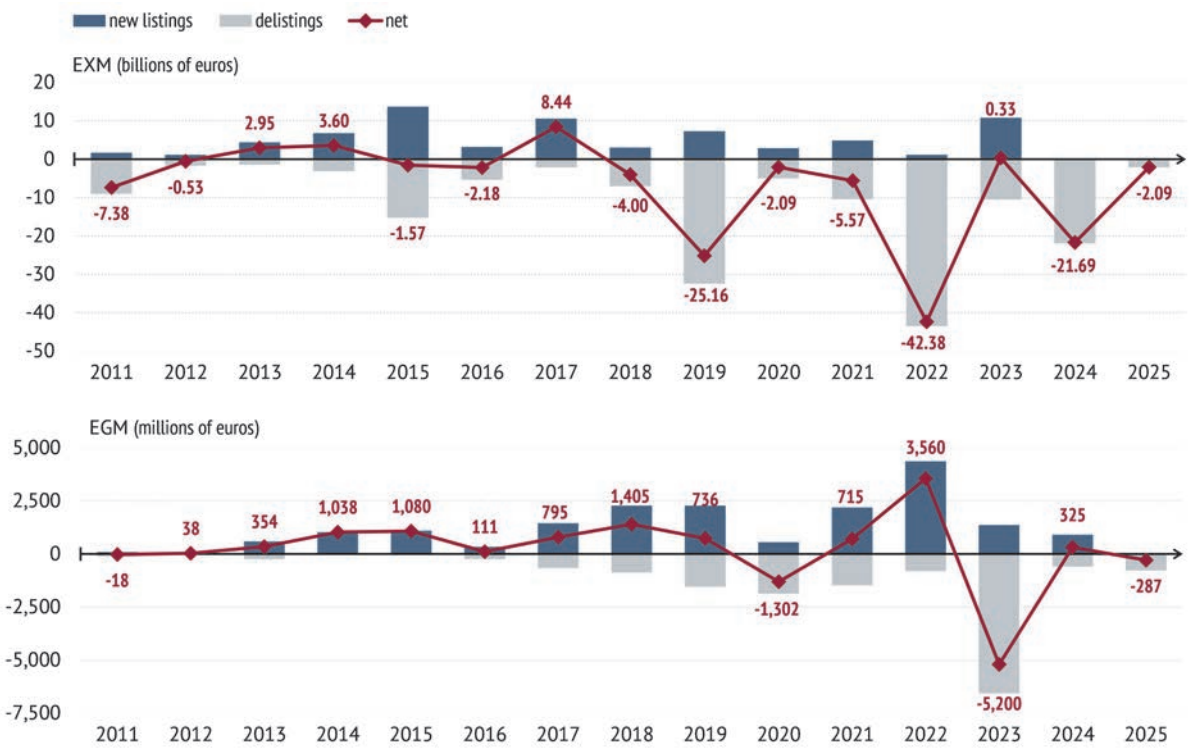
This trend became evident from 2015 onward and intensified over the past five years. It should be noted that the price effect of the last five years alone nearly doubled the value of market capitalisation at the end of 2020. Concurrently, primary market flows recorded a €72 billion net loss over the last five years, a sharp increase compared with previous periods.

Focusing on regulated market, the EXM registered overall net outflows of €99 billion, experiencing a net decline in 11 out of 15 years, with a strong marked acceleration in recent years due to the increase of the impact of delistings. The worst three performances, indeed, were recorded in 2019 (€25.1 billion loss), 2022 (€42.4 billion), and 2024 (€21.7 billion), all in the second half of the timespan. Notably, in 2019 a single delisting accounted for 71% of the market capitalisation lost, while 2022 and 2024 were marked by two cases of listing shopping, together representing 47% of the total loss. Listing shopping, a phenomenon in which a company does not go private but chooses to be listed

on a foreign market, remains quite uncommon but is associated with significant capitalisation losses.

In contrast, the EGM recorded an overall net inflow of €3 billion in market capitalisation over the last 15 years, experiencing a net gain in 11 of those years. The strongest performances were recorded in 2014 and 2015 (€1 billion), 2018 (€1.4 billion) and 2022 (€3.5 billion). The net inflow recorded in 2022 is attributable to a single company that entered the market with a capitalisation equal to 25% of total EGM market capitalisation and completed its translisting to the EXM one year later, when a net loss of €5.2 billion was recorded (Fig. IV.2).

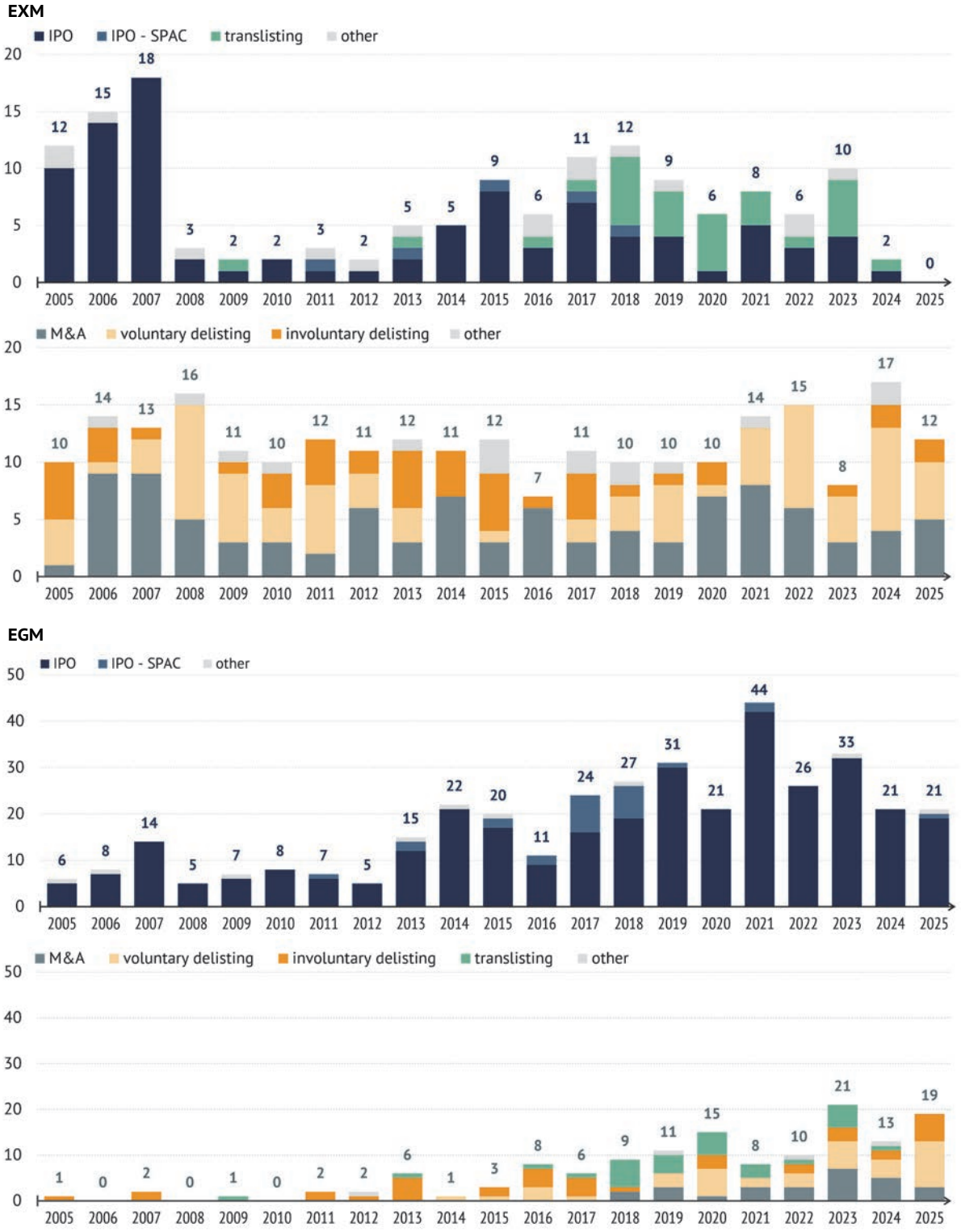
Fig. IV.2 – Estimated impact of new listings and delistings on the market capitalisation



Source: calculations on Borsa Italiana, FactSet and Bloomberg data. The market capitalisation of listings is that at the end of the first day of trading and, in the event of delisting, that at the end of the last day of trading. For further details see note to Fig. IV.1.

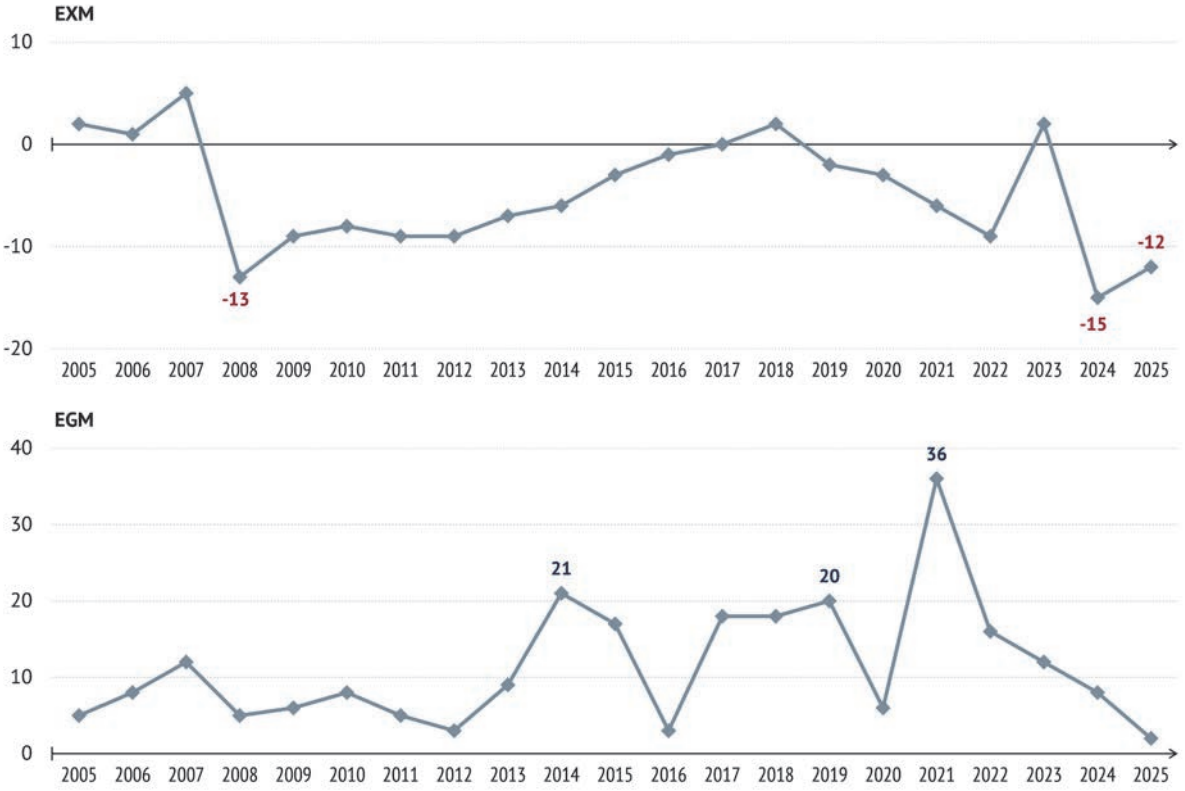
In terms of number of companies, over the past 20 years delistings have outpaced listings by 100 on the EXM, whereas the EGM shows a positive net balance of 238 listings (Fig. IV.3). Net delistings on the EXM have accelerated over the last two years, reaching an average of 14 per year compared with 5 over the full 20-year period. In recent years, similarly, the EGM suffered from a meaningful decline of net listings, falling from a peak of 36 (in 2021) to a minimum of 2 (in 2025; Fig. IV.4). In summary, while the drying-up of IPOs has been the main driver of the sharp increase in net delistings on the EXM, the worsening performance of the EGM has been primarily explained by a surge in delistings.

Fig. IV.3 – Listing and delisting



Source: calculations on Borsa Italiana, FactSet and Bloomberg data. The category 'other' includes spin-offs, direct and dual listings, and mergers. 'M&A' includes takeover bids and mergers with other listed companies, 'voluntary delistings' concerns takeover bids where controlling shareholders acquire a majority of votes to proceed with delisting and shareholders' meeting decisions (a residual component on EXM), 'involuntary delistings' refers to cases in which the issuer has been suspended from trading due to failure to meet requirements, usually because of insolvency proceedings, 'other cases of delisting' includes mergers into unlisted companies. For further details see note to Fig. IV.1.

Fig. IV.4 – Net listing and delisting



Source: calculations on Borsa Italiana, FactSet and Bloomberg data. For further details see note to Fig. IV.1.

In more detail, translistings (delistings due to upgrades to the main market) have played an important role in EXM listings: while IPOs remain the primary route to market (96 cases), they have been accompanied by 29 translistings from the EGM. Translisting is vital component of EGM companies' growth strategy, as it represents a seamless progression in their presence on the financial markets. Such a phenomenon, however, has declined significantly in the last two years, compared with its peak in 2018-2023, with only one case in 2024 and zero in 2025. Any slowdown in this regard deserves particular attention. SPAC IPOs (5 listings) are a residual phenomenon, addressing mainly the Market for Investment Vehicles (MIV).

With regard to listings on EGM, IPOs were once again the primary route to the market, accounting for 341 cases. SPAC IPOs are of particular significance in this market (26), as these entities typically seek target growing SMEs to admit to trading.

Turning to delistings, it is worth highlighting the acceleration of this phenomenon in recent years. On the EXM, a new historical peak of 17 annual delistings was reached in 2024, surpassing the 2008 figure (16 delistings), which had been recorded in the middle of the Great Financial Crisis, as a consequence of markedly negative stock market performance.

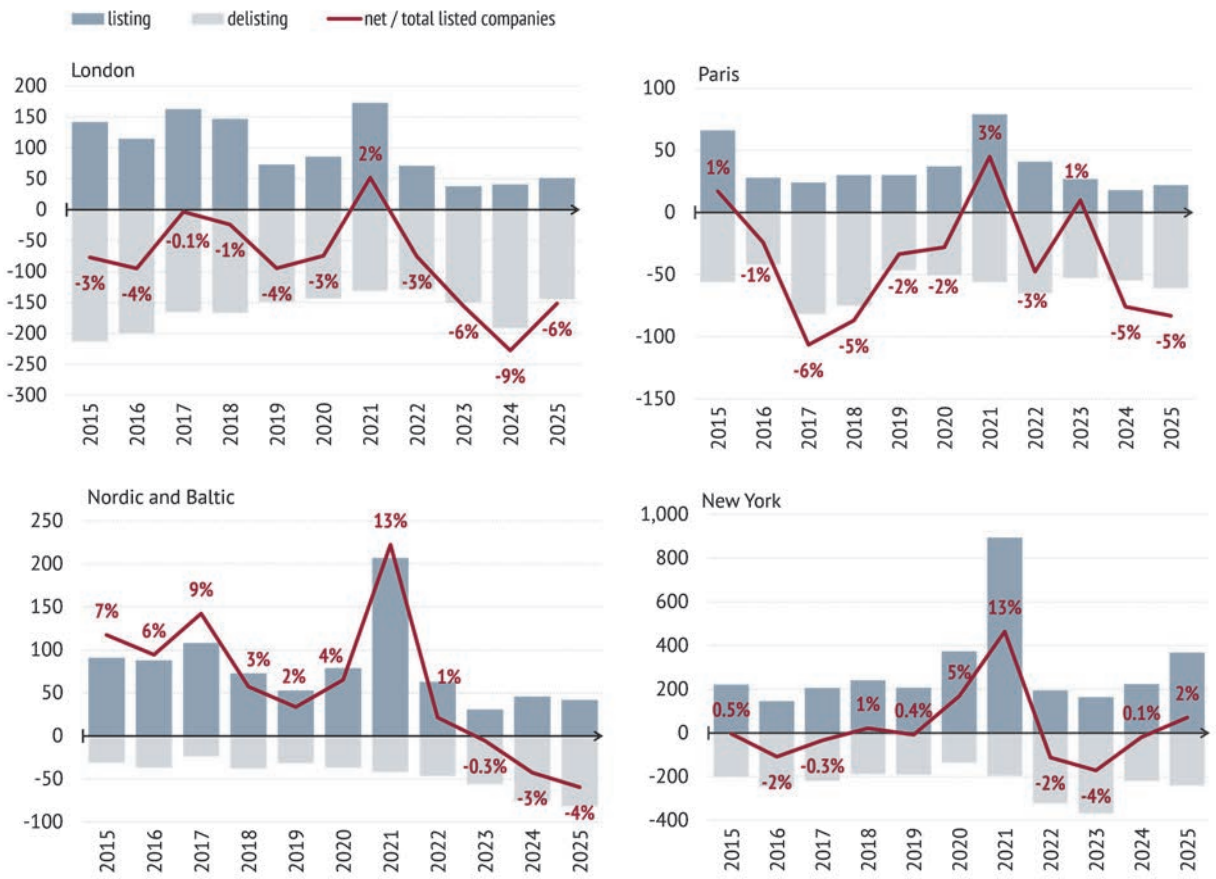
Regarding the EGM, the concentration of delistings in the latter part of the timespan – although partly consistent with the market's life cycle – is nonetheless meaningful and warrants attention. In particular, the aforementioned decline in delistings due to translistings on EXM over the past two years is noteworthy.

From a broader perspective, the surge in net delistings is a common pattern across countries over the past decade. For example, the London and Paris stock exchanges recorded a decline of 37% and 29% in the total number of listed companies, respectively, though driven by different dynamics. As for the London Stock Exchange (LSE), the decline was mainly due to net delistings on the Alternative Investment Market (AIM), where the number of listed companies fell by 60%, compared with a loss of 20% in the Main Market. In contrast, the decrease in listed companies on Euronext Paris was largely driven by the regulated market, which lost 46% of its companies, while the growth markets only exhibited a smaller decline (-11%). In Italy, the decrease in listed companies was entirely concentrated on the EXM, which recorded a 20% reduction over the past decade. However, when both EXM and EGM are considered, the total number of listed companies increased by 30%.

An exception in Europe, with both main and growth markets recording an increase in listed companies, is represented by the Nordic and Baltic exchanges, where listed firms rose by 39% over the past ten years (with Sweden contributing the most). Even in these markets, however, over the past two years delistings have started outnumbering listings, although to a lesser extent although a recent slowdown.

Looking at the world's most important financial hub, the New York stock market has seen a 14% increase in the number of listings over the past ten years. Examined separately, the number of companies listed on the NYSE declined by 4%, while Nasdaq experienced a 25% increase. This increase occurs after a long-term downward trend that nearly halved the total number of listed companies from the late 1990s to 2015, marking a rebound from the historical low (Fig. IV.5).

Fig. IV.5 – International comparison of listing and delisting



Source: calculations on data from Euronext (Paris), Nasdaq (Nordic and Baltic markets), and the London Stock Exchange (London), FactSet (New York). 'Paris' includes Euronext Paris, Euronext Growht Paris and Euronext Access Paris. 'London' includes Main Market and Alternative Investments Market. 'Nordic and Baltics' includes Nasdaq Nordic and Baltics and First Growth of Copenhagen Stock Exchange, Stockholm Stock Exchange, Helsinki Stock Exchange, Iceland Stock Exchange, Tallinn Stock Exchange, Riga Stock Exchange, and Vilnius Stock Exchange. 'New York' includes Nyse and Nasdaq, main and growth segments.

The equity market performs, when looking at the demand side, two main functions: enabling companies to raise fresh capital to finance their investments and allowing shareholders to liquidate their holdings in the company. These functions are carried out through primary and secondary (equity) offerings, respectively. Primary offerings in IPO on EXM over 2005-2025 period amounted to €7.2 billion, of which €1.2 billion was raised by Special Purpose Vehicles (SPACs). In contrast, secondary offerings totalled €27 billion.

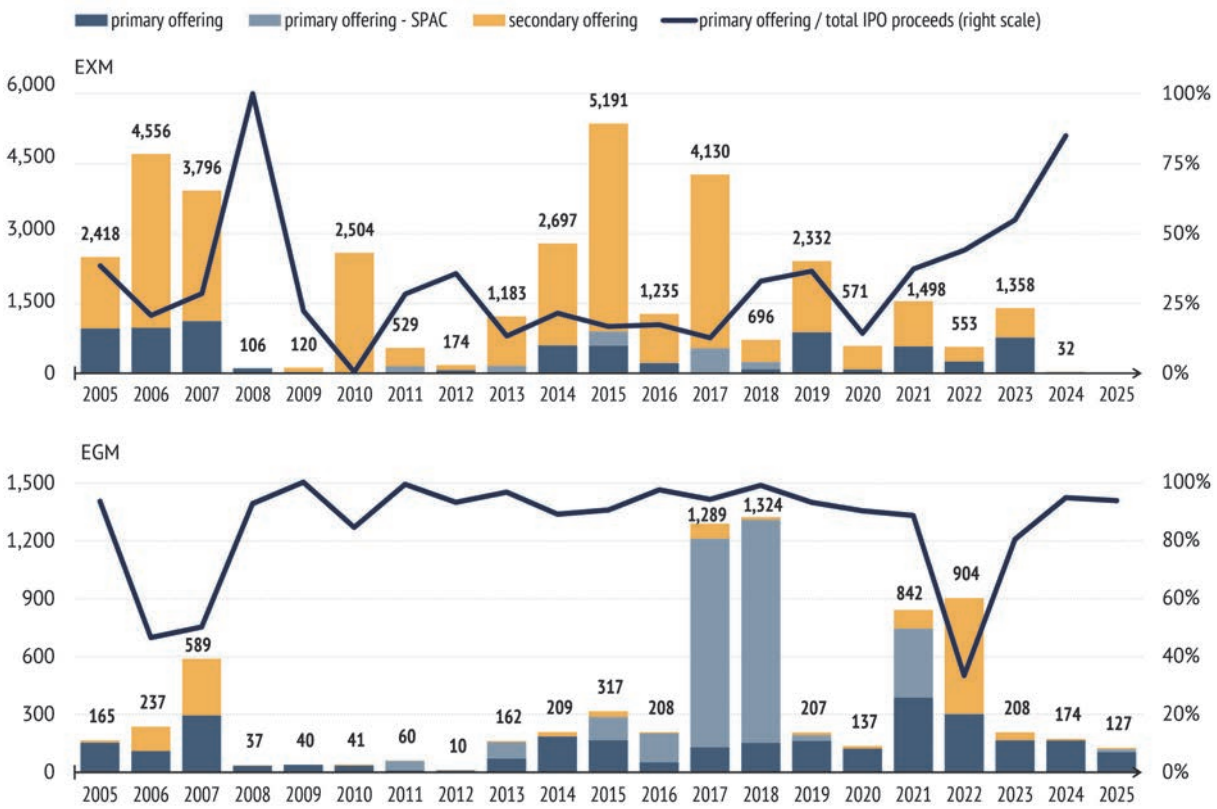
Primary shares accounted for 21% of total IPO proceeds, outlining a clear feature of the Italian regulated market, where the decision to go public is often driven by shareholders' search for liquidity rather than companies' funding needs. The negative trend observed in the number of listings is also evident in primary market dynamics: the yearly average of IPO proceeds over the past five years

amounted to €800 million, less than half of the €1.8 billion yearly amount recorded over the past two decades.

Focusing on IPOs on the EGM, primary offerings from 2005 to 2025 amounted to €5.9 billion, a value not too far, in absolute terms, from the €7.2 billion raised on the EXM. This is a highly noteworthy finding, given that the EXM is a hundred times larger than the EGM in absolute terms. It highlights both the dynamism of Italian SMEs, and the crucial role EGM market plays in supporting their growth and financing. In this market, SPACs made a significant contribution to primary offerings, having raised €3.0 billion, half of the total amount raised through primary offerings. Secondary offerings on EGM (€1.4 billion) represents a quite smaller share of the total. Therefore, primary offering on average account for 81% of total IPO proceeds, a figure clearly reflecting the market's key role as a financing channel for SMEs (Fig. IV.6).

Fig. IV.6 – Amount raised in IPOs

(millions of euros)



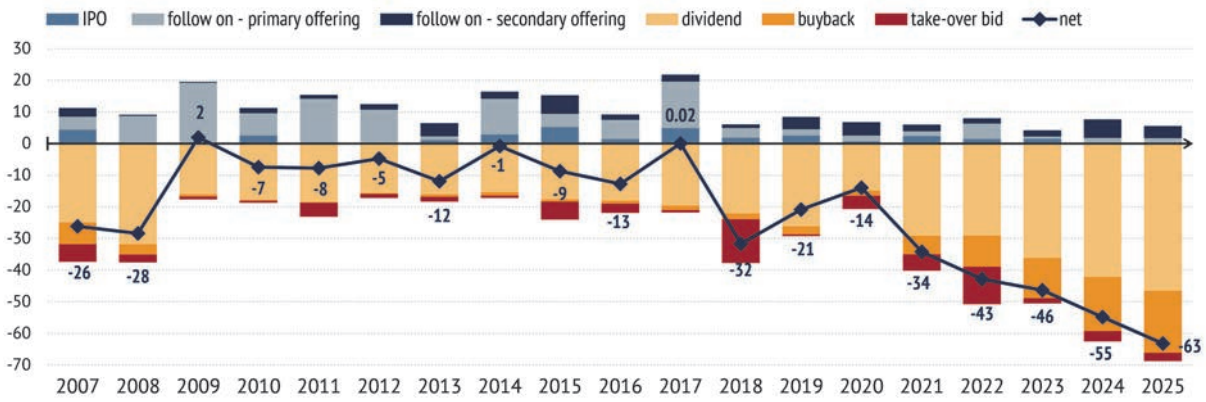
Source: calculations on Borsa Italiana data. 'Primary offering' implies a new issuance of shares, while 'secondary offering' stands for existing shareholder's shares sold. SPACs are special purpose vehicle, and their function is exclusively linked to raising capital on the market with the aim of acquiring private companies (targets). For further details see note to Fig. IV.1.

The joint role of the EXM and EGM markets in the Italian financial ecosystem is captured by the market intermediation indicator, which tracks financial flows through the stock market. Combining different types of transactions into a single visualisation, the indicator demonstrates whether the market functions primarily as a source of funding for firms (inflows) or as a mechanism for value and capital redistribution to investors (outflows).

The indicator has remained negative throughout for the past 19 years, indicating that the wealth flowing out of the market has consistently exceeded the funds raised through it. The negative sign should not be interpreted as a market weakness, however, as these resources have returned to investors. Throughout the period, investors received €457.4 billion in dividends and €87.9 billion through share buybacks. To be remarked, anyway, is the increasing magnitude of this outflow over the past five years, as inflows have declined significantly, becoming insufficient to offset the outflows, particularly dividends (Fig. IV.7).

Fig. IV.7 – Market intermediation indicator

(billions of euros)



Source: calculations on Borsa Italiana and FactSet data. 'Follow on – primary offering' (only reserved, not option rights) from 2007 to 2025 and 'follow on – secondary offering' in 2025 are from Refinitiv. 'Follow-on primary offering' includes both rights issues and reserved issuances. Dividends in 2025 are estimated using current dividend yield for companies on EXM and EGM. Buyback in the second half of 2025 are estimated using the average of the past three years. Inflows include primary and secondary offering proceeds, both at the IPO stage and afterward, where funds move from investors to the issuing company or to controlling shareholders. Outflows, by contrast, cover transactions in which the issuer distributes resources to shareholders, through dividend payments and share buybacks. In takeover bids, funds flow from the controlling shareholder or a third party to investors, rather than from the issuer.

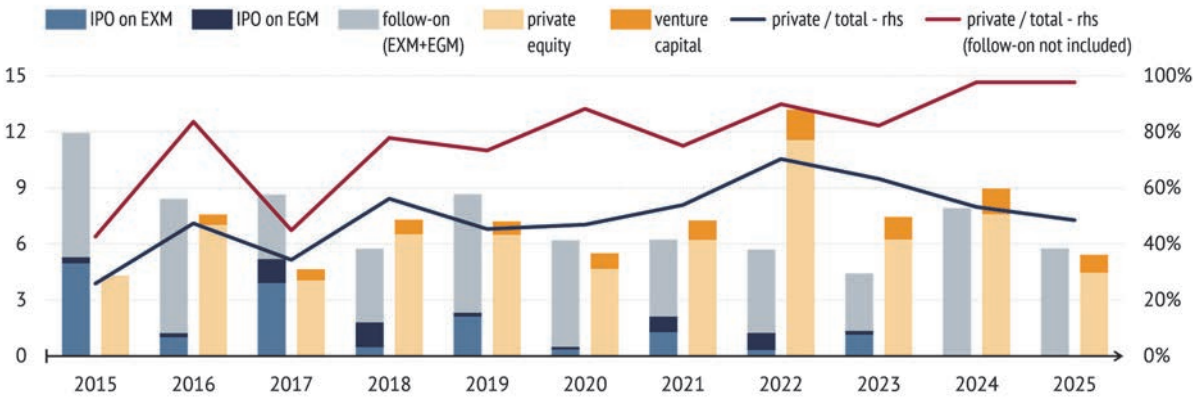
In recent years, the low propensity of Italian companies to access public markets may be partly related to the rise of private markets, which has shifted financing and value creation away from stock exchanges. Comparing equity investments in Italian firms through public and private markets in the last 10 years, the share of private markets investments increased steadily from 2015 to 2022, before recording a slight decline. At the end of 2025, it nevertheless accounted for about half of the total. However, when comparing private equity transactions

with IPOs only – thus excluding follow-on – the predominant role of private markets becomes even more evident.

Over the past ten years, Italian companies (and shareholders) have received almost three times more resources from private equity than in proceeds from all IPOs on the EXM and EGM combined. Taking follow-on transactions into account, the resources provided by private equity and the stock market over the decade are broadly equivalent (Fig. IV.8).

Fig. IV.8 – Investments in Italian companies: public and private markets

(yearly data; billions of euros)



Source: calculations on Borsa Italiana and AIFI data. 'Follow-on (EXM+EGM)' includes primary offerings rights issuances, reserved issuances, and secondary offerings (sales of shares by existing shareholders). 'IPO' includes primary offerings and secondary offerings. PE and VC investments relate to first and second round offers. PE and VC investments include follow-on and exclude add-on. Banking follow-on in public markets has been excluded since PE and VC usually do not invest in banks. 2025 data for PE and VC are estimated.

A more granular analysis can be conducted using information on Italian transactions provided by PEM, a dataset by LIUC University that includes only transactions disclosed to the public.

The analysis focuses on PE expansion transactions – acquisitions of minority stakes in target companies – which represent the closest alternative to IPOs, as Italian listings typically involve offering only a minority stake to the public. In 2023–2024, 14 such expansion deals were completed involving companies of a size potentially suitable for an EXM IPO (target companies with revenues exceeding €100 million).

When also considering buyouts – acquisitions of a controlling or full equity stake in the target company – a further group of 39 deals can be included in the analysis. In conclusion, at least 53 firms whose size is, in principle, compatible with a stock market listing were involved in private equity deals in 2023-2024. By contrast, only 5 IPOs were realised on the EXM market over the same period.

Analysing private versus public markets solely from the perspective of corporate financing captures only part of the picture.

Private markets have recently warranted robust returns to investors. According to Bain&Co data, since 2000 buyout funds operating in the US and Europe outperformed the leading equity indices (the S&P500 for the US and MSCI Europe, respectively), despite this gap narrowed considerably in the US in recent years.

Private equity instruments, however, features intrinsic complexity and are associated with significant risks.

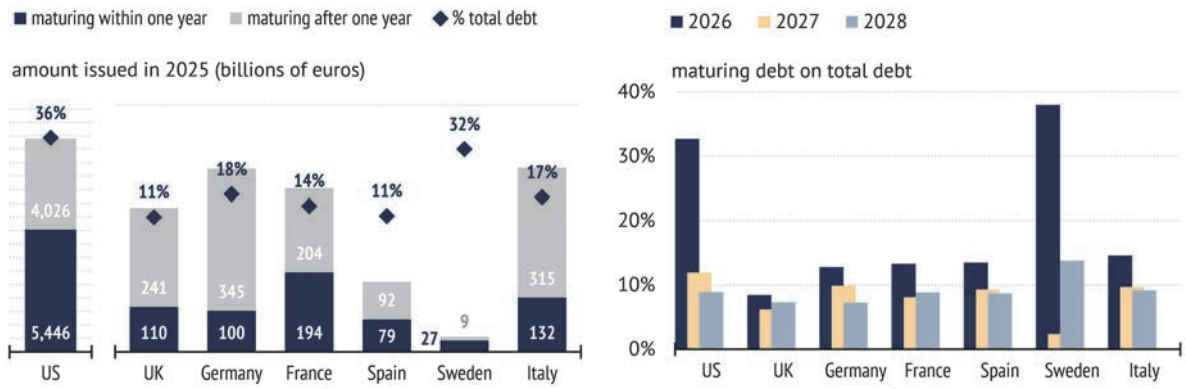
Public markets not only provide direct funding to firms but also offer households liquid and accessible investment opportunities. While private markets can serve as a viable alternative for corporate financing, as recent evidence has shown, private equity cannot replace the standardised, transparent, and easily tradable instruments available in public markets. Efforts to bring private market instruments to retail investors – the so-called 'democratisation' or 'retailisation' of private markets – have therefore raised concerns and attracted scrutiny from regulators worldwide, given the complexity, illiquidity, and risk profile of these products.

2. BOND MARKETS

Public-sector debt issuance was robust over the last year. The US issued government securities equivalent to 36% of the total outstanding stock, with almost 60% concentrated in short-term maturities. In Europe, Italy and Germany continued to be the two largest issuers, with volumes close to €450 billion each. Among the main Eurozone economies, Germany and Italy show the lowest share of issues of short-term securities (respectively, 22% and 30% of the total 2025 issuance). The risks associated with refinancing are pronounced for the US debt, as the bonds maturing by the end of 2026 account for more than 30% of the total outstanding bonds. This figure ranges between 8% and 15% for the main European countries except for Sweden (Fig. IV.9).

Fig. IV.9 – Sovereign bond issues and public debt maturity structure in selected advanced countries

(data as of December 2025)



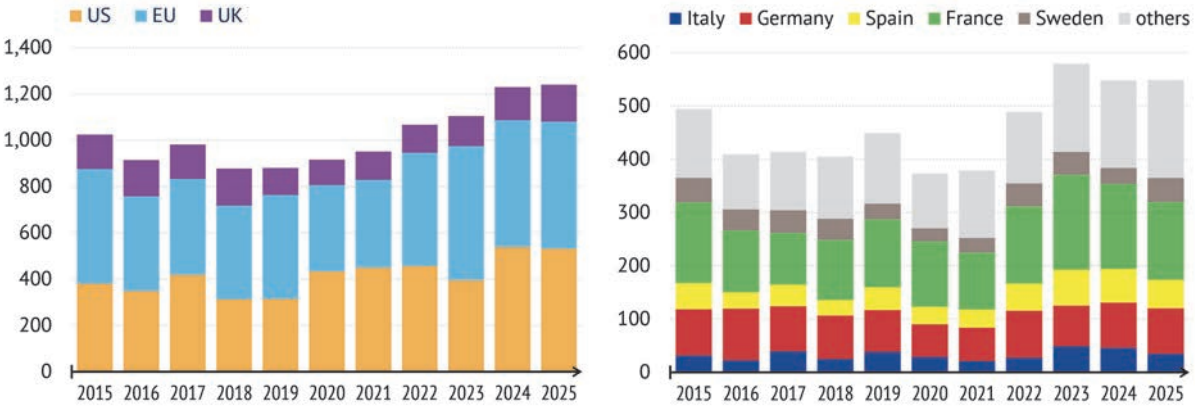
Source: calculations on FactSet data. Figures do not include debt instruments issued prior to 1996.

In 2025, financial corporate bond issuance remained close to the peak levels observed over the past decade. In comparison to 2024, issuance remained relatively stable in the EU, though a decline in main countries (reductions in France, Italy and Spain of approximately 14, 11 and €10 billion). In contrast, it decreased slightly in the United States (-1.3% compared to 2024) and rose significantly in the UK (+11.9%). However, it is notable that total volumes remained above the 2015-2024 average (Fig. IV.10).

The non-financial sector exhibited distinct dynamics, with bond issuance strengthening further and remaining close to the upper end of the 2015–2025 range. Relative to 2024, issuance saw an increase of almost 10% in the US (€97 billion), 6% in the EU (€26 billion) and by 12% in the UK (€17 billion). In a longer view, volumes peaked in 2020 (particularly in the US), then normalised through 2021–2023 before re-accelerating in 2024–2025. Within the EU, the aggregate expansion masks meaningful cross-country dispersion, with issuances increasing in France (+18%) and declining in Germany, Italy, Spain and Sweden (Fig. IV.11).

Fig. IV.10 – Bond issuance by financial companies in selected advanced countries

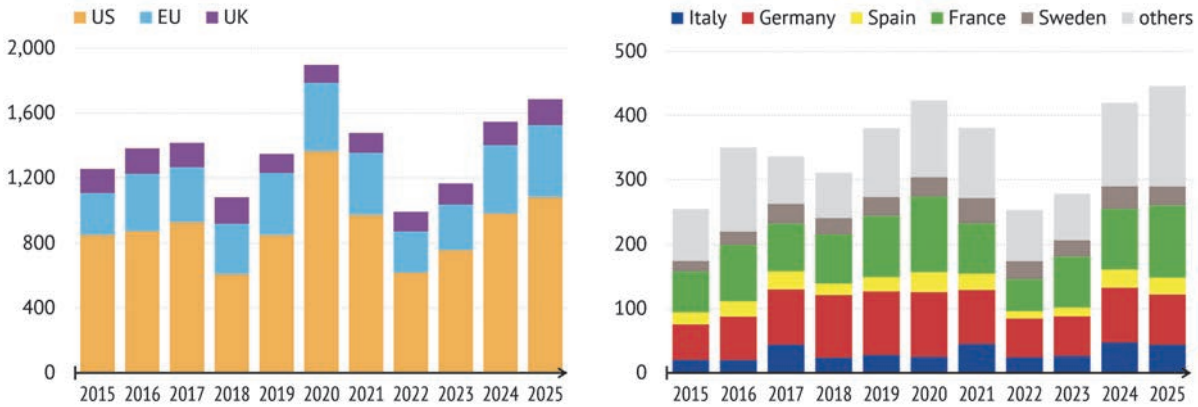
(amounts in billions of euros)



Source: calculations on Dealogic data. Figures do not include data relative to US and non-US agencies.

Fig. IV.11 – Bond issuance by non-financial companies in selected advanced countries

(amounts in billions of euros)



Source: calculations on Dealogic data. Figures do not include data relative to US and non-US agencies.

Considering both Italian financial and non-financial companies, the share of bonds issuance listed on an Italian trading venues rose markedly in 2025, up to 14% from 4.3% in 2024 and versus a 10-year average of 3.5% (Fig. IV.12).

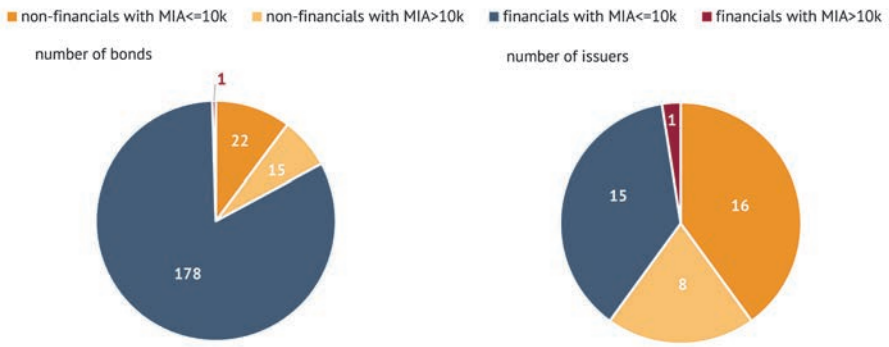
However, building a well-diversified bond portfolio remains, for a retail investor, a still difficult exercise. On the one hand, it should be noted that only 214 bonds listed on the MOT, out of a total of more than 1,700 are corporate bonds, specifically 179 issued by financial companies and 35 by non-financial issuers. Secondly, while all corporate bonds issued by financial companies have a minimum investable amount of less than €10,000 and are therefore effectively accessible to retail investors, this feature is present in only 22 corporate bonds issued by only 16 non-financial companies (Fig. IV.13).

Fig. IV.12 – Bond issuance by Italian private sector by location of the trading venue

(amounts in billions of euros)

Source: calculations on Dealogic data.

Fig. IV.13 – Corporate bond listed on MOT



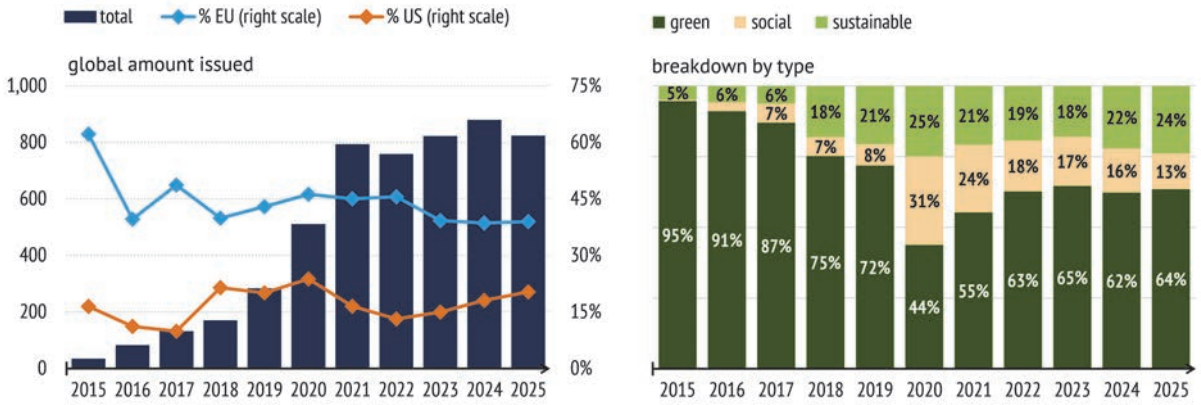
Source: calculations on Borsa Italiana data accessed on 21 January 2026. MIA stands for minimum investable amount.

The issuance of green, social, and sustainable bonds in 2025 remained largely stable compared with the previous year, despite a political landscape characterised by conflicting signals. In the United States, Donald Trump's second term has resulted in a re-emphasis of fossil fuels, while in Europe some of the most ambitious environmental regulations have been relaxed in response to concerns on growth and competitiveness. Notwithstanding the pervasive political and regulatory uncertainty, certain projects – particularly in the energy sector, such as grid expansion and energy storage – have become indispensable to support the rapid scale-up of AI technologies.

The EU maintains its position as a market leader, with ESG bond issuance accounting for approximately 40% of global volumes. Green bonds continue to dominate the ESG market, accounting for over 60% of total ESG issuance in 2025 (Fig. IV.14).

Fig. IV.14 – ESG bond issuance

(amounts in billions of euros)

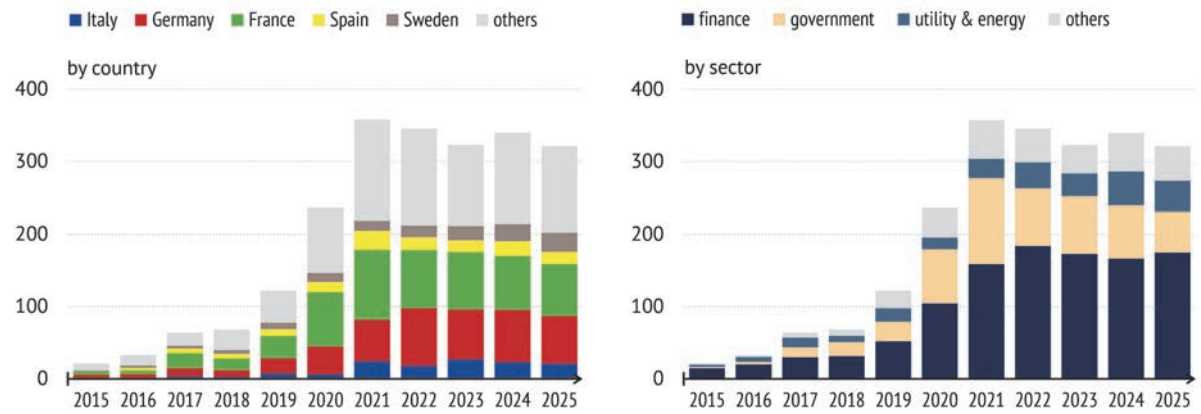


Source: calculations on Dealogic data.

Regarding the EU, France and Germany were leading countries in terms of issuance across the region accounting, respectively, for 22% and 20% of total volumes in 2025 (while Italy accounting for 7%). In 2025, the public sector accounted for 17% of the total issuance. In the private sector, the main issuing segments were financials and utilities and energy, which represented 54% and 13% of total 2025 issuance, respectively (Fig. IV.15).

Fig. IV.15 – ESG bond issuance in the EU by country and sector

(amounts in billions of euros)



Source: calculations on Dealogic data.

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