

# CAPITALI INTERNAZIONALI E MERCATI FINANZIARI ITALIANI : TREND IN CORSO IN VISTA DELLA BREXIT

Carmine Di Noia

Commissioner, Consob

Chair, Committee of Economic and Markets' Analysis, ESMA  
Deputy Chair, Corporate Governance Committee, OECD

Business Club Italia

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**FINANCIAL WORLD: WHERE ARE WE GOING?**



**FEW SNAPSHOTS FROM ITALY**



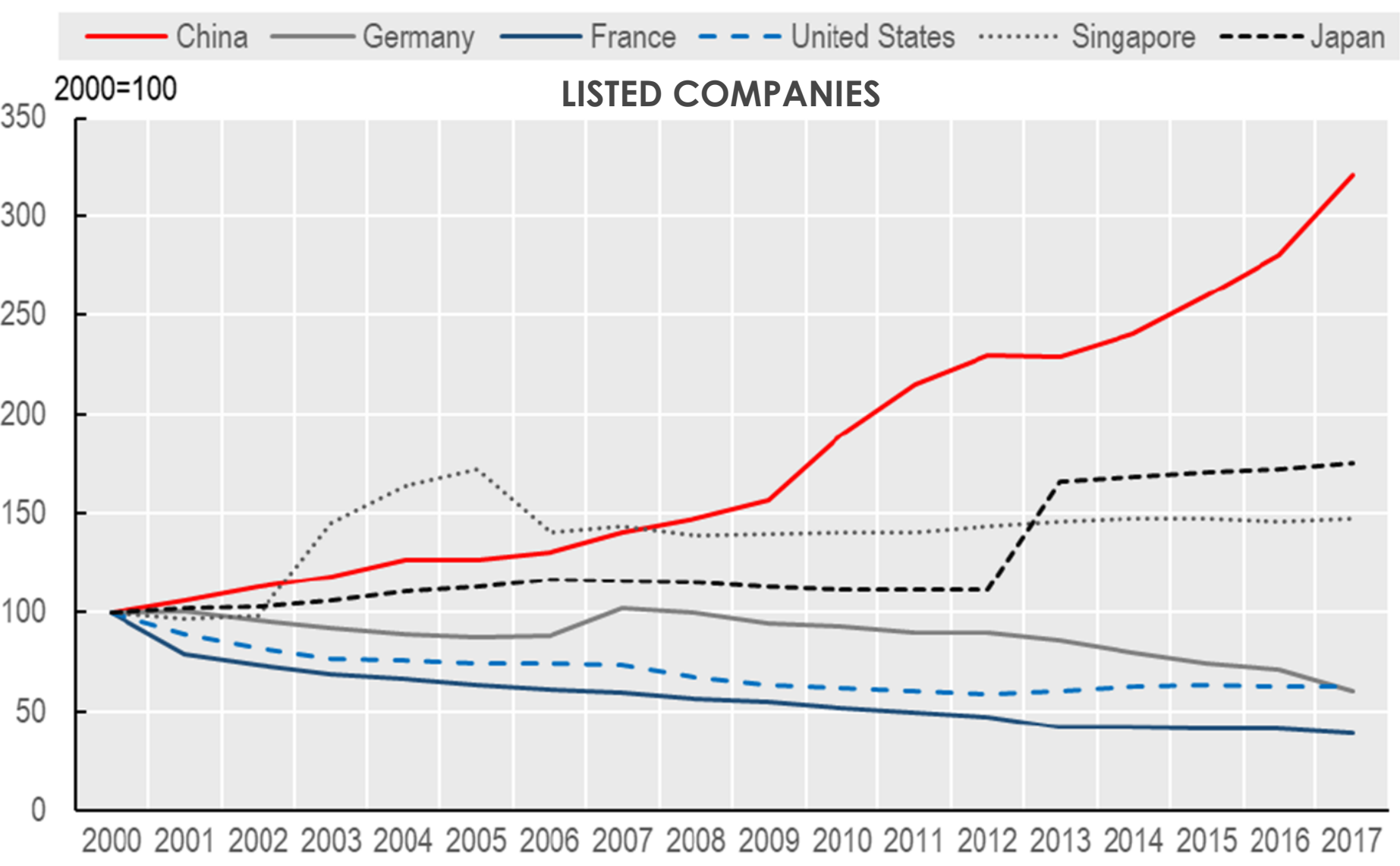
**BREXIT IMPACT**



**FINAL THOUGHTS**

Financial world: where are we  
going?

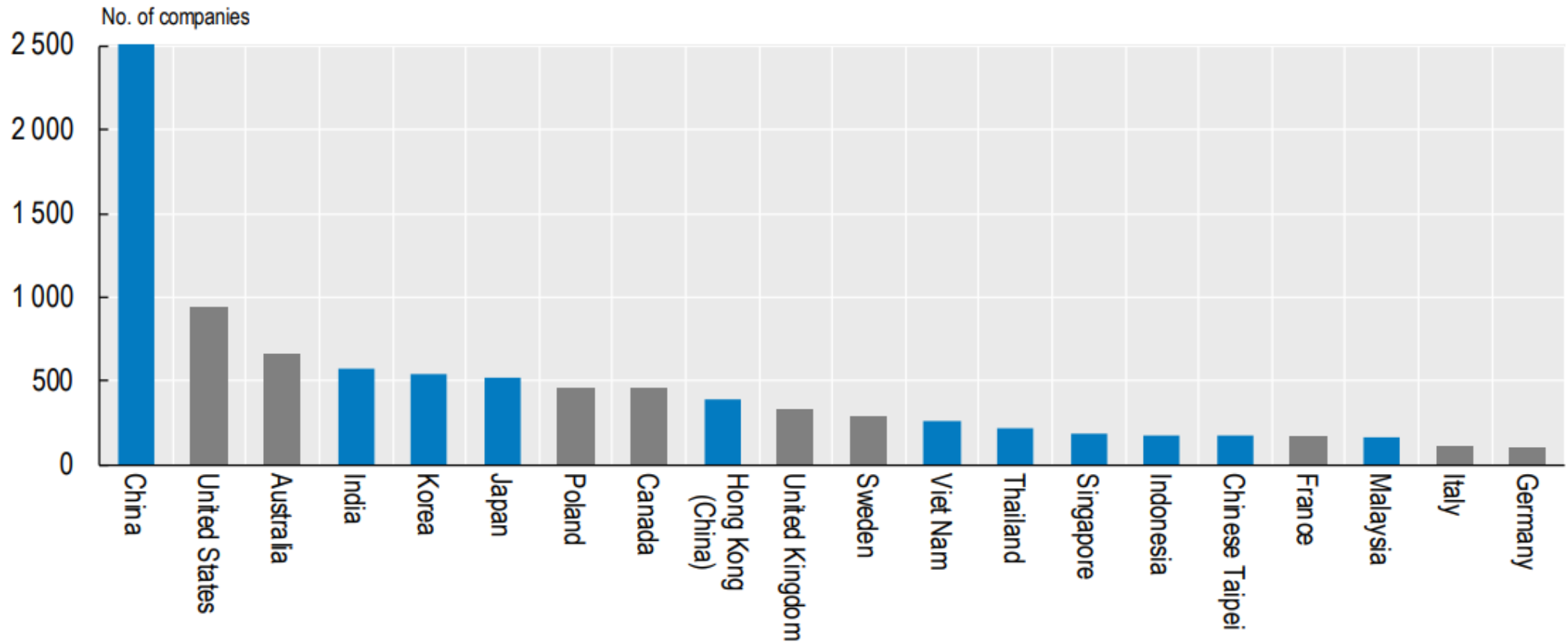
# MORE MONEY AROUND BUT CHASING FEWER COMPANIES (except Asia)



Source: OECD, 2018

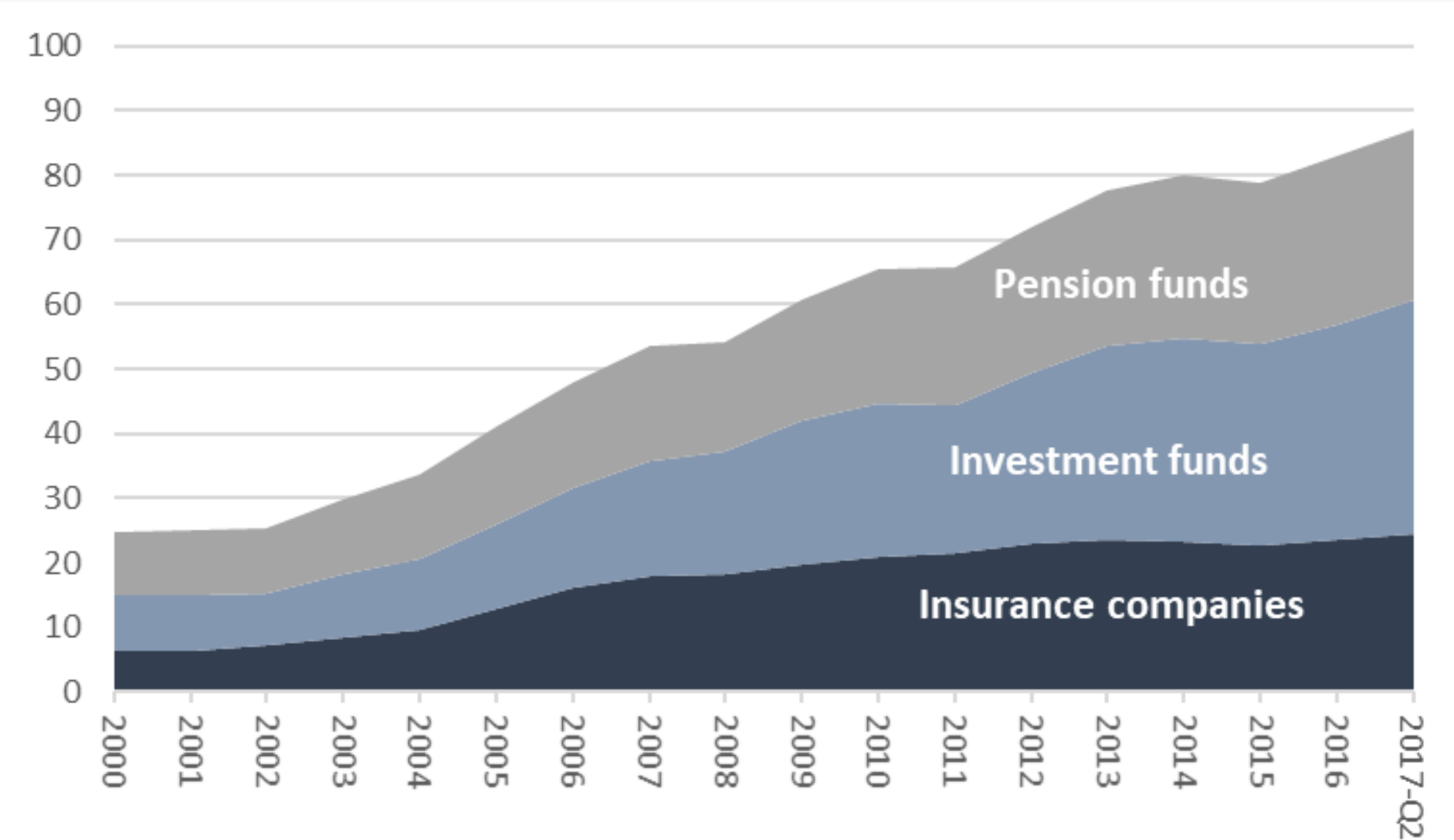
# GLOBAL SHIFT OF CAPITAL MARKET ACTIVITIES TO ASIA

TOP 20 JURISDICTIONS BY NUMBER OF NON-FINANCIAL COMPANY IPOS DURING THE PAST 10 YEARS (2008 TO 2017)



Source: OECD, 2018

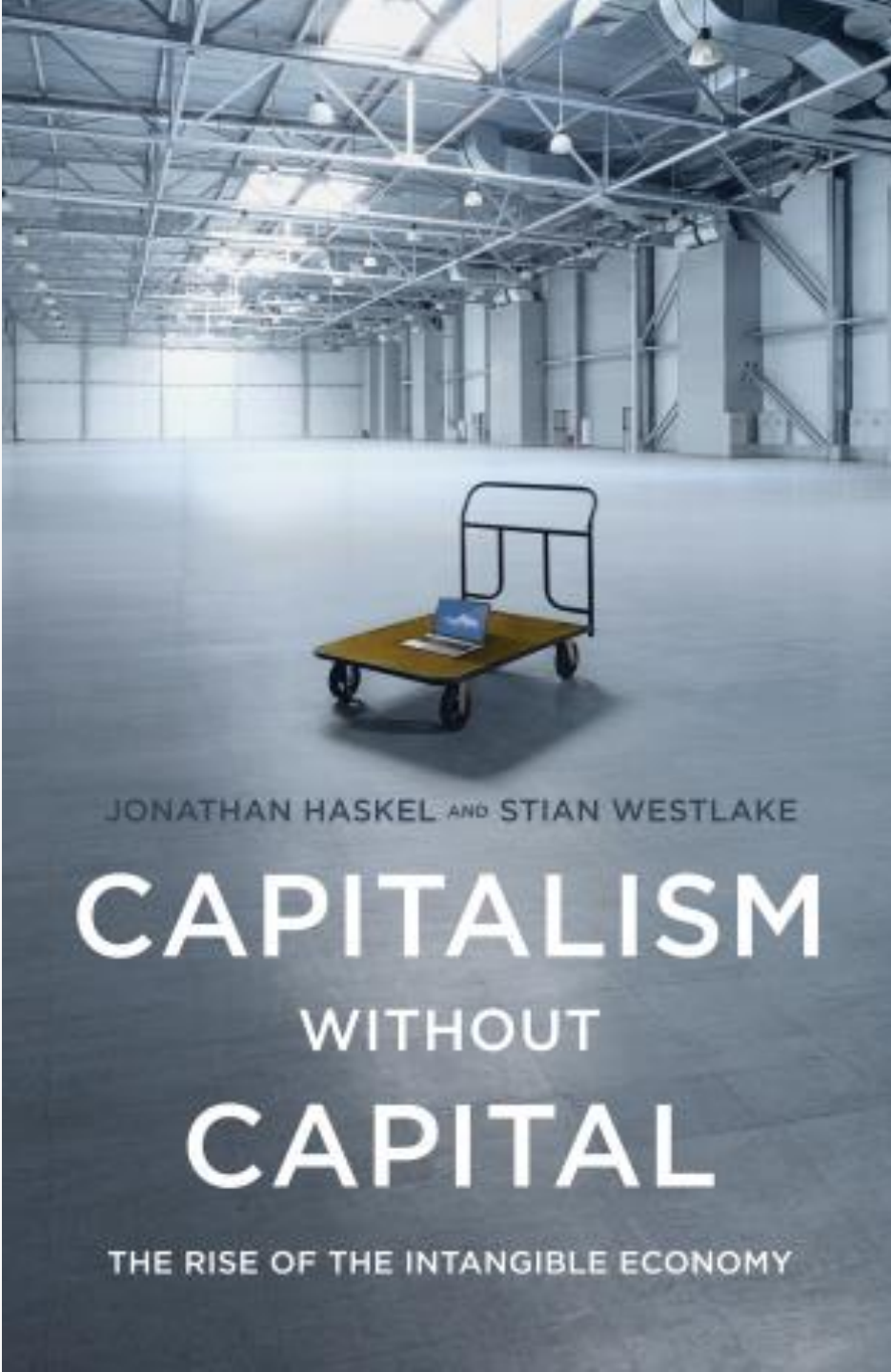
# CHANGING LANDSCAPE OF INTERMEDIATION



ASSETS UNDER MANAGEMENT BY INSTITUTIONAL INVESTORS (USD TRILLION)

Source: OECD, 2017

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## INTANGIBLE ECONOMY

“Uber the world’s largest taxi company, owns no vehicles. Facebook, the world’s most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world’s largest accommodation provider, owns no real estate. Something interesting is happening.”

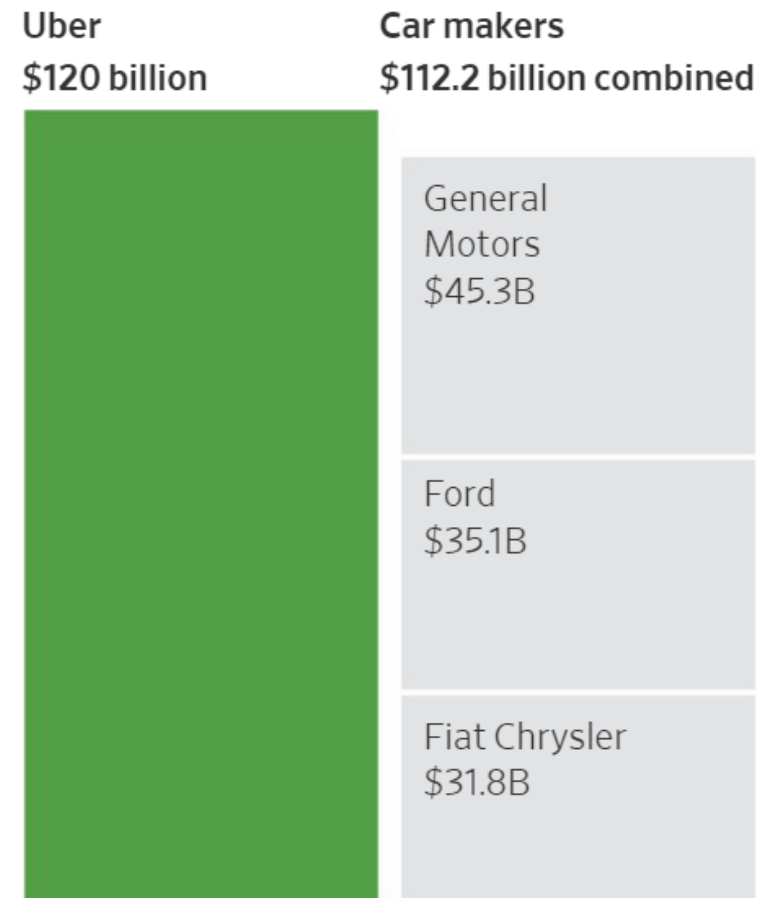
Tom Goodwin, 2015  
Head of Innovation, Zenit Media

It's not just a  
catchy phrase...

## UBER IPO COMING IN 2019 ?

### Overdrive

At \$120 billion, Uber would be worth more than Detroit's Big Three auto makers combined.





# NEW PLAYERS

## PAYMENTS

amazon payments

33M+ users of Amazon Payments

## SMALL BUSINESS LOANS

amazon lending

\$3B lent to small businesses on Amazon since 2011

## CASH DEPOSITS

amazon cash

**Amazon, Berkshire, JPMorgan Link  
Up to Form New Health-Care  
Company**  
**Amazon to Acquire Whole Foods for  
\$13.7 Billion**

Amazon Ecosystem

Few snapshots from Italy

# ITALIAN CAPITAL MARKETS STILL UNDERDEVELOPED (CAP/GDP)

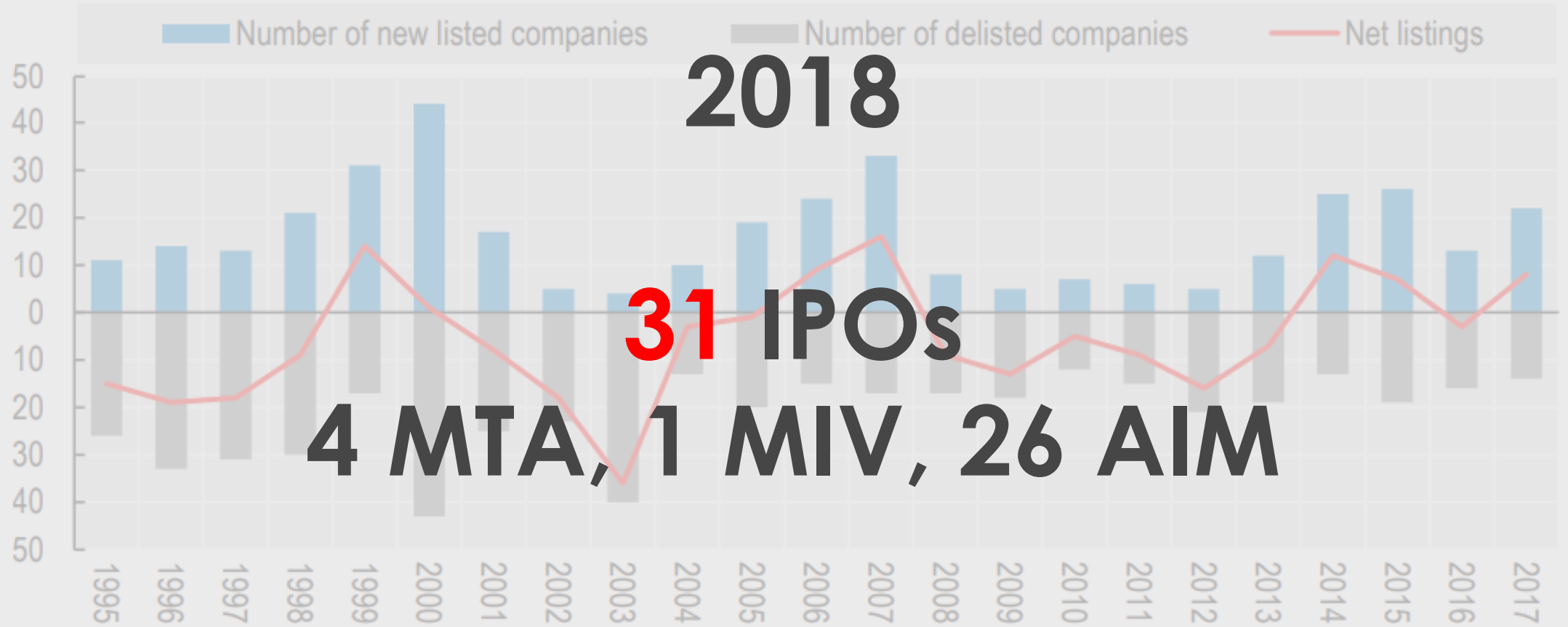
	2011	2012	2013	2014	2015	2016	2017
<b>MTA<sup>1</sup></b>							
<u>capitalizzazione</u>	332	365	445	480	571	522	634
<u>in % del Pil</u>	21,1	23,3	27,6	29,5	35,1	31,6	37,1
<u>controvalore scambi</u>	684	487	526	702	792	615	606
<u>società quotate domestiche</u>	263	255	249	245	242	240	240
<u>società ammesse<sup>2</sup></u>	3	2	7	6	10	6	14
<u>società revocabili<sup>3</sup></u>	1	10	13	11	13	8	14
<u>rapporto di cambio-prezzo<sup>4</sup></u>	5,0	4,2	7,1	3,9	2,7	3,4	2,9
<u>rapporto utili-prezzo<sup>4</sup></u>	8,8	7,2	5,0	5,2	4,2	5,2	5,6
<u>rapporto prezzo-utili<sup>5</sup></u>	11,1	13,9	20	18,9	23,7	19,1	17,7

**242 LISTED COMPANIES**

**543 Bn MKT CAP (33,5% OF GDP)**

Fonte: Relazione Annuale Consob 2017

# LISTINGS AND DELISTINGS IN THE ITALIAN STOCK MARKET



# ITALIAN MTF: PROMISING NUMBERS

AIM Italia-MAC

	2015	2016	2017	2018	2019	2020	2021	2022
<u>capitalizzazione</u>	0,6	0,6	2,2	2,0	2,92	2,9	5,6	
<u>controvalore scambi</u>	..	..	0,1	0,3	0,8	0,3	2	
<u>società quotate</u>	24	27	36	57	74	77	95	
<i>totale società quotate <sup>6</sup></i>	<i>328</i>	<i>323</i>	<i>326</i>	<i>342</i>	<i>356</i>	<i>387</i>	<i>421</i>	

**6,6 bn Market Cap**

Fonte: Relazione Annuale Consob 2017

AIM Italia almost doubled in two years its market cap

Number of admitted companies grew significantly as well

**113 companies**

Boost from Individual Saving Plan (Piani Individuali di Risparmio, PIR) and other fiscal incentives (i.e. on advisory fee)

On the bond side, MINIBOND market in good shape (next slide)

# ITALIAN COMPANIES: THERE'S SOME POTENTIALS...

## ELITE PROGRAM (Borsa Italiana)



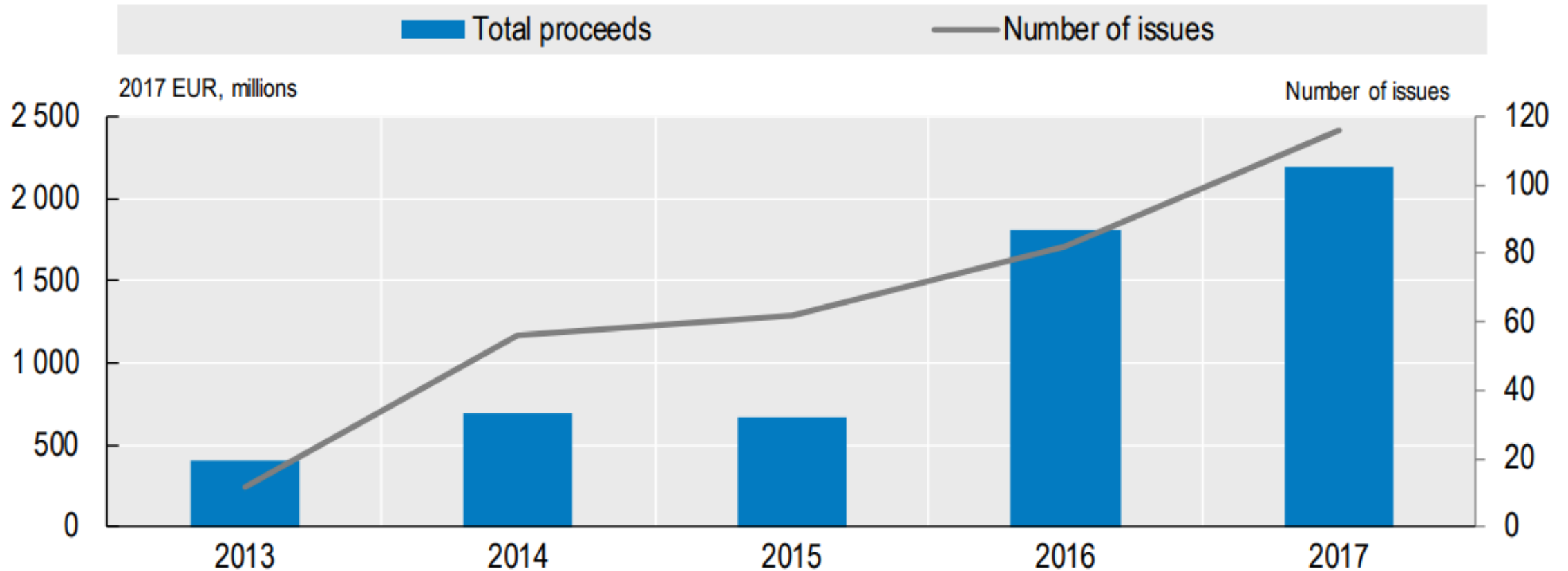
**1.050** Companies globally

**649** in Italy: 66 bn revenue, 360.000 employees

Source: OECD-ORBIS Corporate Finance dataset.

# ROOM FOR ALTERNATIVE SOURCES OF FUNDING

## MINIBOND



Source: Bloomberg, FactSet, Milan Politecnico University, Thomson Reuters, OECD calculations.

# ITALIAN LISTED COMPANIES: COMPETITIVE CORPORATE GOVERNANCE

- **2019: 20 years** since introduction of the first Italian Corporate Governance Code
- **Mature CG:** great compliance to best practices, substance over form approach
- **Control enhancing mechanisms:** pyramidal structure are marginal; loyalty shares have vested
- **One step ahead of EU regulation** (Shareholders' Right II Directive): related
- **Board diversity:** increase in the level of education of board members; women directorship peaks 38% of all boards seats while female membership of the internal board of auditors (organo di controllo) exceeds 38%, in both cases female representation in Italian listed companies shows the highest figures ever recorded
- **GM:** the 2018 AGMs season records the highest figures of both the share capital represented at the meeting (72,6% on average) and of institutional investors participation (exceeding 21% of the company's capital)



# BREXIT IMPACT

# MULTIPLE FRONTS

**Banks and investment firm:** around 2000 UK firms operating with no branch in Italy

**Regulated markets, MTF** (both way): Italian markets operating in UK, UK markets operating in Italy

**Post trading cycle** (both way): CCPs' and CSDs' recognition

# WHAT ARE WE DOING

## EU LEVEL:

- Commission Implementing Decision (EU) “determining for a limited period of time, that the regulatory framework applicable to central counterparties in the United Kingdom of Great Britain and Northern Ireland is equivalent” (dec. 2018)
- MoU between ESMA and the FCA concerning the exchange of information in relation to the supervision of credit rating agencies and trade repositories (Feb. 2019)
- A multilateral MoU (MMoU) between EU/EEA securities regulators and the FCA covering supervisory cooperation, enforcement and information exchange between individual regulators and the FCA, and will allow them to share information relating to, amongst others, market surveillance, investment services and asset management activities (Feb 2019)

## ITALIAN LEVEL

Italy “is drafting” transitional measures to ensure the continuity of both markets and intermediaries in the event of no deal (Feb. 2019)

# FINAL THOUGHTS

# CONCLUSION



**Financial Markets evolution:** what's next?



**New ecosystems** coming from non-financial world, **new digital assets, new services**



**A role for Italy?**



**Brexit effect**