



FOREIGN BANKS AND FINANCIAL INTERMEDIARIES IN ITALY

SUPPORT TO THE ITALIAN
ECONOMY IN 2025

July 2026

In collaboration with

CONSILIA
Business Management

Highlights

77	Number of foreign banks operating in Italy (end-2025)
34.3%	Domestic public debt owned by nonresidents (end-2025)
72%	Syndicated loans (market share held by foreign bookrunners, 2025)
79%	Debt capital markets (market share held by foreign bookrunners, 2025)
63%	Green bonds issued by Italian companies (share of foreign bookrunners, issuances 2014/26)
95%	Equity capital markets (market share held by foreign bookrunners, 2025)
19%	Foreign banks' market share of firms' lending (2025)
61%	Project finance (market share held by foreign mandated arrangers, 2025)

48%	Financial guarantees to support exports and internationalization of Italian companies (market share held by foreign intermediaries, 2025)
53%	Source of funds in Italian private equity and venture capital market (market share held by pan-European funds based in Italy, 2025)
35%	Funds raised in Italian private debt market (market share held by international investors, 2025)
28%	Incoming cross-border deals in Italian M&A market (% total deal value, 2025)
18%	Share of foreign banks and intermediaries in Italian factoring market (annual turnover, 2025)
27%	Share of foreign banks and intermediaries in Italian leasing market (value of leasing contracts, 2025)
52%	Share of foreign banks and intermediaries in Italian consumer credit market (cumulative flows, 2025)

Contents

	Introduction	page 7
CHAPTER 1	The internationalization of Italy's economic and productive system	9
CHAPTER 2	Italian public debt and external debt	13
CHAPTER 3	Structural data on foreign banks in Italy	19
	3.1 At a glance: number of banks and branches	19
	3.2 Operations of foreign banks in Italy	21
CHAPTER 4	Corporate and Investment Banking	23
	4.1 Structured finance	23
	4.1.1 <i>Syndicated loans</i>	23
	4.1.2 <i>Securitization</i>	25
	4.1.3 <i>Project finance</i>	26
	4.2 Export Finance: financial guarantees to support the growth of Italian companies abroad	27
	4.3 Private equity and venture capital	30
	4.4 Mergers and Acquisitions	32
CHAPTER 5	Advisory and operations in capital markets	34
	5.1 Debt capital market	34
	5.1.1 <i>Green Bond market</i>	37
	5.2 Equity capital market	40
	5.3 Trading on Cash Markets	42
CHAPTER 6	Asset management	45
CHAPTER 7	Specialized credit	47
CHAPTER 8	Foreign banks in Europe: a sample analysis	51
	8.1 The role of nonresident investors in public debt	51
	8.2 The role of foreign banks in debt and capital markets	53
CHAPTER 9	Geopolitical risks and impact on financial businesses	55
	List of AIBE Member Banks	59
	The Authors	61

Introduction

Within an evolving global landscape, Italy continues to benefit from internationally recognized industrial excellence, entrepreneurial dynamism and a highly specialized productive base. At the same time, however, it faces persistent structural challenges that constrain its ability to attract and retain strategic investments. These challenges do not arise from any single factor, but rather reflect the overall quality of the country's economic and institutional environment, including regulatory certainty, administrative efficiency, the depth and efficiency of financial markets, and the availability of long-term growth capital.

Although bank lending remains a cornerstone of the Italian financial system, particularly for small and medium-sized enterprises, innovation, business expansion and international competitiveness increasingly require a more diversified funding structure, supported by deeper, more liquid and better integrated capital markets. Such markets are essential to mobilize private savings, finance productive investments, strengthen corporate governance and support sustainable business growth.

Against this backdrop, completing the Banking Union and the Capital Markets Union has become one of the European Union's defining priorities. Despite significant progress, financial fragmentation continues to hamper the efficient allocation of capital and Europe's capacity to finance the large-scale investments required by the digital transition, decarbonization and technological innovation. Further policy action, greater regulatory convergence and the removal of barriers to cross-border financial activity remain essential to achieving a truly integrated European financial market. Within this framework, finance can serve as a powerful catalyst for European integration, enhancing long-term competitiveness, fostering sustainable business development and contributing to a more resilient, innovative and globally competitive economy.

The analyses and evidence presented in our 16th Annual Report are framed by this broader economic and institutional context. They highlight the essential contribution of foreign banks to Italy's financial ecosystem, not only by connecting domestic businesses with international capital markets and institutional investors, but also by supporting the attraction of high-quality investments, strengthening market competitiveness and fostering sustainable long-term growth.

Guido Rosa
AIBE President

CHAPTER 1

The internationalization of Italy's economic and productive system

In 2025 and during the first months of 2026, the Italian economy operated within a highly uncertain international environment, characterized by geopolitical tensions, trade fragmentation, persistent energy risks, and the gradual normalization of inflation and monetary policy. Despite these challenges, Italy achieved a moderate degree of economic growth, and with a relatively resilient export performance. This confirmed the strategic importance of internationalization for the country's economic model.

The slowdown in European industrial production and the stabilization of inflation after the shocks of 2022 and 2023 are major dynamics affecting Italian growth and productivity.

The Italian National Institute of Statistics (ISTAT) expects GDP growth in 2025 and 2026 to remain positive but limited, mainly supported by domestic demand and investments linked to the National Recovery and Resilience Plan (PNRR). On the negative side, the country's growth trajectory remained constrained by weak productivity, demographic pressures, high public debt, and the vulnerability of exports in respect of global trade fragmentation (Istat, Note on the performance and outlook of the Italian economy for 2026-2027, June 2026).

ISTAT's latest forecasts indicate that Italian GDP rose by approximately 0.5% in 2025, and is projected to grow by around 0.7% in 2026. This moderate growth is a consequence of the ongoing slowdown in global trade and rising geopolitical tensions. The

European Commission views a similar scenario (EC, Economic forecast for Italy, May 2026), projecting Italian growth to be close to that of other Eurozone peer countries facing comparable challenges.

Inflation fell markedly in 2025, following the energy price shocks of the 2022-2023 period. Projections released in 2026 point to a resurgence of inflationary pressures, however, driven by geopolitical tensions in the Middle East and rising energy costs. The European Commission forecasts inflation at about 3.2% in 2026, before gradually slowing down and converging towards the ECB's target in 2027.

The Italian economy remains deeply integrated in international markets. Italy is a leading exporting country, with a strong competitive position in sectors such as industrial machinery, pharmaceuticals, automotive components, and luxury goods (Istat, Italy's Economic outlook 2025-2026, June 2025), favoring firms' export-oriented approach and integration in international value chains. This integration can generate economic benefits, such as access to large and international markets, rising productivity and economies of scale, however it may expose Italian firms to external and international risks, such as tariff barriers, supply-chain disruptions, and possible bottlenecks in transportation and logistics. The growing fragmentation of the global economy has therefore become a major concern for Italian policymakers and business leaders.

As highlighted in the Bank of Italy's Annual

Report on 2025, Italian exports continue to be fundamental, supported by the competitiveness of selected manufacturing sectors and the geographical diversification of destination markets. Nonetheless, the slowdown in global trade and in European industrial activity is reported as being sources of risk.

Italy's level of international integration remains lower than that of other major European economies in respect of foreign direct investment (FDI). Both inward (about 9 €billion, net of intragroup debts, in 2025) and outward FDI flows are relatively modest, reflecting structural constraints such as the small average size of firms, sectoral specialization in traditional industries, and some institutional and regulatory weaknesses.

In the latest Global Attractiveness Index 2025 (The European House - Ambrosetti and TEHA Group), Italy gained 3 positions (from 19th to 16th) and 1.9 points, from 58.4 to 60.3, compared to the GAI 2024 ranking, confirming its standing among the top group of highly attractive countries. Despite the continuous improvement since 2020, Italy appears as the least attractive country among G7 countries, with an overall gap of about 15 points. Italy's strength lies in several dimensions and KPIs included in the analysis, such as innovation, endowment, gross fixed capital formation, and openness. Some weaknesses were confirmed too, namely efficiency, total factor productivity, and future orientation. GAI's analysts also pointed out that Italy is negatively exposed to global risks, with specific reference to economic and geopolitical fragility. The report identified a set of initiatives that could be implemented to favour the country's attractiveness and stimulate economic and social growth, including supporting the development of an entrepreneurial ecosystem, favouring training and human capital formation to reduce skills mismatches, attracting talent and improving administrative efficiency.

But the landscape is not always homogenous. Italy ranks 6th in the "top 15" European countries for foreign investments in 2025 in terms of the number of projects, (EY - Global, 2026 foreign direct investment trends in Europe, May 2026),

with a drop of about 8% YoY. The report highlights a global downturn in foreign investment (-7%), but despite global risks, businesses forecast an increase in European countries' attractiveness. High-growth sectors based on AI, defence, and green energy will be at the forefront, balancing short-term pressures and long-term opportunities, supported by strategic decisions. Italy has to be part of this growth, in order to enhance competitiveness and productivity.

According to the 2026 Kearney FDI Confidence Index, Italy dropped from 8th to 13th position among 25 developed and emerging markets included in the panel. Among the reasons to invest in Italy, survey respondents highlighted the ease of doing business (28%) and the level of economic profitability (27%), while Italy was ranked 10th in the "Optimism ranking" with regard to the spread between optimistic and pessimistic perspectives about the 3-year economic outlook.

As in past AIBE Reports, here we present a summary of the most relevant data collected by ISTAT on foreign affiliates operating in Italy. From the latest available data, referring to the end of 2023, a strong and continuous expansion of multinational enterprises (MNEs) is observed between 2015 and 2023, both in terms of their structural presence in the economy and their economic performance.

The number of foreign-controlled enterprises rose to 18,825 by the end of 2023 (Table 1). This expansion was driven by both the industrial and service sectors, although services remained the dominant component, accounting for around 72% of the total. Particularly noteworthy is the increase in foreign-controlled firms operating in financial and insurance activities, almost doubling to 1,108 units in 2023.

Job growth was even more pronounced. The number of employees working in foreign-controlled firms rose from 1.26 million in 2015 to 1.83 million in 2023 (+46%), mainly in the Services sector. As Figure 1 shows, economic indicators reveal an even more dynamic trend. Total turnover rose to €887 billion in 2023, 58.7% of which

from services, suggesting a strengthening of the market position and of the production capacity of foreign-controlled enterprises. Similarly, value added grew to €188 billion, marking an increase in labour productivity and economic efficiency, in both Industry and Services.

The average size of foreign MNEs remained high compared to Italian-controlled firms (97.5 *versus* 3.6 employees). The existing gap in productivity was confirmed, with the value added per employee close to €103,000 for MNEs *versus* €63,800 for domestically-controlled firms (Figure 2).

	2015		2019		2023	
	Value	%	Value	%	Value	%
Number of foreign-controlled firms	14,007	100	15,779	100	18,825	100
Industry	4,032	28.8	4,548	28.8	5,332	28.3
Services	9,975	71.2	11,231	71.2	13,493	71.7
<i>of which: financial and insurance activities</i>	<i>562</i>	<i>4.0</i>	<i>878</i>	<i>5.6</i>	<i>1,108</i>	<i>5.9</i>
Number of employees	1,257,209	100	1,511,190	100	1,834,865	100
Industry	450,023	35.8	525,255	34.8	618,801	33.7
Services	807,186	64.2	985,935	65.2	1,216,064	66.3
<i>of which: financial and insurance activities</i>	<i>64,145</i>	<i>5.1</i>	<i>68,432</i>	<i>4.5</i>	<i>73,977</i>	<i>4.0</i>
Turnover	529,574	100	624,167	100	886,958	100
Industry	223,325	42.2	246,096	39.4	366,337	41.3
Services	306,249	57.8	378,071	60.6	520,621	58.7
Value Added	104,093	100	134,199	100	188,184	100
Industry	43,596	41.9	51,621	38.5	76,621	40.7
Services	60,497	58.1	82,578	61.5	111,563	59.3

Tab. 1 Main data relating to foreign-controlled enterprises operating in Italy (end-year data, monetary values in €million)

Source: elaboration of ISTAT data

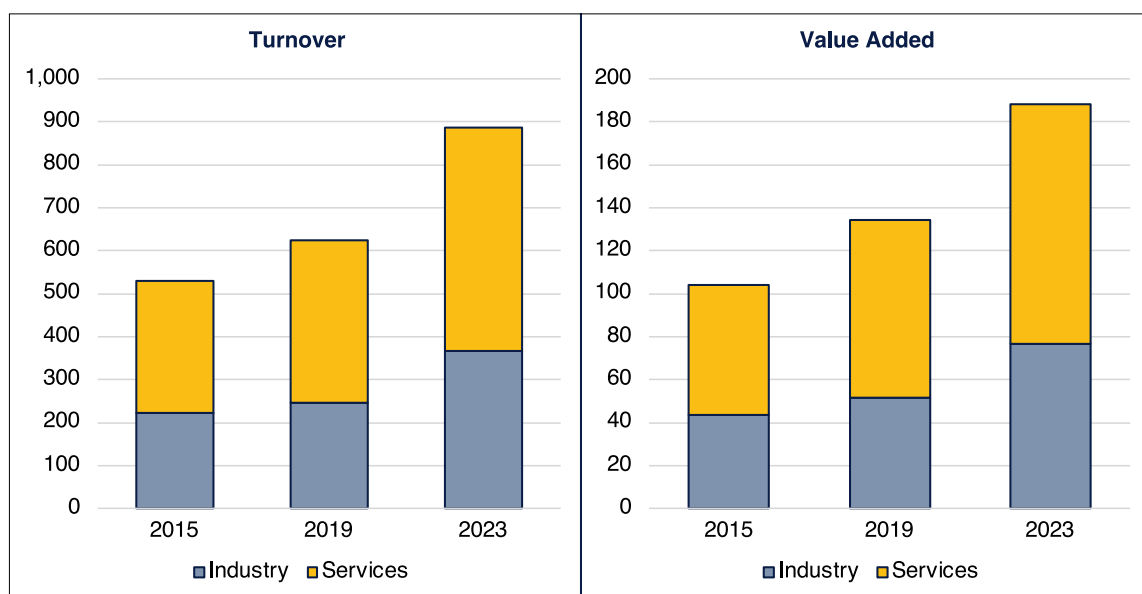


Fig. 1 Turnover and Value Added of MNEs in Italy (€billion)
Source: based on Istat data analysis

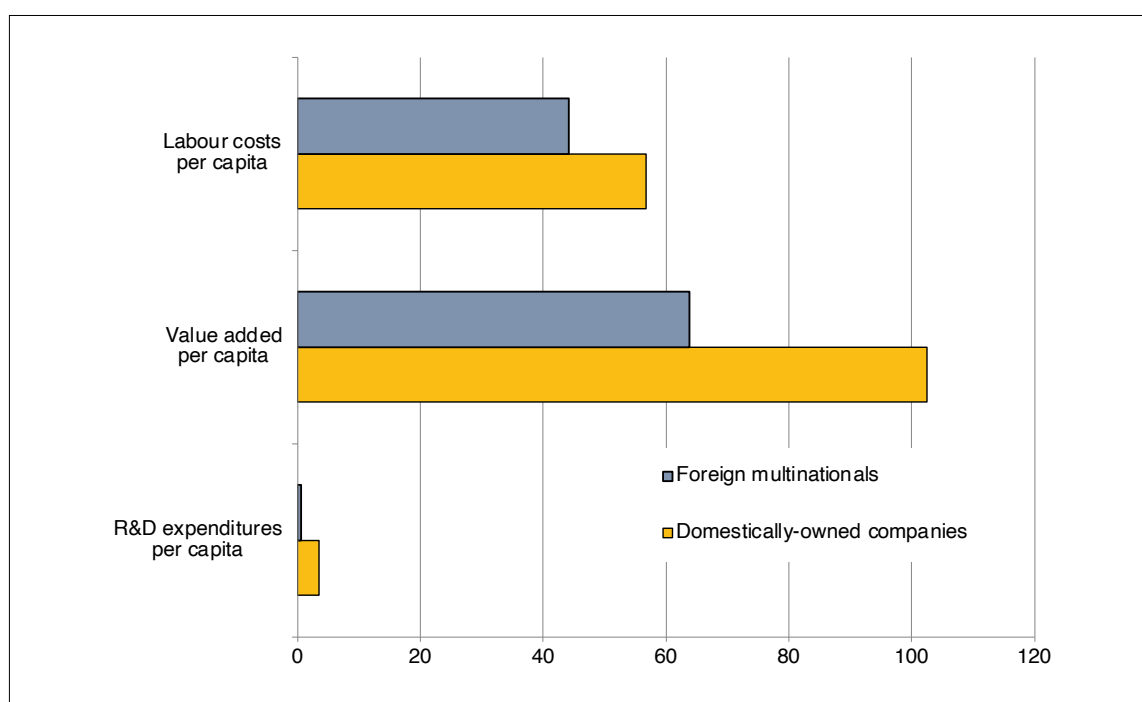


Fig. 2 Domestically-owned firms and foreign multinational firms in Italy: comparison of performance data (amounts in €thousands, 2023)
Source: based on ISTAT data analysis

CHAPTER 2

Italian public debt and external debt

As Figure 3 shows, there is a quite clear change in the pattern of foreign participation in the Italian public debt market over the period 2019-2025, with an initial decline during the pandemic years, followed by a strong recovery in the last two years.

Between December 2019 and December 2022, the stock of gross public debt rose from €2,416 to €2,764 billion (+14%), while government securities held by nonresidents fell from €711 billion to €609 billion. As a result, the share of public debt held by foreign investors fell from 31.7% to 26.5%. A higher portion of domestic public debt was purchased by domestic investors and, above all, by the Eurosystem during the period of large-scale securities purchase programmes during and after the pandemic.

The most recent period, from 2023 to end-2025, saw a significant switch. On the one hand, total public debt continued to rise, reaching a new peak of €3,096 billion at the end of 2025, on the other, foreign investors raise their share of Italian government securities at a faster pace, going from €639 to €872 billion (+36%). The share of debt held by nonresidents grew to 34.3%, 3.5 percentage points higher than the previous year.

The acceleration was particularly strong in 2024 and 2025. In absolute terms, foreign holdings increased their share by more than €230 billion in just two years, reaching their highest level in recent series. By the end of 2025, the share of debt held by nonresidents had exceeded the pre-pandemic

level (34.3% versus 31.7% in 2019), signalling a substantial return of foreign investors to the Italian sovereign bond market.

From a market perspective, this trend suggests renewed international confidence in Italian government securities. The normalization of ECB monetary policy, the gradual reduction in Eurosystem holdings, and the attractive yield/risk ratio are considered the most important drivers that pushed up external demand from non-domestic investors. This recent trend may be interpreted as a positive signal regarding market confidence and Italy's ability to attract international capital despite the continued expansion of its public debt stock. While the public debt-to-GDP ratio is expected to decline slightly, from 137.3% in 2026 to 136.7% in 2027 (EY Italian Macroeconomic Bulletin, March 2026), partly as a result of higher inflation, forecasts remain subject to high uncertainty and significant risks, mainly associated with developments in the global macroeconomic landscape. As reported by markets analysts, the increase in public debt, together with interest rates that remain higher than in the pre-pandemic period, as well as challenges faced by Governments - such as the energy transition and rising defence expenditure - represent significant concerns for fiscal sustainability across Eurozone economies, particularly in highly indebted countries such as Italy, with a higher exposure to financial market stress conditions and adverse shocks.

According to the Bank of Italy's Annual Report, in

2025 net issuance of Italian Government securities amounted to €126 billion (€112 billion in 2024), while total gross issuance reached €549 billion. The share of Italian government securities held by foreign investors increased significantly, by about 4 percentage points, reaching 28.2% (excluding securities held by the Eurosystem and investments included in the portfolios of foreign asset management companies and mutual funds, which are ultimately referable to Italian investors). After an initial rise in the first quarter of 2025, yields for Italian 10-year Government bonds declined owing to macroeconomic and global uncertainty. By the end of the year, however, they were broadly unchanged compared with initial levels. The spread compared to German public securities narrowed significantly, a measure of increased investor confidence in Italian public debt and of the country's improved creditworthiness. Maintaining debt sustainability will remain a major challenge for the Italian government in the near future, despite the progress achieved in recent years. This challenge could become even more demanding in light of the adverse effects arising from international tensions, which may negatively weigh on economic growth, increase fiscal pressures, and heighten uncertainty in financial markets.

The Bank for International Settlements (BIS) collects regular statistics on international banking, based on a sample of 25 reporting countries, on a quarterly basis. Recent trends are summarized in Figure 4. Between 2019 and 2025, Italy's external debt underwent notable fluctuations. Total claims rose from about €690 billion in December 2019 to

more than €1 trillion in December 2025, despite a temporary slowdown in 2021-2022. In last year total external debt rose to about €162 billion (+19%), with significant contributions made by all components. The non-bank private sector consistently represented the largest share of total claims throughout the period. Its exposure rose from roughly €373 billion in 2019 to almost €478 billion in 2025.

Claims on the public sector recorded the most substantial increase in absolute terms, rising from about €233 billion in 2019 to nearly €390 billion in 2025 rising by about 21% over the last year.

As shown in the second panel of Figure 4, the increase in total claims was driven predominantly by European banks, for which exposure rose from €592 billion in 2019 to approximately €857 billion at the end of 2025, also suggesting Italy's deep and increasing financial integration in the European banking market.

At the same time, non-European banks also increased their exposure, from about €96 billion to roughly €157 billion over the same period. Although their share remains significantly smaller, and despite the slowdown in 2021 and 2022, this positive trend suggests a broader international appreciation of Italian financial assets. The acceleration observed between the end of 2023 and end of 2025 is particularly significant: during this period total claims rose by about €152 billion, with both European and non-European banks contributing to this expansion, supported by higher investor confidence, stronger economic prospects, and the attractiveness of Italian assets.

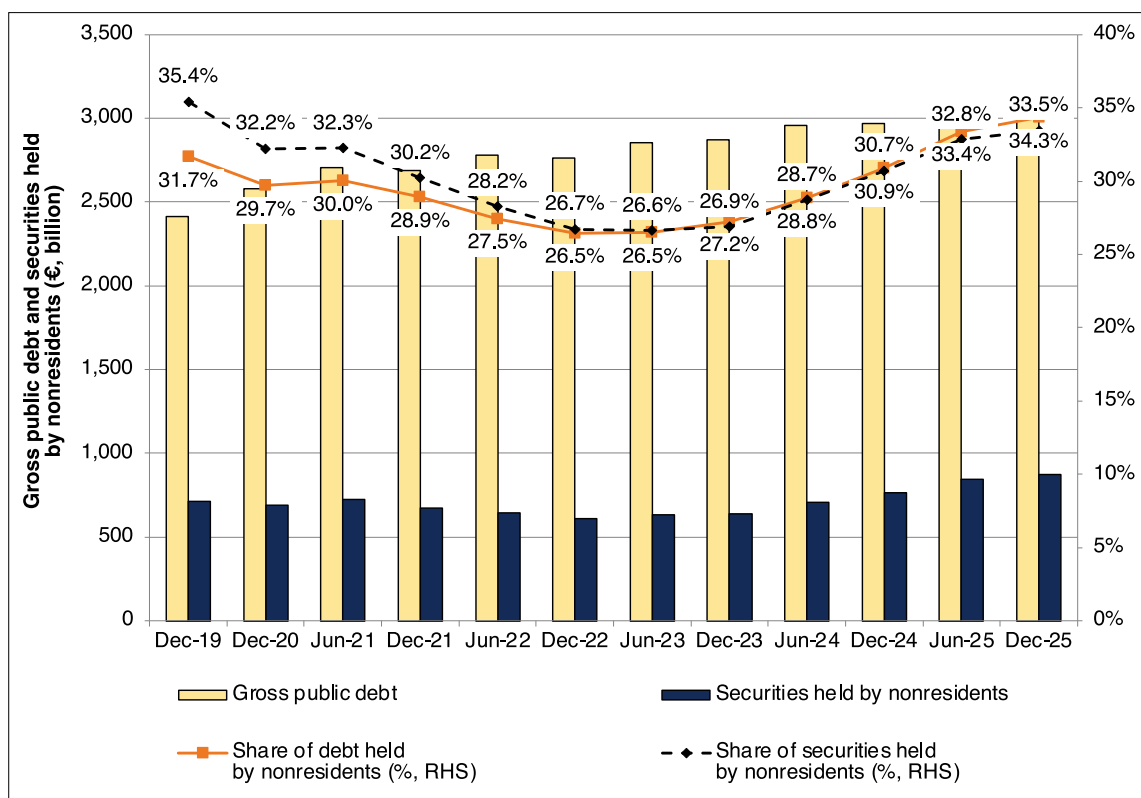


Fig. 3 Recent Italian public debt trends and shares held by nonresidents (amounts in €billion, % on right-hand scale, RHS)

Source: based on Bank of Italy data analysis, Statistical Database (BDS)

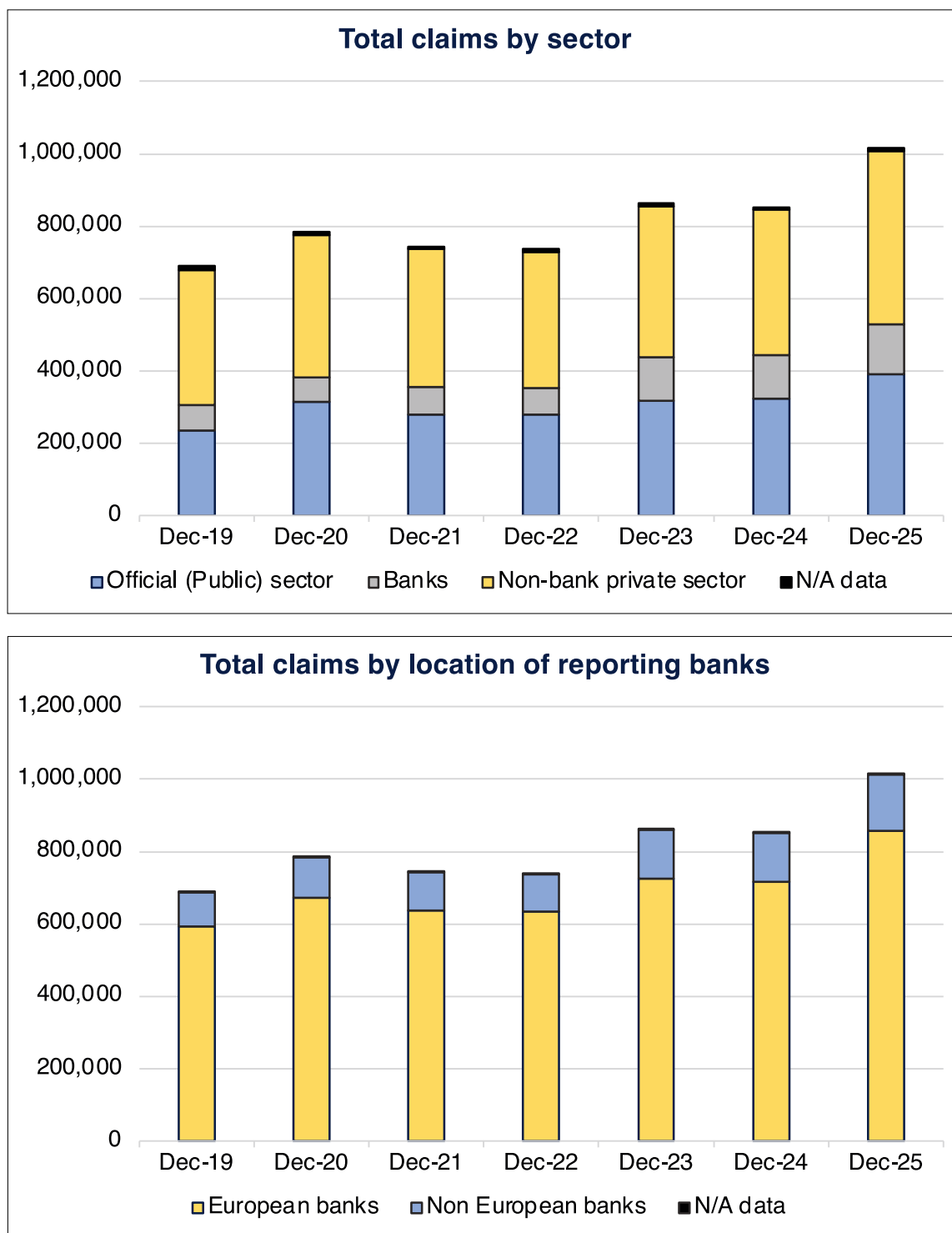


Fig. 4 Public and private debt held by foreign countries (\$million)
Source: based on BIS Consolidated Banking Statistics data analysis

Countries	Dec-15		Dec-19		Dec-24		Dec-25	
	Value	%	Value	%	Value	%	Value	%
France	57,665	28.7	65,590	28.1	94,948	29.4	110,144	28.2
Spain	31,340	15.6	51,179	21.9	77,620	24.0	95,035	24.4
Japan	22,089	11.0	26,447	11.3	48,370	15.0	53,721	13.8
Germany	36,555	18.2	36,349	15.6	41,729	12.9	52,526	13.5
United States	16,239	8.1	24,065	10.3	25,155	7.8	33,533	8.6
Greece	109	0.1	2,849	1.2	10,559	3.3	13,884	3.6
Portugal	n.a.	-	8,955	3.8	7,372	2.3	8,663	2.2
United Kingdom	4,225	2.1	4,247	1.8	4,658	1.4	7,165	1.8
Belgium	7,094	3.5	5,138	2.2	2,572	0.8	2,006	0.5
Austria	2,354	1.2	1,384	0.6	1,460	0.5	1,992	0.5
Other countries	22,996	11.5	7,418	3.2	8,378	2.6	11,596	3.0
Total	200,667	100	233,620	100	322,820	100	390,265	100

Tab. 2 Total amount of external public debt by holder (\$million and %, outstanding debt)
Source: based on BIS Consolidated Banking Statistics data analysis

External private debt	Dec-15	Dec-19	Dec-24	Dec-25
European banks	68,787	57,927	93,105	108,992
Non European banks	15,559	12,222	20,433	25,247
N/A data	3,262	1,976	6,442	3,166
Total banking sector	87,608	72,125	119,980	137,404
European banks	265,385	319,003	337,288	399,727
Non European banks	25,632	32,264	41,212	42,343
N/A data	20,154	22,120	23,691	36,417
Total non-bank private sector	311,170	373,387	402,191	478,488
Total external private debt	398,779	445,512	522,171	615,892

Tab. 3 Composition of external private debt (banking sector and non-banking private sector outstanding debt, \$million)
Source: based on BIS data, Consolidated Banking Statistics data analysis

CHAPTER 3

Structural data on foreign banks in Italy

3.1 At a glance: number of banks and branches

According to the Bank of Italy's Statistical Database, at the end of 2025 414 banks were operating in Italy (420 at the end of 2024, -6 YoY), 77 of which based overseas (+1).

From a medium- to long-term perspective, the Italian banking system has undergone an important structural transformation, marked by a significant consolidation process and downsizing of the physical distribution network. The total number of banks fell steadily from 935 in 1997 to 414 in 2025 (-56%), while the number of branches followed a similar, though less pronounced, downward trajectory, falling from a peak of over 34,000 units in 2008/09 to 19,140 in 2025 (-44%). This evolution reflects consolidation processes and the progressive digitalization of banking and financial services.

Over the same period, the role of foreign banks has grown in relative terms, despite remaining modest in absolute terms. The number of foreign banks rose moderately (from 55 to 77), while their share of the total number of banks more than tripled, from 5.9%

in 1997 to 18.6% in 2025. By contrast, their branch presence over the total remained marginal and broadly unchanged (0.6%), confirming that the business model of foreign banks is mainly focused on specialized activities rather than extensive retail penetration.

Focusing on last year, the contraction of the domestic banking system continued, albeit at a slower pace: the number of banks fell from 428 in 2023 to 414 in 2025, and branches from 20,160 to 19,140 (-5.1%). In this context, the share of foreign banks remained broadly stable, at historically high levels (18.6% at the end of 2026), indicating that their relative importance is sustained primarily by the ongoing consolidation of domestic institutions rather than by a significant expansion in their number or physical presence.

Overall, recent developments suggest a mature phase of restructuring in which the Italian banking system continues to streamline its structure while maintaining a stable but structurally more relevant role for foreign intermediaries, whose contribution appears increasingly oriented towards niche segments and non-branch-intensive activities.

Year	Banks and branch networks in Italy					
	Banks operating in Italy		Foreign banks			
	Number of banks	Number of branches	Number of banks	Number of branches	% on number of banks (RHS)	% on number of branches
2014	664	30,740	80	252	12.0	0.8
2015	643	30,258	81	254	12.6	0.8
2016	604	29,027	83	171	13.7	0.6
2017	538	27,374	79	165	14.7	0.6
2018	505	25,404	79	159	15.6	0.6
2019	485	24,311	78	134	16.1	0.6
2020	474	23,481	82	135	17.3	0.6
2021	456	21,650	81	126	17.8	0.6
2022	438	20,985	79	124	18.0	0.6
2023	428	20,160	79	123	18.5	0.6
2024	420	19,655	76	117	18.1	0.6
2025	414	19,140	77	116	18.6	0.6

Tab. 4 The branch networks of domestic and foreign banks in Italy (2014/25, end-year data)
Source: based on Bank of Italy data, Statistical Database (BDS)

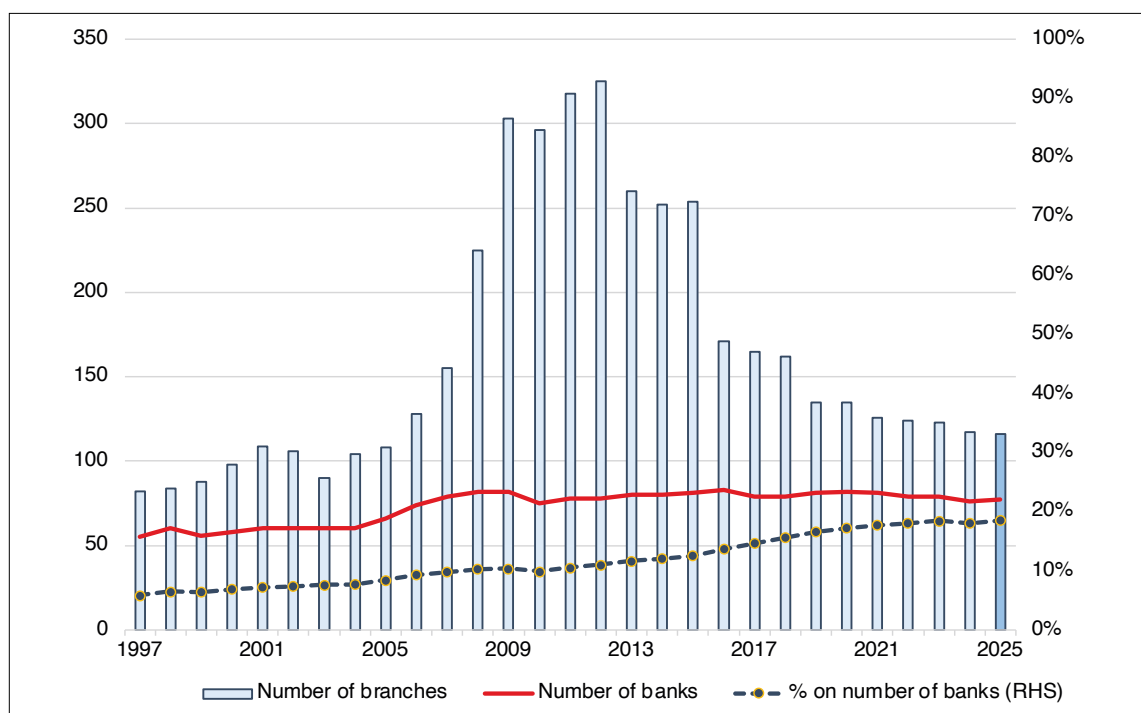


Fig. 5 The presence of foreign banks in Italy (1997/2025, end-year data)
Source: based on Bank of Italy data, Statistical Database (BDS)

3.2 Operations of foreign banks in Italy*

Foreign banking groups play a significant role in the Italian financial system through their branches, subsidiaries and cross-border activities conducted with the freedom to provide services. Over time, these institutions have established a strong presence in key market segments, gaining substantial market shares across a range of banking and financial activities. Their presence contributes not only to the diversification of financial services available to households and businesses, but also to the spread of technological innovation, development of new products and services, and adoption of innovative business and market approaches. These contributions are an important source of dynamism for the Italian financial

system and, at the same time, provide a constructive stimulus for domestic intermediaries to enhance their efficiency, competitiveness and innovation.

In 2025, the Italian market confirmed its attractiveness to foreign banks, which overall increased their presence across several segments. At year-end, the total number of foreign credit institutions represented in Italy through at least one branch remained broadly unchanged, going from 76 to 77; the number of branches of EU investment firms reclassified as significant credit institutions also remained unchanged (2)¹.

The main component, EU bank branches, rose in number to 71² (compared with 69 at the end of 2024). Of these, 43 belong to “significant” banking groups (as per the meaning of the Single Supervisory

* This section was written by Giorgio Donato, Head of Banking Supervision 1 Directorate of the Bank of Italy. The paragraph is a summary of his address “Le banche estere in Italia: gestire la complessità” (in Italian), to the AIBE General Council, Milan, 17th April 2026. The English version of this document is a courtesy automatic translation generated by AIBE.

¹ In January 2026, one of the two branches was converted into a bank branch.

² Predominantly French (22), German (20), and Luxembourgish (9).

Mechanism), accounting for approximately 7.6% of total system assets, up from the figure of 5.9% recorded at the end of 2024. By contrast, the 28 non-significant EU bank branches make up a limited 0.4% share of system assets.

The number of branches of third-country banks also fell (from 7 to 6), making up 0.2% of system assets. In a European comparison, Italy continues to rank among the top four EU countries in terms of the presence of non-EU banking branches.

At the end of 2025, the number of employees working in foreign bank branches exceeded 7,600, an increase over the year of approximately 5%³.

From an operational perspective, foreign bank branches in Italy generally adopt specialized business models (only a quarter pursue secondary activities alongside their main business), with a predominance of corporate & investment banking⁴.

Among the EU banks that have recently entered the Italian market, whether through a branch or under the free provision of services (FPS) regime, there are several digital banks (so-called neo-brokers) specializing in the provision of investment services to retail clients through online platforms.

On the lending side, the end of 2025 saw a further strengthening of the role of branches in financing the real economy. Their market share in lending to non-financial corporations rose from 7% to 8.1%, while their share in lending to households rose from 4.9%

to 5.5%. Consumer credit grew significantly, rising from 13.6% to 14.6% of total credit granted by the banking system. Funding from resident households and enterprises remained broadly stable, at 2.5% of the total.

Significant foreign bank branches continue to play a key role as custodians of UCITS and pension funds, holding a significant share in this segment (over 80% of Net Asset Value).

The leading subsidiaries of foreign banks operating in Italy are controlled by significant EU banking groups⁵. These intermediaries account for 7.8% of banking system assets (8.2% at end-2024), with a share of deposits also amounting to 7.8%, essentially unchanged. Loans provided by these banks represent roughly 10.8% and 17.3% of loans to businesses and households respectively, slightly lower than the previous year. Their consumer credit also remains significant, declining slightly from 37.3% to 36.8%.

Significant EU institutions also act as primary dealers for Italian government bonds⁶.

In addition to the activity described above, foreign banks maintain a significant presence in the Italian market under the free provision of services (FPS) regime. As of 1st April 2026, 646 EU banks operating under this form were entered in the Bank of Italy's register. Of these, 56 operate both under the FPS regime and through a branch⁷.

³ The approximately 20% increase over the five-year period was driven mainly by the conversion of financial intermediaries belonging to foreign groups into bank branches, the organic growth of some existing intermediaries, and the establishment of new branches, which more than offset the fall resulting from closures or restructurings.

⁴ These represent the main activities for 41% of the branches; they are followed by specialized finance (20%), retail banking (20%), and private banking (12%); the share of branches primarily engaged in custodian banking remains low, at 3%.

⁵ These are 9 individual banks (10 in 2024), essentially large traditional banks or banks specializing in credit or securities services.

⁶ The top five specialists were significant European institutions in 2025 too, albeit with a different composition.

⁷ The data show a prevalence of intermediaries from France (135), Finland (89), Germany (84), and Luxembourg (55).

CHAPTER 4

Corporate and Investment Banking

This chapter summarizes data measuring the role played by foreign banks and intermediaries in the “Corporate and Investment Banking” business line, supporting Italian companies with financial decisions about the composition of their capital structure, and providing funding and advisory services for M&A deals.

4.1 Structured finance

4.1.1 Syndicated loans

Figure 6 highlights two key developments in the market for syndicated debt issuance between 2015 and 2025: (i) a substantial increase in total deal values over time, and (ii) the persistent dominance of foreign intermediaries as bookrunners, despite some cyclical fluctuations.

The total value of syndicated transactions shows considerable year-to-year volatility, ranging from approximately €40 billion in 2016 and 2019 to more than €90 billion in 2022 and 2025. The overall trend is clearly upward, however. While the average annual deal value during 2015-2019 (in the pre-pandemic period) was €58.6 billion, deal volumes exceeded this benchmark in almost all the years after 2020 (except for 2023), reaching a record level of around €93 billion in 2022 and remaining above €90 billion in 2025.

The large increase observed in 2024 and 2025 is particularly noteworthy, as the market almost doubled compared to the size of issuances recorded in 2023.

The most striking feature of the chart is the consistently high market share of foreign intermediaries acting as bookrunners. Throughout the period under review, foreign institutions accounted for the majority of syndicated transactions, with market shares ranging between 57% and 85%, maintaining the lion's share of the market.

Following the pandemic, foreign intermediaries strengthened their role once again. Their market share rose from 57% in 2020 to 77% in both 2021 and 2022, and remained above 72% in 2025⁸. An important aspect of the data is the apparent link between periods of market growth and the strong participation of foreign bookrunners. The years with the largest transaction volumes (2022, 2024, and 2025) saw foreign market shares above 70%. This suggests that international banks have been particularly important in facilitating large-scale transactions and in connecting issuers with a broad international investor base. Their presence reflects several structural advantages, including extensive distribution networks, stronger relationships with institutional investors, greater placement capacity and specialized expertise for complex syndicated transactions, and a broader international presence, also

¹⁶ It is noted that information about bookrunners is not available for 215 out of 662 tranches, having a total deal value of about €16.1 billion (32% in number and 18% in value). Some deals had no bookrunners (mainly public issuances), or data were not available in the database.

favouring the participation of leading Italian banks in these large deals. The leadership of foreign bookrunners underscores their central role in channeling international capital and supporting access to market financing, which can boost the integration of the domestic financial market in global capital markets.

The average tranche size fell slightly from €146 to €137 million, with substantial differences in terms of bookrunners' origin. Deals assisted by non-domestic players had an average tranche value of about €230 million (€270 million in 2024), almost 4 times higher than deals assisted exclusively by domestic bookrunners.

A total of 52 tranche issuances were assisted solely by foreign bookrunners, and had a value of €3.8 billion. For 28 out of these 52 tranches there was a single foreign player, from France (22), the US (3), the Netherlands (2) and Japan (1).

Figure 7 highlights a highly concentrated distribution of foreign bookrunner activity across industrial sectors, with a small number of industries driving the majority of volumes. Utility & Energy stands out as the leading

sector, with a total tranche value of €20.3 billion, significantly higher than any other segment. This indicates that international players are particularly active and influential in energy-related transactions. Telecommunications (7.8) and Computers & Electronics (6.8), also boast a strong participation of foreign bookrunners, but at a much lower scale compared to Utility & Energy. It is worth noting that the “top 3” sectors account for about €34.9 billion, or 38.4% of the whole market.

The data show consistently high market shares of foreign players across most sectors, often exceeding 70-80%, particularly in Utility & Energy (87%), Transportation (86%), and Computers & Electronics (85%), suggesting that cross-border expertise, ease of access to capital markets, and the presence of networks of international investors are especially relevant in capital-intensive and globally integrated industries. The “top 3” sectors alone account for over 50% of foreign intermediaries' activity, underscoring their central role in shaping overall market dynamics.

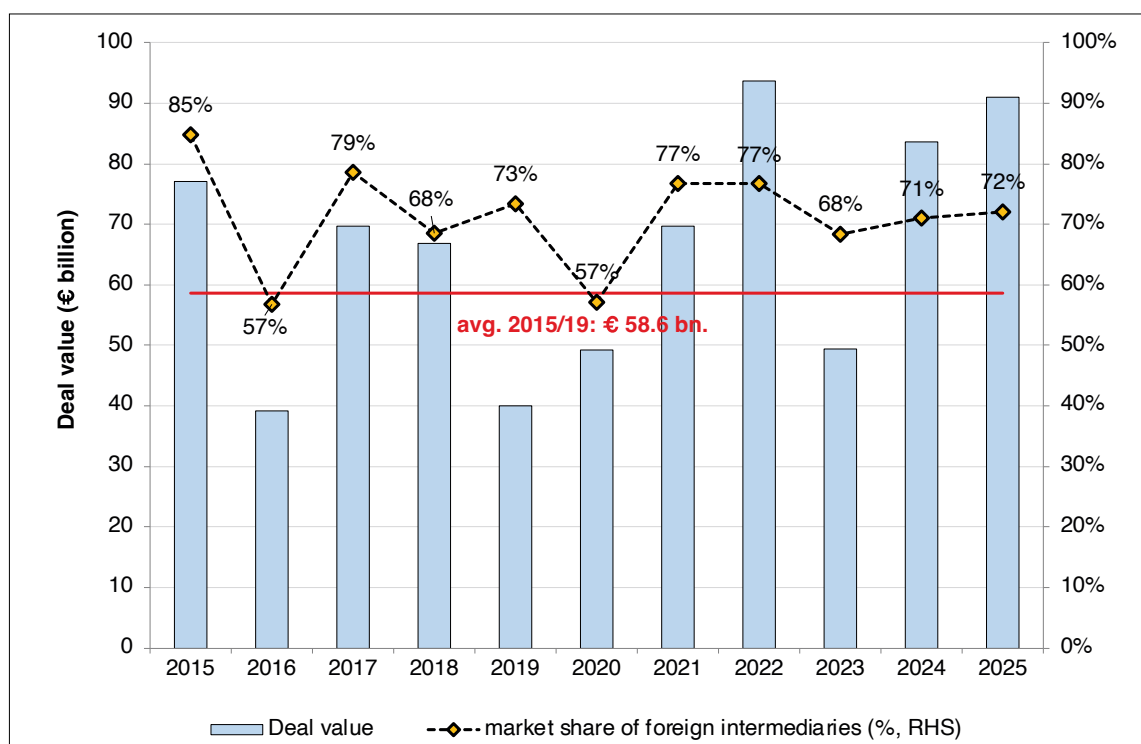


Fig. 6 Annual deal value of syndicated loans and share of foreign intermediaries (2015/25, €billion and %)
Source: based on data from Dealogic database

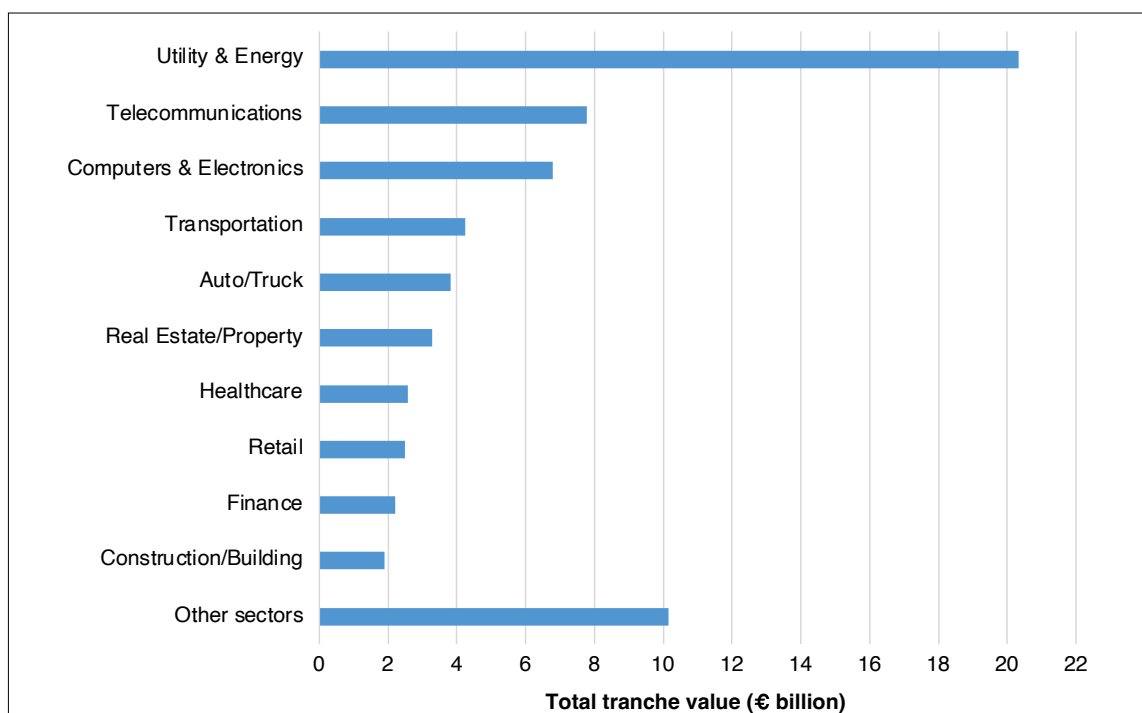


Fig. 7 Total tranche value of syndicated loans and market share of foreign bookrunners by industrial sector (2025, first 10 sectors, data in €billion and %)

Source: based on data from Dealogic database

4.1.2 Securitization

According to Dealogic, the Italian securitization market reveals a highly volatile deal value pattern, with peaks in 2016 (approx. €22 billion) and solid levels in 2015 and 2019, as summarized in Figure 8. Pandemic and post-pandemic years saw a sharp contraction, followed by a gradual recovery over the last three years, when the average market size reached €7.7 billion, well below pre-pandemic levels. Further evidence shown in Figure 8 is the consistently high and often dominant presence of foreign bookrunners: in several years (2017-2021 and 2025), foreign intermediaries claimed 100% of the market share, indicating that Italian issuers showed a complete reliance on international players for deal execution. Even in years

with lower penetration, such as 2016 (59%) and 2022 (50%), foreign bookrunners still held a substantial share of the market, supporting complex and large-scale transactions. Moreover, foreign intermediaries were able to assume a critical role in market continuity, especially during periods of market stress (pandemic in 2020/21, inflation peaks and energy prices shock in 2022/23), keeping the market active. They operated as a stabilizing factor, ensuring liquidity, execution and access to international capital.

Moreover, due to its limited size, the Italian market is dominated by a few medium/large tranches: “top 10” tranches have a total market value of about €4.8 billion, making up 66% of the total by value and only 15% by volume. These deals were assisted, on aggregate, by 28 bookrunners, of which 20 from abroad.

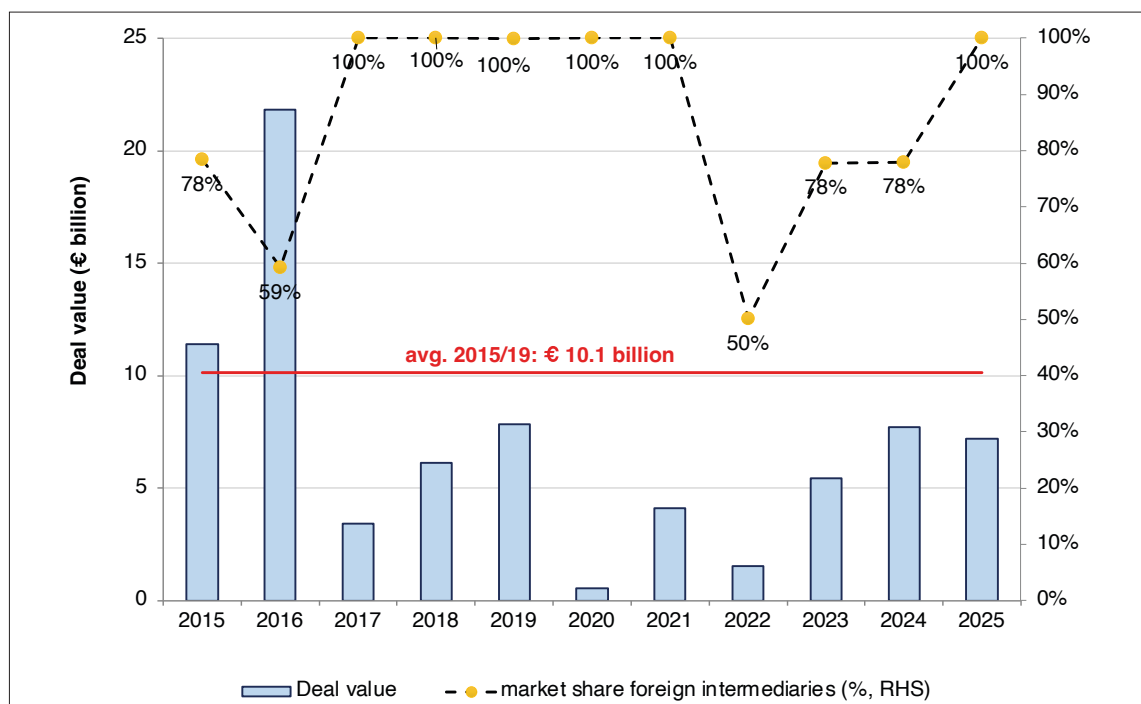


Fig. 8 Annual value of ABS deals and share of foreign intermediaries (€billion and %, 2015/25)
Source: based on data from Dealogic database

4.1.3 Project finance

This section focuses on Italian project finance markets. Data are extracted by LSEG database, with the goal of representing the size of the Italia project finance market and the market share held by foreign operators. Moreover, an insight on leading sectors will be briefly given.

The domestic market has experienced significant growth over the last decade, becoming an increasingly important source of long-term financing for infrastructure, energy, and industrial investments. After a temporary slowdown during the pandemic, activity accelerated markedly between 2021 and 2025, supported by the rollout of the National Recovery and Resilience Plan, with a focus on green transition, “net zero” emissions and investments in renewable energy infrastructure. In recent years, the market has been driven primarily by the renewable energy sector, particularly solar photovoltaic and wind projects, reflecting both Italy’s decarbonization goals and the broader European Green Deal agenda. Other leading sectors include energy and

utilities, transport infrastructure, telecommunications, and digital infrastructure, such as data centers and broadband networks. The increasing relevance of sustainable finance has further stimulated demand for project-financed investments, especially in green and energy-transition projects.

As Figure 9 shows, we observe that the market size was quite volatile, with a structural predominance of foreign intermediaries.

Total arranged volumes increased markedly from approximately €5 billion in 2021 to €14 billion in 2022, followed by a sharp contraction in 2023 (around €4.8 billion). The highest recent peak came in 2022 (€25.2 billion, also considering undisclosed deals), while in the last year a further slowdown was observed.

In terms of composition, foreign mandated arrangers consistently handled the majority of activity throughout the period. Their share rose substantially from roughly 46% in 2021 to a peak of about 73% in 2024, before declining to approximately 61% in 2025. Their role appears relatively more prominent during expansion phases.

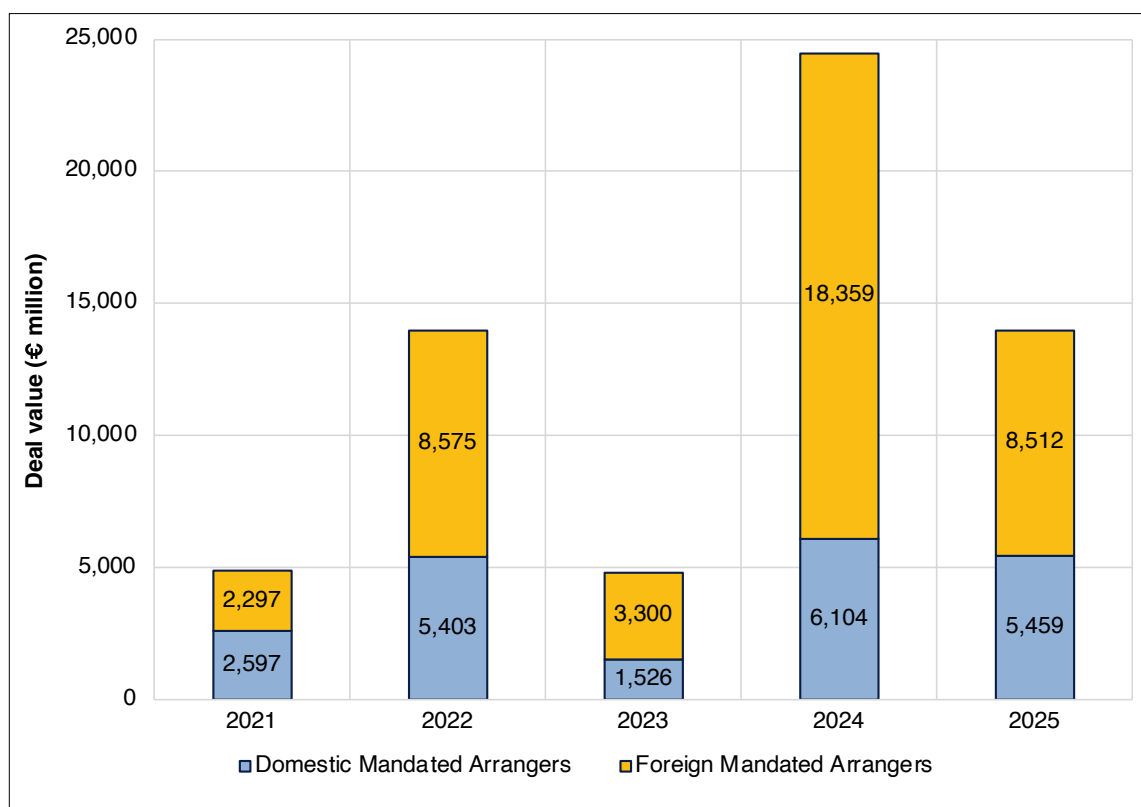


Fig. 9 Project finance in Italy: market share held by Italian and foreign intermediaries (by deal value, €million, 2021/25)

Source: based on LSEG data analysis

4.2 Export Finance: financial guarantees to support the growth of Italian companies abroad

According to SACE, the role of foreign players (banking groups, financial institutions and Export Credit Agencies) in supporting Italian companies with export and internationalization strategies has grown significantly over the last few years. Table 5 shows a strong expansion in financial guarantees to support the international growth of Italian firms, the total value of guaranteed transactions almost quadrupling from €11.3 billion in 2022 to €43.9 billion in 2025. This growth reflects both the increasing demand for export-related financing and the growing role of guarantees in supporting firms' internationalization strategies.

A key feature of the period is the changing balance between Italian and foreign financial institutions. In 2022, Italian players held a slight majority of the market, accounting for about 54% of total guaranteed volumes (€6.1 billion), compared with 46% for foreign

institutions (€5.2 billion). In 2023 and 2024 foreign players became the dominant actors, increasing their market share to approximately - on average - 57% (Figure 10), followed by a reverse trend in 2025, even if total value for foreign players remained practically unchanged.

A distinction has emerged between “export” and “internationalization” segments. In export-related transactions, foreign institutions played a particularly important role in 2023 and 2024, when they accounted for about 60% of guaranteed volumes. This may reflect the stronger international networks and trade-finance expertise of foreign banks. In 2025 they also held the largest market share (54%). By contrast, the internationalization segment shows greater volatility. In 2025 foreign players' contribution remained almost unchanged in value (€10.6 billion, Figure 11), while the growth of the segment was funded mainly by Italian players.

Overall, the evidence points to a substantial increase

in the mobilization of financial resources supporting the international activities of Italian firms. The strong participation of foreign financial institutions, particularly in 2023 and 2024, indicates the ability of the guarantee system to attract international capital and broaden financing opportunities. At the same time, based on the most recent data, the coexistence of Italian and foreign institutions appears to be a key factor in expanding the

availability of financing for Italian companies operating abroad, enhancing both the scale and diversification of funding sources.

The most active foreign players come from France, holding a market share of about 14% of all financial guarantees supporting exports and the internationalization of Italian firms, followed by Spain (12%) and Germany (6%).

	2022		2023		2024		2025	
	Value	%	Value	%	Value	%	Value	%
Italian players	3,375	54.9	5,636	35.9	8,486	45.8	8,842	46.2
Foreign players	2,770	45.1	10,051	64.1	10,048	54.2	10,301	53.8
Total Export (a)	6,144	100	15,687	100	18,534	100	19,143	100
Italian players	2,705	52.3	2,903	50.8	9,065	44.5	14,152	57.2
Foreign players	2,471	47.7	2,808	49.2	11,288	55.5	10,576	42.8
Total Internationalization (b)	5,176	100	5,711	100	20,352	100	24,728	100

Total value (a+b)	2022		2023		2024		2025	
	Value	%	Value	%	Value	%	Value	%
Italian players	6,080	53.7	8,539	39.9	17,550	45.1	22,993	52.4
Foreign players	5,241	46.3	12,859	60.1	21,335	54.9	20,877	47.6
Total (a+b)	11,320	100	21,398	100	38,886	100	43,871	100

Tab. 5 Financial guarantees to support the foreign growth of Italian companies: annual deal value of guarantees by type of instrument and market share held by Italian and foreign players (2022/25, €million and %)

Source: based on SACE data analysis

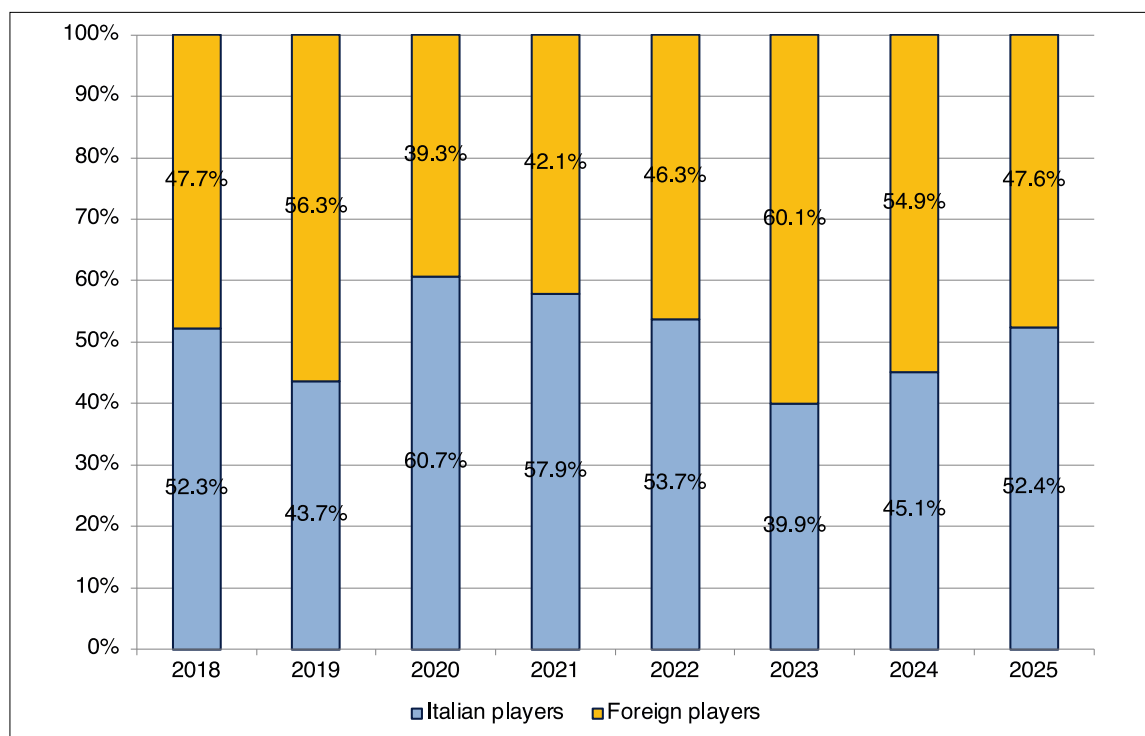


Fig. 10 Composition of financial guarantees supporting the growth of Italian companies abroad: market share held by Italian and foreign players (2018/25, %)

Source: based on SACE data analysis

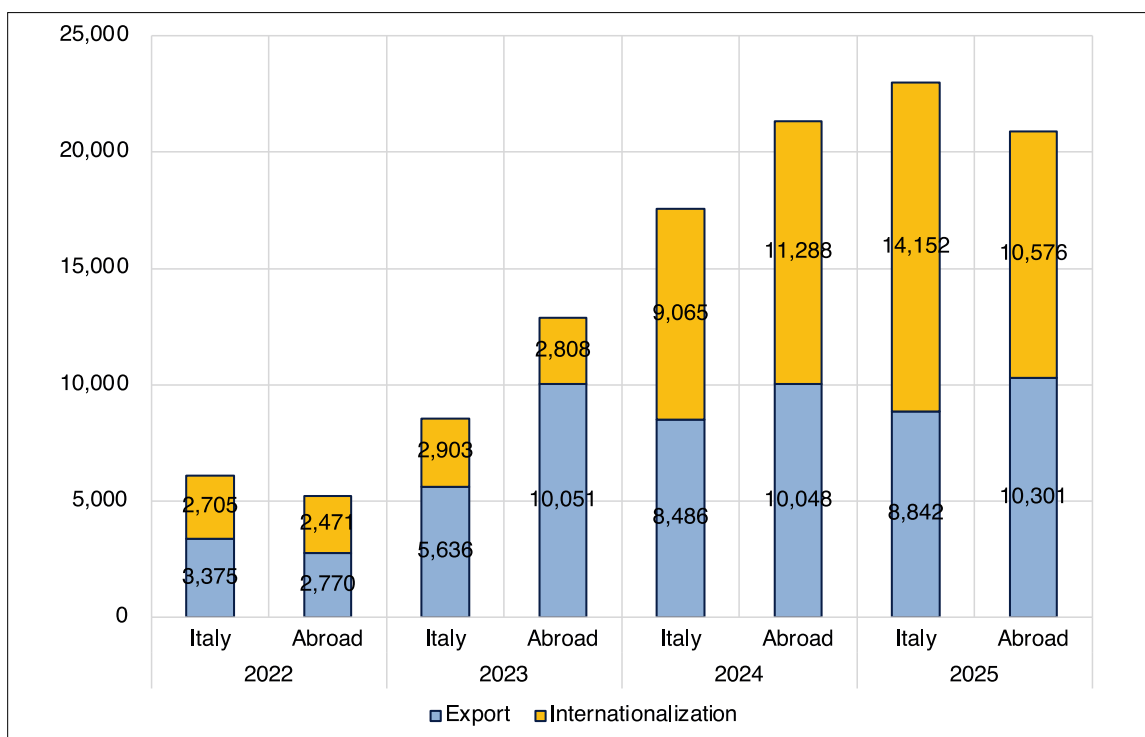


Fig. 11 The value of financial guarantees to support the growth of Italian companies abroad: geographic origin of secured loans (2022/25, €million)

Source: based on SACE data analysis

4.3 Private equity and venture capital

This section provides data and information on recent trends in the Italian private equity and venture capital market.

Table 6 highlights a significant shift in the composition of funding sources over time, with alternating dominance between domestic-raised funds and Pan-European funds based in Italy, as well as changing roles for independent and captive funding. With regard to the overall evolution of the funding structure, total funding was very volatile, with a sharp increase from €6.1 billion (average over the period 2017/19) to a peak of about €12.6 billion in 2022, while last year saw a significant reduction to €6.7 billion (-28% YoY). The market showed variations in the balance and dynamicity of the mix of funding sources: over the period 2017/19, independent funding dominated (61.7% of the total). This phase was followed by a rise in Pan-European funding in 2021 and 2022, gaining the biggest market share, with a peak of about 53.1% in 2022 and absolute flows almost tripling compared to 2017/19, from €2.2 billion to €6.7 billion. This has resulted in a stronger role for international capital pools, reflecting the expansion in cross-border investment flows, as well as the pivotal role of Pan-European platforms to move larger amounts of capital, contributing to significant inflows towards the Italian market and a growing integration with a broader European funding ecosystem. The last three years, from 2023 to 2025, saw large fluctuations towards a more balanced structure among different funding sources. As of the end of 2025, raised funds accounted for about 53% of the total, while the remaining came from Pan-European funds. Captive funds have also gained in importance over the years.

Table 7 gives a detailed view of independent fundraising broken down by origin. The overall trend suggests that independent fundraising remains predominantly domestic, but there have been significant fluctuations in contributions from foreign sources, highlighting the volatile role of international investors. The contribution was higher in 2022 and 2024, while last year saw a sharp decline in value (from €1.8 billion to €398 million) and in percentage terms from 34% to

17% of the total, reinforcing a domestic-led structure. Foreign funding appears to be highly cyclical, maybe as a consequence of a more opportunistic approach and a higher sensitivity to market conditions. It is worth mentioning that, in several cases, foreign capital has enhanced growth phases, as the years with stronger foreign participation (notably 2022 and 2024) posted higher total market volumes and stronger expansion. International investors may play a scaling role, supporting domestic companies and boosting market capacity when financial and economic conditions are favourable.

59% of operators who invested in Italy in 2025 were international (145 entities, +30 YoY), about 4 percentage points over the data referred to the previous year.

As of end-2025, about 2,600 companies were included in the overall portfolio held by private capital operators active in the Italian market, for a total value of around €92 billion, of which €56 billion invested by international entities (+ €5 billion YoY).

In 2025, international investors accounted for 73% of the market in terms of investment value, making up a total of about €8.4 billion; the average value of investments undertaken by non-domestic player was about 5.3 times higher than deals involving domestic operators (€28.6 million and €5.4 million respectively).

As Table 8 shows, the investor base is well diversified, but a few categories have consistently dominated, i.e. public sector, pension funds, and funds of funds. In 2025 the market was primarily driven by the public sector, accounting for about €522 million, with a strong mix between domestic (€318 million) and foreign (€204 million), showing broad institutional cross-border participation. A similar balance is seen for funds of funds, in which foreign intermediaries accounted for about 45% of the new funds raised within this category (51% in 2024).

According to AIFI data, the role of international players was also very relevant in the Italian private debt market. In 2025 66% from investors came from abroad, as well as 65% of active operators. The geographical breakdown of raised funds (€1 billion, -26% YoY) indicates that foreign capital accounted for 35% of total funds raised in 2025 (41% in 2024).

Sources of funds	2017/19 (avg.)		2021		2022	
	Value	%	Value	%	Value	%
Independent funding	3,737	61.7	5,359	47.8	5,084	40.2
Captive funding	91	1.5	366	3.3	836	6.6
Total raised funds (a)	3,828	63.2	5,725	51.1	5,920	46.9
Pan-European funds based in Italy (b)	2,226	36.8	5,477	48.9	6,716	53.1
Total (a+b)	6,054	100	11,202	100	12,636	100

Sources of funds	2023		2024		2025	
	Value	%	Value	%	Value	%
Independent funding	2,502	34.0	5,906	63.5	2,856	42.5
Captive funding	1,270	17.3	767	8.2	714	10.6
Total raised funds (a)	3,772	51.3	6,673	71.7	3,570	53.1
Pan-European funds based in Italy (b)	3,580	48.7	2,634	28.3	3,153	46.9
Total (a+b)	7,352	100	9,307	100	6,723	100

Tab. 6 Italian private equity and venture capital markets: fundraising trends (2017/25, €million and %)
Source: based on AIFI data analysis

Independent raising	2017/19 (avg.)		2021		2022	
	Value	%	Value	%	Value	%
From abroad	1,064	32.9	401	11.0	1,739	45.0
From Italy	2,175	67.1	3,243	89.0	2,125	55.0
Total	3,239	100	3,644	100	3,864	100

Independent raising	2023		2024		2025	
	Value	%	Value	%	Value	%
From abroad	319	17.0	1,787	34.0	398	17.0
From Italy	1,557	83.0	3,469	66.0	1,944	83.0
Total	1,877	100	5,256	100	2,342	100

Tab. 7 Italian private equity and venture capital markets: geographic origin of raised funds (independent funds, 2017/25, €million and %)
Source: based on AIFI data analysis

Note: Data are based on a significant percentage (82% in 2025) of total amounts for independent funds for which information about geographic origin was available.

Sources of new funds raised on the market	2023			2024			2025			
	Italy	Abroad	Total	Italy	Abroad	Total	Italy	Abroad	Total	%
Public sector	150	31	180	552	384	936	318	204	522	22.3
Pension funds	504	16	520	953	30	983	440	0	440	18.8
Funds of funds	59	209	268	283	295	578	192	157	349	14.9
Individual investors	165	23	188			289	335	0	335	14.3
Banks	330	0	330	385	135	520	215	0	215	9.2
Family offices			131			352			155	6.6
Insurances			88	432	115	547			77	3.3
Sovereign funds			11			378			0	0.0
Other sources			160			673			249	10.6
Total			1,877			5,256			2,342	100

Tab. 8 Italian private equity and venture capital market: composition and geographic origin of new funds raised on the market (2023/25, €million and %)

Source: based on AIFI data analysis

4.4 Mergers and Acquisitions

According to KPMG (KPMG, *Rapporto M&A 2025*), in 2025 global M&A market rebounded after three consecutive years of contraction, with a total deal value surpassing \$3 trillion and transaction volumes showing a moderate recovery. After three years of weak performance, despite global instability in the geopolitical environment and ongoing market volatility, several factors supported deal activity worldwide and the recovery in deal values, namely more accommodative monetary policies, a relaxing of trade tensions and strong investor orientation towards some leading sectors, especially those driven by Artificial Intelligence. As a result, total deal values rose significantly, to \$3.4 trillion (+38% YoY), mainly thanks to large-scale transactions having a deal value of \$1 billion or more.

The Italian market had a mixed performance in 2025, with a slight decline in total deal values (€74.0 billion, -7% YoY), and a total of 1,463 deals (+2% YoY), with a significant number of large transactions.

The uncertainties associated with the macroeconomic scenario and sector-specific conditions weighed heavily on cross-border M&A activity. On the one hand, cross-border transaction volumes remained steady, with 667 completed deals, on the other deal

values fell to €34.9 billion, accounting for 47% of the overall market (83% in 2024). These results do not appear to be structural changes, rather they reflect the cyclical and specific factors that characterized 2025. The number of foreign acquisitions in Italy, indeed, reached a record of 439 deals, worth €20.4 billion. Cross-border activity remained a key component of the market, with a constant focus on companies operating in the industrial and consumer goods sectors. Of these 439 “incoming” cross-border transactions, 307 had a European acquirer (70% of the total), while 92 out of 439 (21%) were concluded with a North American counterpart. Other geographic origins were less represented. KPMG analysts pointed out that, in broad terms, the 5 countries most involved in “incoming” cross-border deals accounted for about 70% of volumes and 83% of value. This resulted in an increase of the concentration index of about, 6 and 10 percentage points YoY respectively.

French acquirers were involved in the greatest number of (88), followed by those from the United States (87), the United Kingdom (84), and Germany. We may observe, according to this evidence, that international investments towards Italy are becoming increasingly concentrated among a core group of strategic partners. The persistence of European countries among the leading acquirors highlights the

importance of regional economic integration, while the substantial contribution of the United States underscores Italy's relevance to investment flows on a worldwide basis. Foreign investors continue to view Italy as an attractive "target", especially in some sectors characterized by industrial specialization, strong export capacity, and internationally recognized brands ("Made in Italy" businesses).

The "top ten" incoming deals reached €16.1 billion, compared with €26.5 billion in the previous year, accounting for approximately 80% of total inbound M&A activity, with the presence of 5 "mega deals" having a size larger than €1 billion.

The most attractive sector in terms of deal value was Consumer Markets (CM), for which values almost quadrupled YoY (€8.1 billion distributed over 122 completed deals). The Energy & Utilities (E&U) sector ranked second in value (€8 billion over 47 transactions), followed by Services, Support & Infrastructure (SS&I), accounting for about €1.6 billion (+7% YoY) with 53 completed deals. The United States was the leading country by geographic origin of acquirers in the "top ten" incoming deals, occupying the first 4 slots (€12.1 billion) and, more in general, was represented in 6 out of 10 deals.

If we observe "top ten" deals for the whole Italian M&A market, 4 out of 10 transactions were "incoming" cross-border deals, accounting for about €12.1 billion out of €41 billion (30%), making up 16% of the whole market.

To be consistent with past AIBE Reports, the Dealogic database was used to analyze data on Italian

M&A deals in 2025 and the presence and role of foreign intermediaries as advisors in supporting M&A deals.

In 2025, Dealogic recorded 1,496 deals, worth about €79 billion, and acquired detailed information about the origin and role of target and acquirer advisors. The market share of foreign advisors was about 87.5% by deal value, an increase of about 5 percentage points in the time horizon 2023/25 (Table 9). Between 2023 and 2025 there was a progressive consolidation of cross-border advisory activity, as evidenced by the increasing dominance of advisors operating both in Italy and abroad. Their share rose significantly from 43.0% of the total in 2023 to 65.8% in 2025, indicating a growing preference for advisors with international capabilities and integrated cross-border expertise. This trend was accompanied by a sharp contraction in the relative weight of solely foreign advisors, whose share fell from 38.3% to 21.7% over the same period. Domestic-only advisors remain marginal throughout the period, consistently making up less than 5% of total value.

YTD for 2026 (from January to April, Table 9) points to additional volatility: while foreign advisors have temporarily regained prominence (48.2%), the share of mixed domestic-foreign advisors has declined (23.9%). At the same time, the proportion of transactions of unreported or unclear advisory origin has increased significantly (26.5%). This may reflect incomplete data coverage or a higher incidence of smaller or less transparent deals in the first part of the year.

Geographical origin of advisor	Year							
	2023		2024		2025		2026 YTD	
	Value	%	Value	%	Value	%	Value	%
abroad	14.3	38.3	35.6	37.3	17.1	21.7	9.3	48.2
Italy and abroad	16.1	43.0	52.1	54.5	52.0	65.8	4.6	23.9
Italy	1.7	4.5	2.0	2.1	1.4	1.8	0.3	1.4
N/A data	5.3	14.2	5.9	6.1	8.5	10.7	5.1	26.5
Total	37.4	100	95.6	100	79.0	100	19.4	100

Tab. 9 Value of M&A deals by geographic origin of advisors (2023/26, €billion)
Source: based on data from Dealogic database

CHAPTER 5

Advisory and operations in capital markets

This chapter gives a summary of data concerning the positioning of foreign intermediaries providing financial services to help Italian firms gain access to international financial markets. The section below looks at the role of foreign players as bookrunners for issuances of debt (§ 5.1, with a focus on sustainable bonds). This is followed by a look at activity in equity capital markets § 5.2), while the final section (§ 5.3) considers the positioning of foreign players in retail trading.

5.1 Debt capital market

The Figure 12 highlights the market's strong expansion over the last decade, accompanied by a persistently high involvement of foreign intermediaries. Between 2015 and 2025, total deal value rose from approximately €105 billion to a record €212 billion, almost doubling over the period. Although market activity experienced some cyclical fluctuations, particularly in 2018 and the slowdown observed in 2022, the overall trend has been clearly upward. Deal values have remained consistently above the 2015/19 average (€109 billion), confirming the structural growth of the market.

The most recent years have been particularly dynamic. Following the temporary decline in 2022, deal values rebounded strongly, to around €167 billion in 2023, and increased further in both 2024 and 2025. The increase of approximately 14% between

2024 and 2025 indicates a further strengthening of the market, and suggests sustained investor appetite despite the continuing uncertainty of the international environment.

Foreign intermediaries played a crucial role throughout the period under review. Their market share remained consistently high, ranging between 69% and 91%, indicating a strong dependence on international financial institutions for the arrangement and execution of transactions. Foreign participation peaked in the period 2019/21 (90% of total deal value), reflecting the dominant role of international banks and advisors in large-scale operations and their central role in channeling international capital flows, facilitating access to global financial markets.

In 2025 there was a new high for the concentration of transactions involving only foreign intermediaries (29.4% in terms of value), a share never reached in the previous 10-y time series, when the market share of foreign pools of bookrunners, including exclusively nonresident institutions, was about 11.4%.

Looking at sectoral distribution, a small number of sectors account for the vast majority of the total deal value. As regards the involvement of foreign or mixed (foreign-domestic) syndicates of bookrunners, the market is dominated by three sectors: Government (€80.7 billion), Finance (€38.2 billion), and Utilities & Energy (€15.3 billion). Together, these sectors generated a value of €134.2 billion, accounting for about 63% of total market value and almost 80%

of all transactions involving foreign intermediaries. This confirms the fact that nonresident financial institutions are particularly active in sectors marked by considerable funding requirements, a strong institutional presence, and substantial capital intensity, as well as in public-sector financing. In terms of broader sectoral distribution (Figure 13), the top ten sectors accounted for more than 75% of total market value (about €162 billion) and 96% of all foreign-supported transactions.

The breakdown by tranche size (Table 10) provides further evidence of the pivotal role played by foreign bookrunners in the Italian debt market, particularly for medium- and large-sized

transactions. Foreign participation is particularly relevant in the €100-500 million and €500 million-€1 billion segments, where market shares reached 89.9% and 94.6%, respectively. Together, these two categories accounted for about €78 billion of issuances, nearly half of the total value arranged by foreign bookrunners. The role of foreign institutions continues to be substantial for large issuances, i.e. the €1-5 billion segment (€28.7 billion, 73%). Interestingly, the market share of foreign bookrunners was down at both ends of the size distribution, even though nonresident institutions continued to hold a market share higher than half the total tranche value issued by class size.

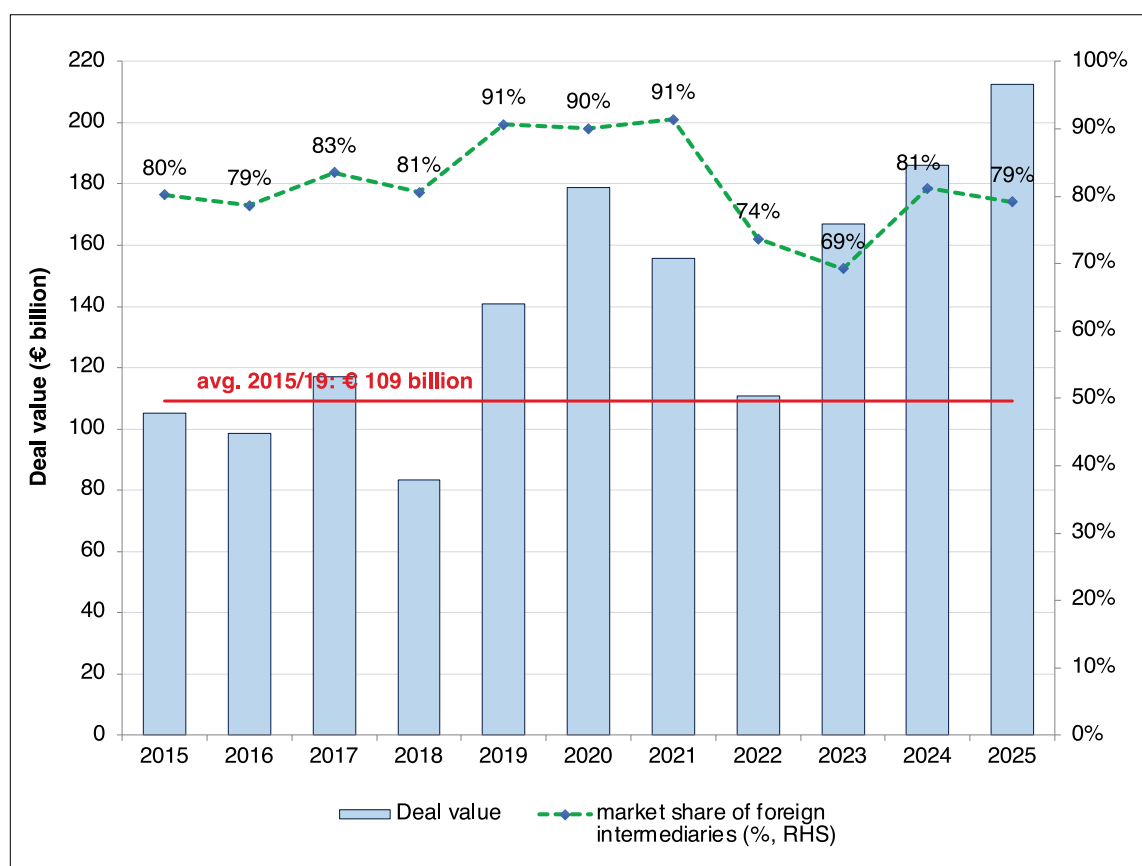


Fig. 12 Debt capital market (DCM) issuances by Italian borrowers: total annual deal value (2015/25, €billion) and market share of foreign bookrunners (% , RHS)

Source: based on Dealogic data

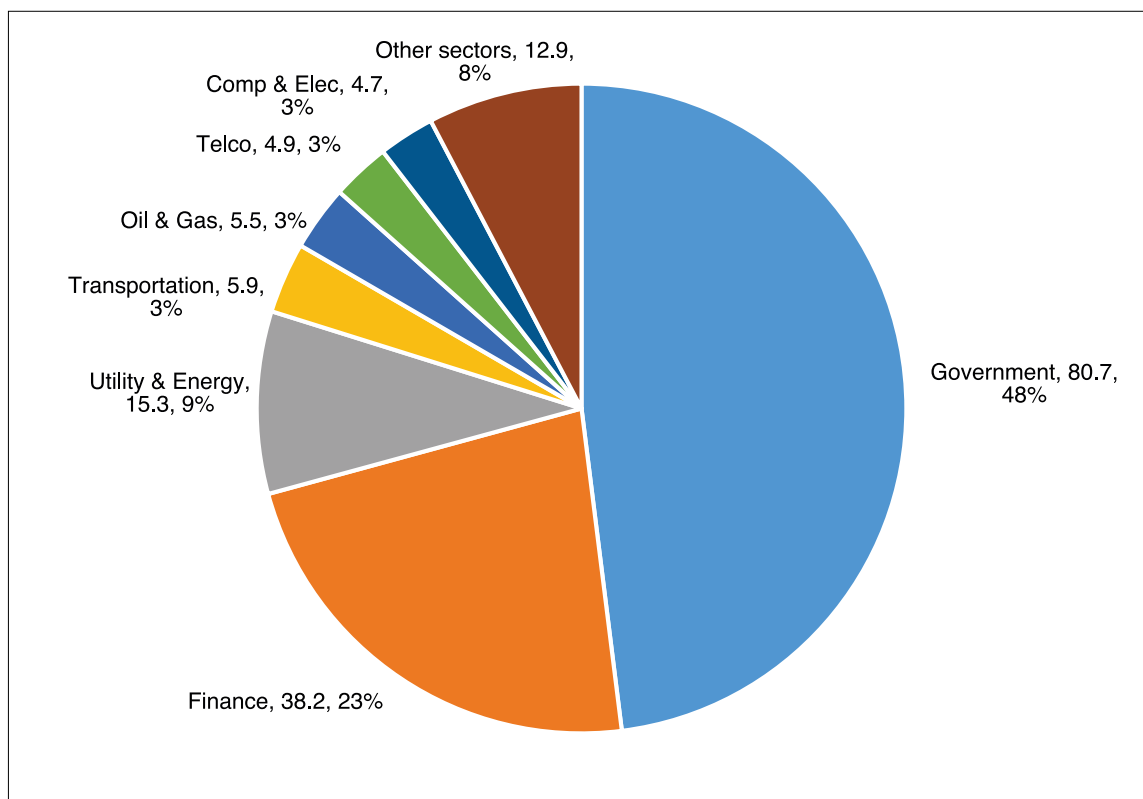


Fig. 13 DCM issuances by industrial sector of Italian borrowers assisted by foreign bookrunners (2025, €billion and %)

Source: based on Dealogic data

Class of tranche value	Foreign bookrunners		
	Number of tranches	Tranche value	Market share (%)
Up to € 10 million	18	101.3	67.0%
€ 10-100 million	58	2,719.3	58.5%
€ 100-500 million	86	32,068.3	89.9%
€ 500 million-1 billion	57	45,551.3	94.6%
€ 1-5 billion	13	28,706.3	72.9%
More than € 5 billion	5	59,000.0	57.0%
Total	237	168,146.5	79.1%

Tab. 10 DCM issuances by Italian borrowers assisted by foreign bookrunners: distribution of tranche value by size (2025, €million)

Source: based on Dealogic data

Note: market share (%) is by class of tranche value.

5.1.1 Green Bond Market

Within the sphere of DCM issuances, we present below a specific focus on the Green Bond market. In recent decades, and especially since the Paris Agreement, policymakers have put sustainable and inclusive development at the top of their agenda. The European Union has introduced a robust regulatory framework, with the publication of numerous regulations and directives to drive markets towards more sustainable business models (e.g. Sustainable Finance Disclosure Regulation - SFDR; European Green Deal, etc.).

The latest events of 2024-2025 have challenged the role of sustainable development as a primary policy concern. Heightened international tensions resulting in tariffs, conflicts, geopolitical instability and subsequent inflation and uncertainty have prompted policymakers to redirect their attention to more urgent topics. Nevertheless, the market for sustainable finance products has been experiencing strong growth in recent years, and the attention paid by investors remains very high. Among financial instruments dedicated to sustainable development, the green bonds market has been experiencing interesting growth.

Green bonds were first issued by the World Bank in 2008, and since then have become more popular among investors. Certifications and market standards have been developed by international organizations to facilitate green bond market growth, including the Green Bond Principles published by the International Capital Market Association (ICMA). In 2023, the European Union regulated Green Bonds through the European Green Bond Standards, under Regulation (EU) 1012/2631, essentially aligned with the ICMA principles, although more detailed in some respects.

According to the European Union, a bond can officially be defined as a “European Green Bond” (or EuGB) if it complies with the rigorous criteria set out by the Regulation, which became fully applicable in late 2024. The primary requirement is that the bond’s proceeds must be used to finance or refinance economic activities that are fully aligned with the EU Taxonomy Regulation. This means that funded projects must

make a substantial contribution to at least one of the EU’s six environmental objectives (e.g. climate change mitigation or biodiversity protection), respect the “Do No Significant Harm” (DNSH) principle, meaning it must not damage any of the other five environmental objectives, and comply with minimum social and labour safeguards (e.g. human rights guidelines).

The green bonds market reached a value of \$423 billion globally in 2025, mainly issued in Europe and Asia. Almost 60% of green bonds are issued in Euro, and around 30% are issued by corporates. According to the Climate Bond Initiative (CBI), green bonds accounted for 60% of green and sustainable deals in 2025, with most of the deals in Europe having a size in excess of \$500 million.

These instruments are especially valuable for companies that aim to finance “climate-friendly projects” (see Flammer, C. (2021). *Corporate green bonds*. Journal of financial economics, 142(2), pp. 499-516), and are becoming more common in those sectors that are more polluting or produce a higher strain on the environment. The presence of certifiers can act as a strong signal regarding the quality of the project. The growth of green bond markets is also influenced by external conditions, however, such as geopolitical risk, the regulatory environment and international market conditions. Given the current uncertain geopolitical and market conditions, the role of underwriters becomes crucial in determining the green bond expansion and the success of green bonds issuances (see Mertzanis, C., & Tebourbi, I. (2025). *Geopolitical risk and global green bond market growth*. European Financial Management, 31(1), pp. 26-71). The presence of reputable underwriters, moreover, can contribute to a decrease in issuance costs (Su, T., Shi, Y., & Lin, B. (2023). *Label or lever? The role of reputable underwriters in Chinese green bond financing*. Finance Research Letters, p. 53, 103612).

In this paragraph we analyze green bond issuances by companies domiciled in Italy and the presence of foreign banks among the underwriters. The role of foreign underwriters in Italian deals is especially relevant for those deals that are issued outside the country or on the Eurobond market. The large presence

of foreign underwriters testifies once again to the essential contribution of foreign banks to the Italian corporate environment, in this case in the area of financing for sustainable development.

Data referring to the Italian market are available in the Refinitiv LSEG database, as of mid-June 2026. The database lists a total of 176 green bonds issued by 52 Italian issuers over the period 2014-2026, operating in 21 sectors, resulting in a total deal value of about \$161 billion.

Of the various sectors represented, the most relevant in terms of market capitalization are Government and financials. To gain a better view of the contribution of foreign banks to the sustainable development of the Italian manufacturing and services system, we decided to remove these sectors from the pool of issues analyzed and focus on other sectors.

The number of issues thus went down to 96, for a total value of around \$46 billion.

As expected, green bond issuances increased significantly from relatively low levels pre-2018 to much higher volumes from 2019 onwards, highlighting growing investor demand for sustainable infrastructure and green project financing. Electric Utilities made up the largest share of issuances. Multiline Utilities and Hydroelectric & Tidal Utilities also made a significant contribution.

In the first half of 2026 \$4 billion of bonds were issued, two-thirds of the total amount issued in the whole of 2025. This might suggest an increase in the total amount issued for the current year compared to 2025.

Proceeds have been used in multiple ways. The most frequent uses relate to clean modes of transport and renewable energy, energy efficiency, pollution prevention, sustainable water and wastewater management, indicating that the decarbonization of energy systems remains the primary objective of green bond financing.

Early issuances were concentrated in renewable

energy and energy efficiency, while the post-2021 period has brought a broader range of environmental objectives, including climate change adaptation, sustainable water and wastewater management, circular economy initiatives, pollution prevention and control, green construction and energy-efficient buildings, and Infrastructure-related projects, with a larger spectrum of environmental challenges to be faced using this specific funding.

With regards to underwriters and the list of intermediaries, the size of syndicate and parent companies' geographic origin are available for 70 bonds. Over the whole period, a total of 62 legal entities participated as underwriter in at least one issuance. On average, each issuance saw the participation of 5.3 underwriters, mainly banks, investment companies and financial institutions, of which, on average, 3.5 were foreign banks and financial institutions controlled by foreign banks.

In 7 cases only one foreign bank acted as sole underwriter (4 European and 3 non-European banks). For the majority of bond issuances, underwriters were a mix of Italian and foreign banks. We can observe that 63% of bank participants - based on issuances' volumes - were nonresident institutions. This percentage was higher in the first years of green bonds, probably due to a growth in knowledge of large foreign operators in this market. The overseas presence was lower in the period 2018-2020, then rose again. However, there is a larger general presence of Italian underwriters in this area than in the past.

Foreign underwriters made up the majority of syndicate members in 55 issuances (more than 50% of the total). These transactions had an average size of \$655 million and a total value of approximately \$36 billion. By contrast, when Italian underwriters represent the majority of the syndicate (in 11 deals), the average issue size was smaller, at \$468 million, and the aggregate value was substantially lower, at around \$4 billion.

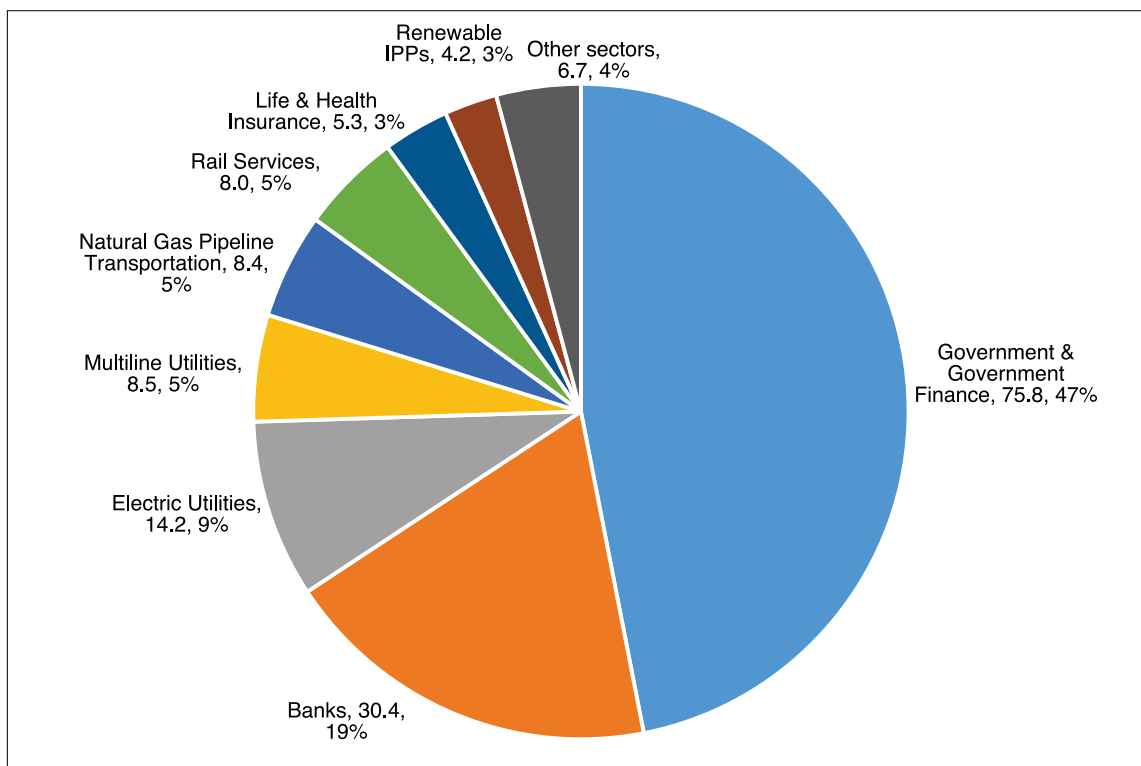


Fig. 14 Green bond issuances by industrial sector of Italian borrowers (2014/26, €billion and %)
Source: based on Refinitiv LSEG data

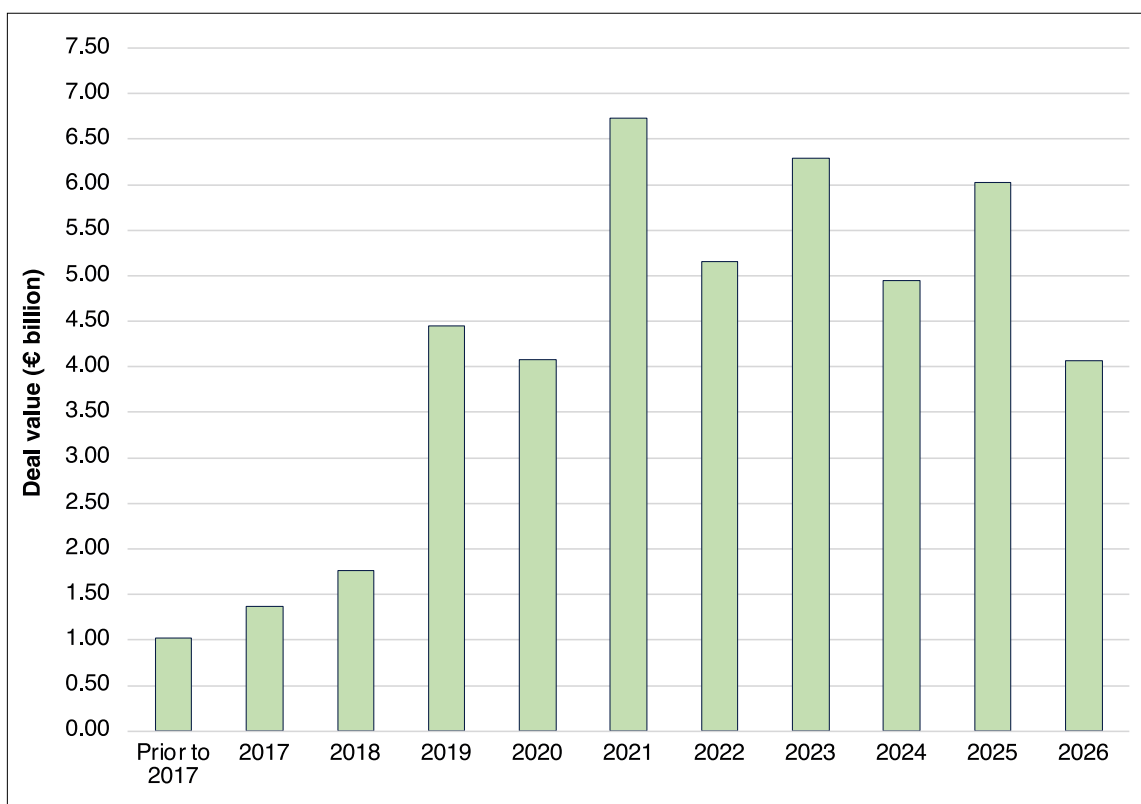


Fig. 15 Green bond issuances by Italian borrowers (2014/26, €billion and %)
Source: based on Refinitiv LSEG data

5.2 Equity capital market

This paragraph gives a summary of the role of foreign bookrunners in supporting Italian companies in the domestic equity capital market through equity issuances (e.g. IPOs, rights offer, accelerated bookbuilds and convertible bond issuances).

Figure 16 shows that the market segment under analysis remains relatively small in absolute terms compared with debt market segments, but boasts an exceptionally high degree of internationalization. Between 2015 and 2025, annual deal values fluctuated significantly, ranging from less than €5 billion to almost €23 billion, while foreign bookrunners consistently maintained a dominant position, with market shares generally above 90%. From a long-term perspective, market activity has remained below the pre-pandemic levels (€12.1 billion) for most of the period after 2017. Following the peak recorded in 2017 (€22.9 billion), deal values have declined sharply, suggesting that the domestic market is characterized by episodic large transactions rather than steady issuance volumes.

The most recent year, however, points to a recovery in activity. Total deal value increased from around €6.8 billion in 2024 to approximately €8.4 billion in 2025 (+20% YoY).

Foreign bookrunners continue to play a central role in this segment. Their market share remained remarkably high throughout the entire period, and even during years of lower market activity, suggesting that domestic issuers continue to rely on their global investor networks, underwriting capacity, and specialized expertise. The market share of solely foreign bookrunners is very volatile, and in 2025 went down, compared to the previous year, by about 27 percentage points, from 46.8% to 19.4%. Nevertheless, this negative change was fully balanced by a large increase in the market share of international pools of bookrunners: the deal value referring to transnational consortia, including both domestic and nonresident players, more than doubled, from €3.1 to €6.4 billion. As a result, nearly the entire market is currently intermediated by international institutions.

Figure 17 highlights a highly concentrated market structure, with activity dominated by issuers belonging to a small number of sectors. The Automotive & Truck sector is the largest, accounting for €2.7 billion, about one third of total deal value. It is closely followed by Leisure & Recreation, which generated €2.4 billion (30% of the market). Finance and Utility & were also relevant, reflecting the ongoing demand for financing in financial services and infrastructure-related activities.

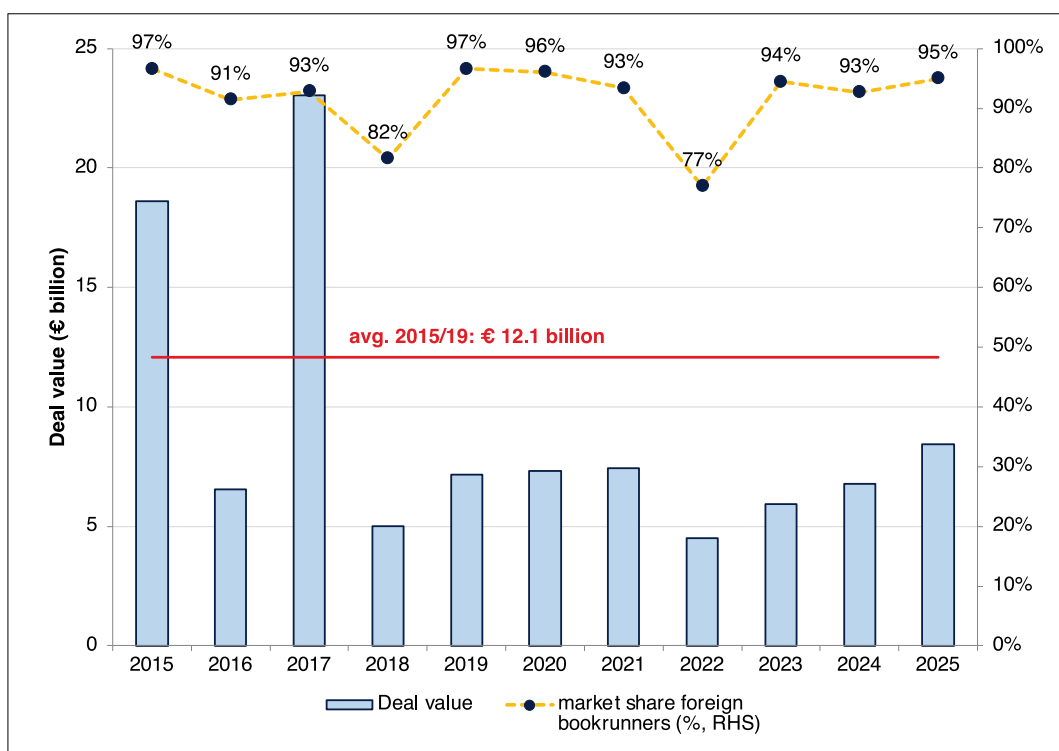


Fig. 16 Equity capital market: distribution of deal value (Italian issuers, 2015/25, €billion) and market share of foreign bookrunners (% , RHS)

Source: based on Dealogic data

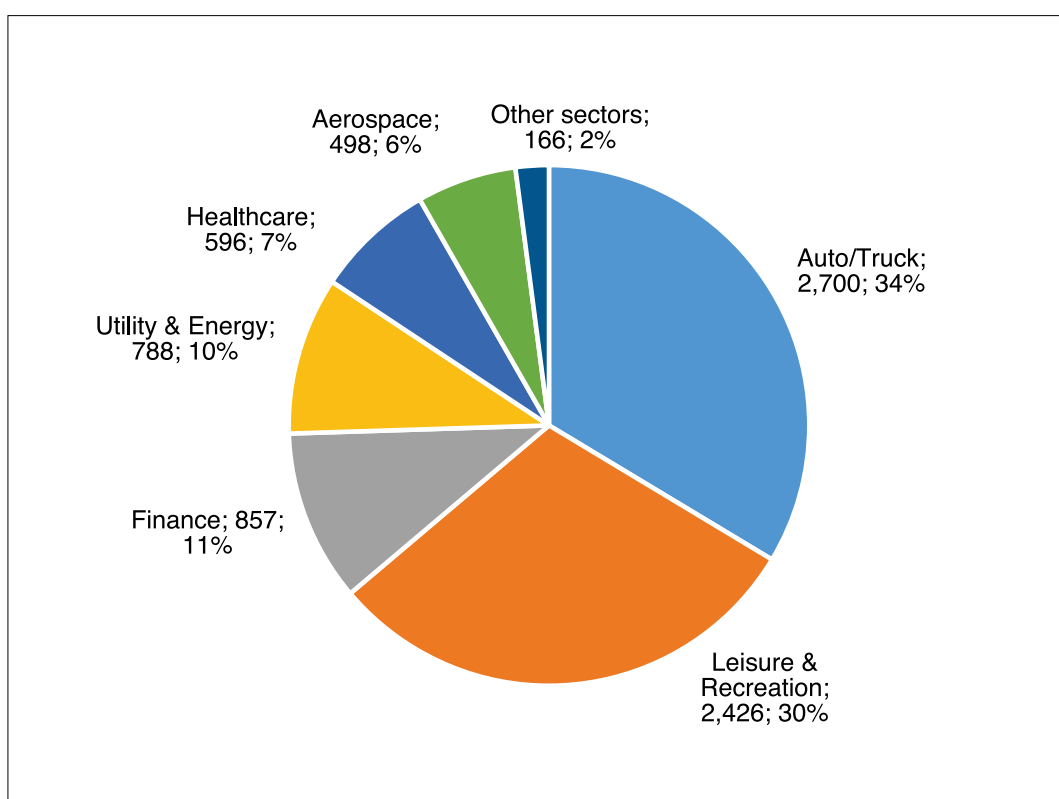


Fig. 17 Equity capital market: issuances by industrial sector of Italian issuers assisted by foreign bookrunners (2025, €billion and %)

Source: based on Dealogic data

5.3 Trading on Cash Markets

According to AMF Italia (Associazione Intermediari Mercati Finanziari), which represents intermediaries operating on Italian financial markets (Italian investment firms, investment banks and subsidiaries of foreign investment service providers), AMF members accounted for about 33% of total market volume in the Euronext Milan Domestic market in 2025, and 75% in the DomesticMOT.

Figure 18 highlights a clear and persistent distinction between Euronext Milan Domestic and DomesticMOT in terms of the participation of foreign investors, while also revealing some interesting recent developments.

For Euronext Milan Domestic, Italian investors have consistently formed the majority of the market throughout the period 2020/25. Foreign players held approximately 13-15% of market activity between 2020 and 2024, while a significant change occurred in 2025, when the foreign share declined to around 8%, mainly due to the fact that a couple of significant nonresident players are no longer included in AMF statistics. This market segment remains very much domestically oriented, and has become even more reliant on local investors in the past year.

A different pattern emerges in the DomesticMOT

market, where Italian investors have traditionally dominated the market to an even greater extent. Foreign participation remained extremely limited throughout the period, fluctuating between roughly 1% and 5%. In 2025 a modest recovery was observed, as nonresident players increased their market share from 0.7% to 2.6%.

In Euronext Milan Domestic the share of foreign players (represented by AMF Associates) fell from 34.2% in 2024) to 20.7% in 2025, confirming that the small set of international players are quite active in these exchanges: 2 foreign players included in AMF statistics are in the “top 5” of most active intermediaries.

With regard to Italian Stock Exchange segments, a US-based bank is leader in terms of turnover for third party trading in the “Index Futures” market, holding a market share of 10.15%, corresponding to 43% of total turnover generated by AMF Associates. In the “Options on Indexes” market, 19% of turnover for third party trading referring to AMF Associates was held by two non-domestic players included in AMF statistics. The share jumped to 30% in the “Options on Stocks” market, where the leading bank in this market is a US-based investment bank. In the “Futures on Stocks” market - proprietary trading contracts - the most active player is also a foreign bank.

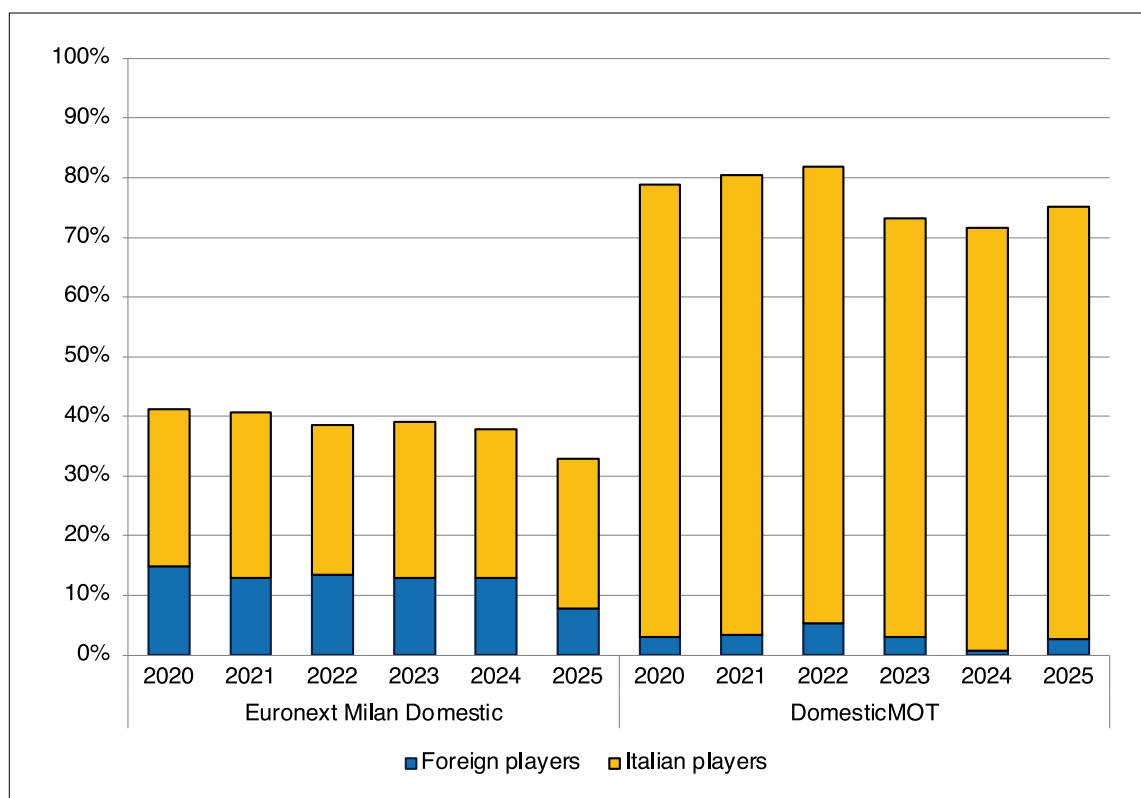


Fig. 18 Recent trends in market shares held by AFM's members by origin (2020/25, % of values)
Source: based on AFM statistics

CHAPTER 6

Asset Management

Based on Assogestioni data, Figure 19 highlights the growing role played by foreign groups in the Italian asset management industry, particularly in the collective management segment, while their presence in portfolio management remains more limited - but not negligible - and relatively stable over time.

Starting with the collective management segment, Figure 19 shows that between 2016 and 2025 total assets under collective management increased significantly, from approximately €950 billion to more than €1.4 trillion, confirming the strong expansion of the sector. Foreign groups played a major role in this growth. Assets managed by foreign institutions more than doubled over the period, rising from around €327 billion in 2016 to approximately €670 billion in 2025. The market share held by nonresident players also rose, from 34.4% to 47.2%. The data suggest a structural internationalization of the industry, with foreign players benefiting from economies of scale, strong product diversification, and the growing integration of European investment markets. Four nonresident players are in the “top 10” of most active intermediaries.

A different picture emerges looking at portfolio management. Although total assets also expanded over the period, increasing from roughly €1.0 trillion in 2016 to more than €1.2 trillion in 2025, the role of

foreign groups remained considerably smaller. Assets managed by foreign institutions actually increased from around €140 billion to approximately €250 billion in 2025. This growth in absolute terms was not however accompanied by a substantial increase in market share, due to the generally high market growth rate. Nevertheless, the market share referring to foreign groups grew by more than 6 percentage points over the period 2016/25, going from 14.1% to 20.8% in 2025.

In the last 3 years, it was seen that foreign assets grew substantially in absolute terms in the collective management segment, from approximately €550 to €670 billion, with a growth rate consistent with the general market trend (+22% over the mentioned period). Foreign assets also grew in the portfolio management segment, from roughly €210 to €252.5 billion in 2025 (+20% over the period), with a higher growth rate than that posted by Italian groups. At the end of 2025, 4 foreign players are included in the “top 10” most active intermediaries.

Within this “top 10”, foreign groups manage about €487 billion of AUM, a 24.3% share of the top 10 total. The share for non-domestic players rose to 30.4% for the “top 15” and 34.0% for the “top 20”. 83% of all AUM intermediated by foreign players is managed by the most 5 active players.

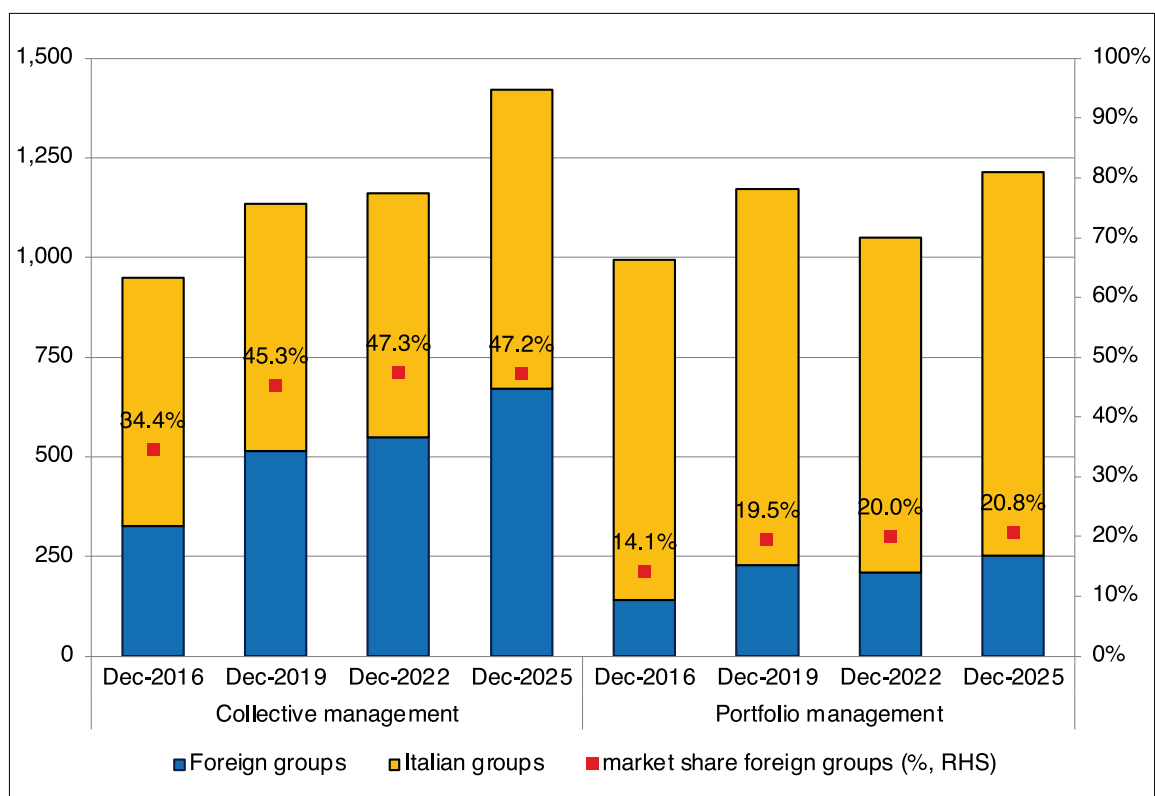


Fig. 19 Collective and portfolio asset management: AUM trends and market shares held by foreign asset management companies (2016/25, € billion and %)

Source: based on Assogestioni-Cubo database

CHAPTER 7

Specialized Credit

The analysis of specialized credit is useful for gauging the size and relative changes over time of these financial services, which are offered by a portfolio of domestic and foreign-based intermediaries.

According to Assifact, in 2025 this particular market grew only slightly in size. Figure 20 shows the steady expansion of market activity over the period 2015/25, accompanied by a gradual recovery in the relative importance of foreign players after a temporary decline midway through that period. In terms of absolute volumes, the market followed a broadly positive trajectory. After increases from 2015 to 2017, activity remained largely unchanged through 2019, before declining in 2020, reflecting the disruption caused by the pandemic. From 2021 onwards, however, the market experienced a sound recovery, with annual volumes rising steadily and reaching their highest levels in 2023 and 2025, with a turnover of about €289 billion. The market share of foreign players has remained very steady in recent years, with a positive change of about 1 percentage point in 2025.

With regard to the Italian leasing market, Assilea data presented in Figure 21 highlights the fact that foreign players have maintained a stable and significant presence in the market over the last decade, although their relative importance has gradually declined despite a rise in absolute business volumes over the last decade.

Over the observed period, an initial decline was followed by a gradual expansion phase, in particular after the pandemic, both at the market level and with regard to the role of foreign players, supporting Italian firms with their short-term funding and liquidity needs. In the period 2022/24 volumes and the share intermediated by nonresident players remained basically unchanged. Over the last year, despite global uncertainties, the market increased by about 8% (+€2.7 billion), mainly due to the efforts of domestic players. The market share of foreign players fell by about 2.5 percentage points to 27.3%.

Broadly speaking, the Italian leasing market remains a core component of business financing, especially for SMEs. Assilea reported that new funds totalled about €36 billion, with some segments leading the recent growth, especially instrumental (machinery, equipment), real estate and automotive leasing. At the same time, some constraints were putting the brake on progress, such as the potential rise in interest rates based on future monetary policy decisions and the low profitability of some industrial sectors.

The “mixed” ecosystem, in which local operators and international players - mainly belonging to large and diversified banking groups - coexist, are able to support Italian firms in terms of liquidity needs and the diversification of funding sources, thanks in part to financial innovation and some specialized leasing

products (green and ESG-oriented instruments) that can help to better evaluate financial risk and sustainability goals.

On the consumer credit front, in mid-June 2026 Assilea released its Annual Report on trends in the Italian consumer credit market. Figure 22 shows the steady expansion of the Italian lending market and a relatively stable competitive structure in terms of the number of intermediaries, and a persistent, though gradually narrowing, leadership of foreign institutions in terms of financed volumes.

From a structural perspective, the market has remained remarkably stable over the period 2021/25. The number of lending institutions rose slightly, from 38 to 40, indicating a mature market with the limited entry of new participants. Throughout the period under review, foreign intermediaries made up about 45% of participants (by number), namely 18 out of 40, of which 7 foreign banks. They have a well-established and significant presence.

Financed volumes have seen considerably more

dynamic trends. Total cumulative lending rose from €56.5 billion in 2021 to €72.0 billion in 2025 (+28% compounded), the moderate rise between 2021 and 2023 followed by a significant acceleration in 2024, further consolidated in 2025 (+4.3% YoY).

Foreign intermediaries played a leading role throughout the mentioned period: annual financial flows rose from €30.7 billion in 2021 to a peak of €38.2 billion in 2024, before easing slightly to €37.6 billion in 2025. This meant they financed more than half of the market every year, with market shares ranging between 52% and 55%. These results confirm the strong competitive position of nonresident players. While foreign intermediaries continue to play a pivotal role - originating more than half of annual cumulative flows - the recent increase in lending by Italian institutions indicates a more balanced competitive landscape, highlighting both the attractiveness of the Italian market to international players and the ability of intermediaries to supply financial needs as demand continues to expand.

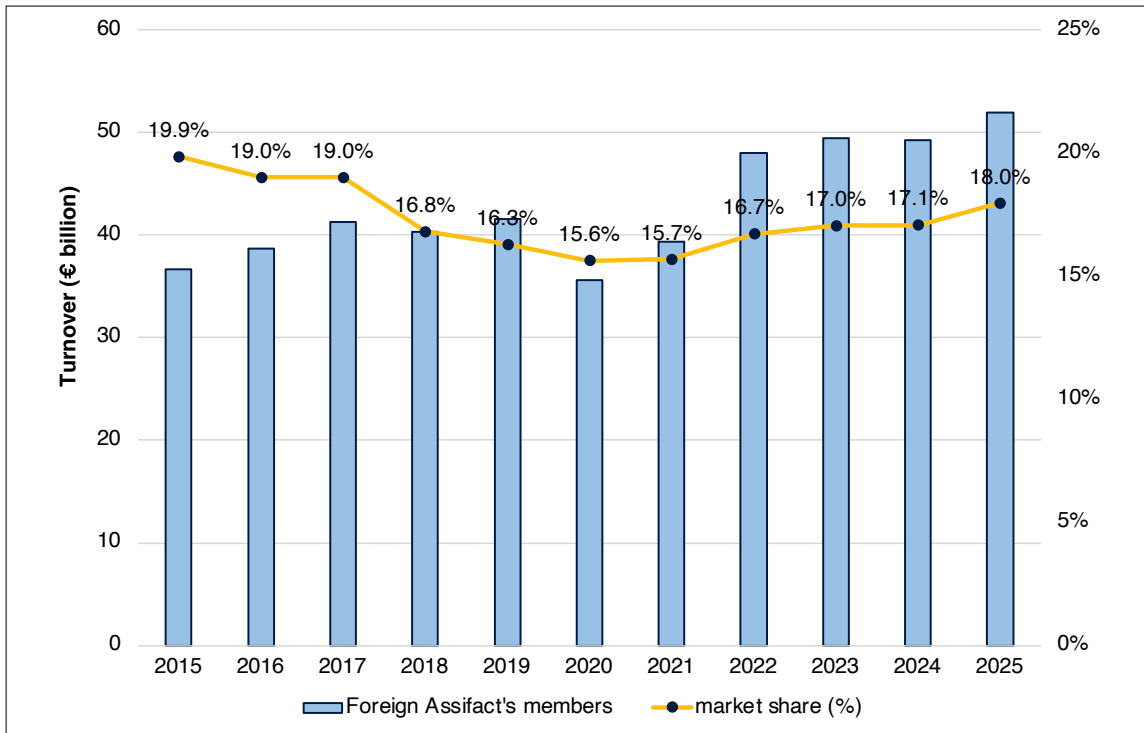


Fig. 20 Italian factoring market: distribution of turnover and market share of foreign players (2015/25, €billion and %)

Source: based on Assifact data

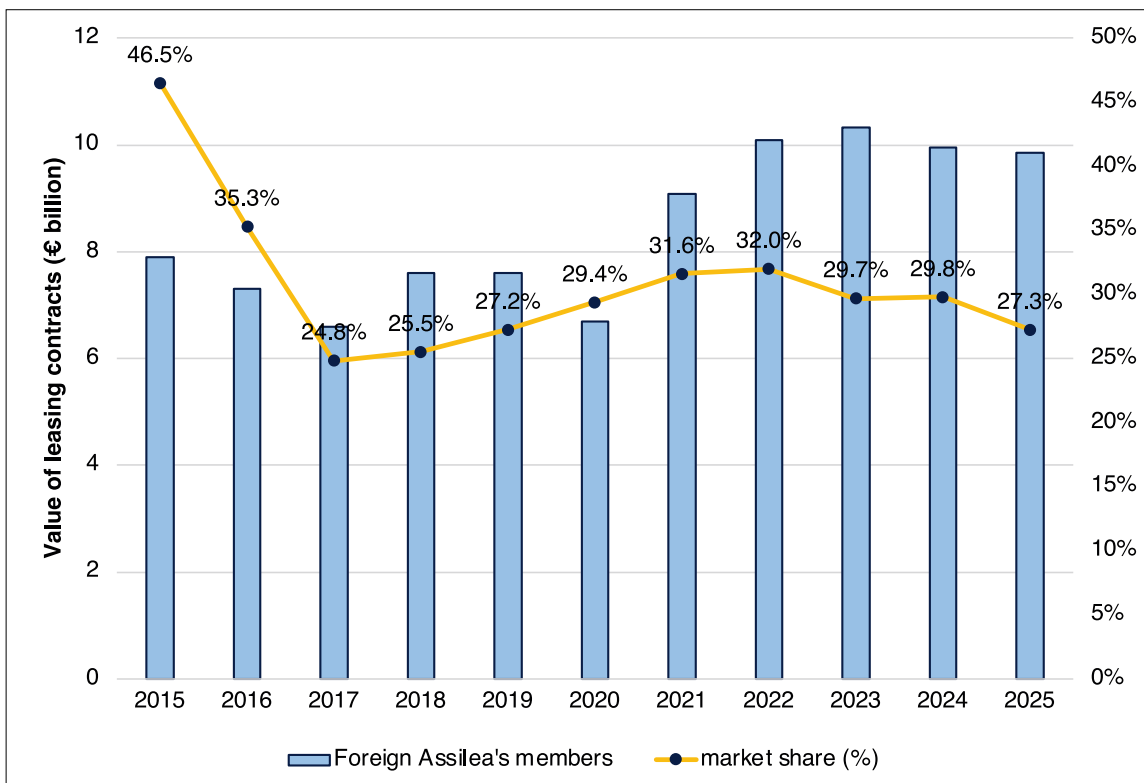


Fig. 21 Italian leasing market: distribution of the value of leasing contracts and market shares of foreign players (2015/25, €billion and %)

Source: based on Assilea data

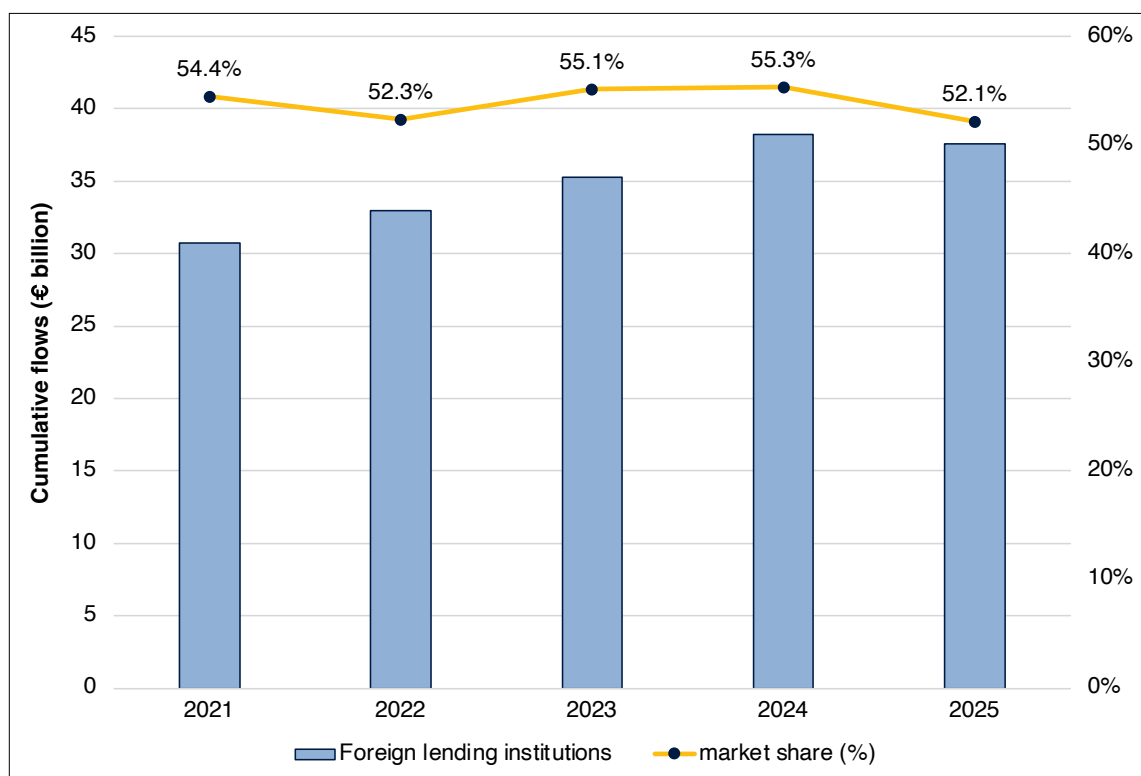


Fig. 22 Italian consumer credit market: distribution of cumulative flows and market share of foreign players (2021/25, €billion and %)

Source: based on Assofin-Crif-Prometeia survey, last updated June 2026

Note: Foreign lending institutions are players that have prevalent foreign ownership. In the case of mixed-ownership companies, cumulative flows are attributed “pro rata” according to ownership shares.

CHAPTER 8

Foreign banks in Europe: a sample analysis

This chapter examines the role played by foreign banks across a sample group of European countries - France, Germany, Spain and the United Kingdom - and compares their position with that observed in Italy. Consistent with the approach adopted in previous AIBE Reports, the analysis is divided into two complementary parts. The first section (§ 8.1) focuses on the participation of nonresident investors in the government debt markets of the selected countries. The second section (§ 8.2) analyses the positioning and relevance of foreign bookrunners in the syndicated loan market and in the debt and equity capital markets, highlighting their contribution to corporate financing, securities issuances and firms' capital structure decisions.

8.1 The role of nonresident investors in public debt

The figures given here are based on International Monetary Fund (IMF) data, contained in "Fiscal Monitor" reports. As Figure 23 shows, the long-term trends referring to nonresident holdings of public debt over the period 2015/25 show a quite similar pattern across the selected countries.

France, Germany and Spain continued to record the highest shares of public debt held by nonresident investors, although these shares fell in all three countries over the period under review. In France, the share fell from 64.8% to 49.6%, after the recovery recorded in 2024. In Germany the share of debt held

by foreign investors also fell by around 15 percentage points in the period in question, from 62.0% to 46.8%. By contrast, Spain experienced only limited fluctuations over the period. Data referring to 2025 confirmed a percentage close to 48%, in line with 2024 and close to the last 5-y maximum.

The average level of foreign participation was considerably lower in the United Kingdom and Italy, where nonresident investors held, on average, 31.3% and 32.9% of government debt respectively. In the United Kingdom, the foreign share declined steadily during the decade. Italy saw an even more pronounced decline compared to the United Kingdom: foreign holdings of Italian government debt fell from around 40% in 2015 to a minimum of 24.1% in the first quarter of 2023, before rising significantly to 35.2% last year, confirming the upward trend over the last three years. Despite this recent improvement, Italy continues to rely predominantly on domestic investors to finance its public debt, with banks, institutional investors and households holding a substantial share of government securities.

Looking at the worldwide situation, IMF (Fiscal Monitor, April 2026) has reported only a limited improvement in global fiscal conditions. Public debt remains at historically high levels and is continuing to grow. IMF analysts highlighted the increase in borrowing costs, higher than the pre-pandemic period, as the favourable combination of low real interest rates and robust economic growth has gradually

weakened. Fiscal pressures have also intensified, with the ageing population and defence expenditure affecting public finances, particularly across Europe. Substantial investments are also required to support green transition and face up to energy global tensions. Despite these mounting challenges, fiscal policy has

remained broadly unchanged in many countries. Consequently, global public debt dynamics continue to be affected by persistent vulnerabilities and a generally unfavorable outlook. The outbreak of war in the Middle East has also added a new factor weighing down on fiscal pressure.

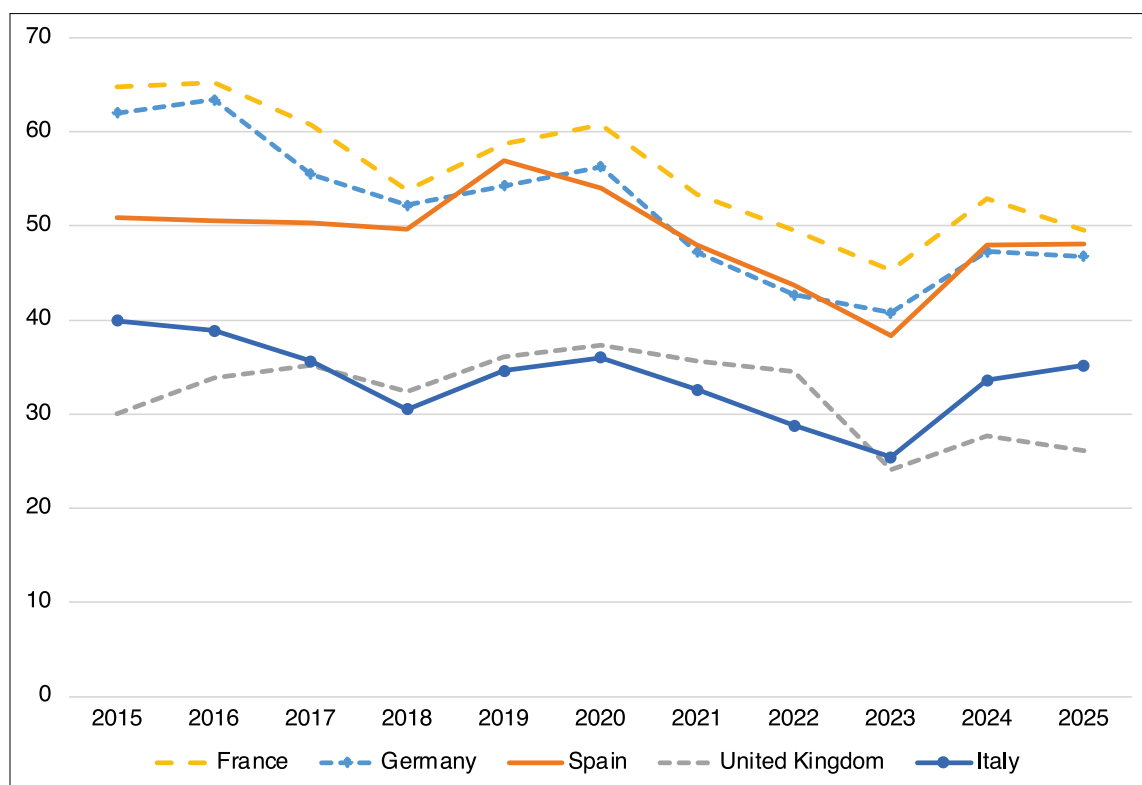


Fig. 23 Nonresident holdings of general government debt (2015/25, % of total)

Source: based on IMF Fiscal Monitor data analysis

8.2 The role of foreign banks in debt and capital markets

As in previous AIBE Annual Reports, this section examines the role and market share of foreign bookrunners across a panel of selected European countries - France, Germany, Spain, and the United Kingdom - and compares the findings with the Italian market. The analysis focuses on three major financing segments: syndicated loans, debt capital market issuances, and equity capital market issuances.

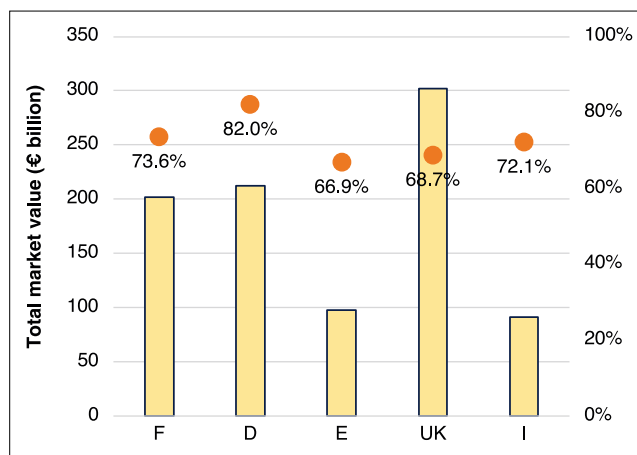
According to Dealogic data, the syndicated loans market in 2025 shows a relatively uniform level of participation by foreign bookrunners across the five countries considered, with foreign institutions accounting, on average, for approximately 73% of total deal value (70% in 2024). The Italian and Spanish markets are significantly smaller than those of the other countries, together representing around 18% of the total, equal to €905 billion. In 2025, Spain recorded the highest annual growth rate (+32%), followed by the United Kingdom (+23%). Meanwhile, the largest markets - Germany and the United Kingdom - are characterized by larger deal sizes, with average tranche sizes nearly three times higher than those observed in Spain and Italy. The United Kingdom remains the largest syndicated loan market by volume, combining strong growth with substantial size. Germany, in turn, stands out for the highest share of foreign participation, driven in particular by “mixed” pools of bookrunners that combine local and international institutions (accounting for 71% of the total). Overall, a high degree of internationalization

is a common feature across all major syndicated loan markets, although growth dynamics appear to be influenced by additional structural and cyclical factors.

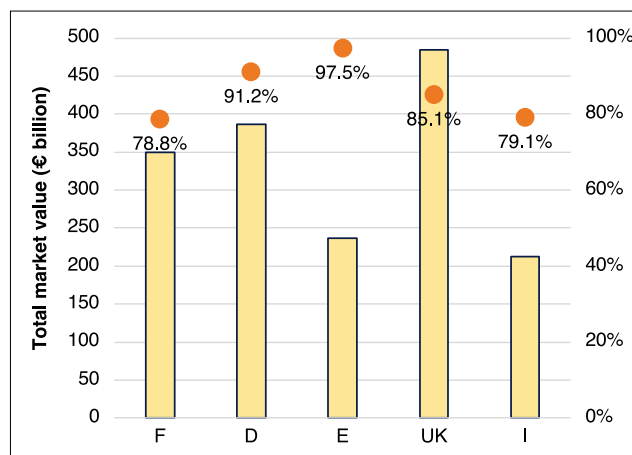
The debt capital market is the largest segment, with total issuances in 2025 amounting to approximately €1,669 billion. The United Kingdom (29% of the total) and Germany (21%) lead the market, while Spain and Italy rank at the lower end. National debt capital markets display an even higher level of internationalization compared to syndicated loans, with foreign institutions accounting for roughly 86% of total market value, with only minor variations across countries. The largest share is held by international syndicates of bookrunners, including both domestic and foreign players. Despite this, market performance varies significantly: Spain emerges as the fastest-growing market (+72% YoY), followed by Italy and the United Kingdom.

Compared to the other segments, the equity capital markets exhibit some distinctive characteristics. The total value of issuances completed in 2025 was approximately €111 billion, of which €70 billion (63%) involved British issuers, while the remaining national markets are relatively similar in size. Year-on-year trends differ markedly: Spain and the United Kingdom more than doubled in size, whereas Germany experienced a decline in issuances, with a decrease of about 7% in value. The presence of foreign bookrunners is extremely high in this segment as well: on average, they were involved in about 94% of deals, confirming the patterns already observed in 2023 and 2024.

(a) Syndicated loans



(b) Debt capital markets



(c) Equity capital markets

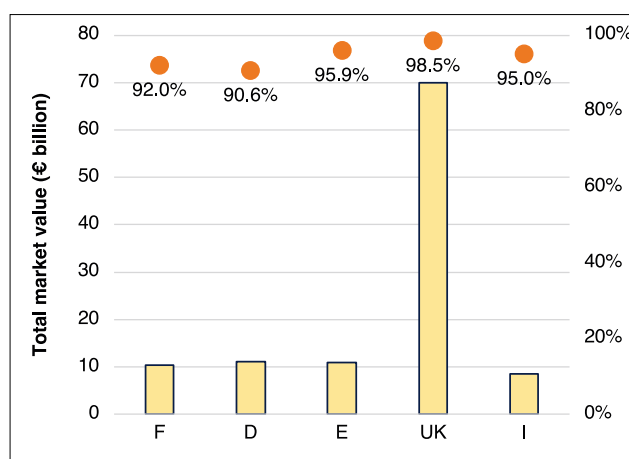


Fig. 20 Annual deal value and market share of foreign intermediaries (2025, €billion and %)
Source: based on data from Dealogic database

CHAPTER 9

Geopolitical risks and impact on financial businesses

Over the past decade, geopolitical risk has become a long-term factor in financial market dynamics, causing a clean break from the conditions in place in the pre-2010 period. Following the COVID-19 pandemic, Russia's invasion of Ukraine, the progressive fragmentation of global trade and production networks, as well as more intense strategic competition among major economies, the escalation of conflict in the Middle East at the beginning of 2026 has further reinforced a state of heightened and persistent uncertainty. Academic literature, policy institutions, and market analysts have increasingly identified geopolitical and geoeconomic risks as systemic drivers of macro-financial instability rather than episodic shocks. The joint ECB-ESRB framework explicitly recognizes geoeconomic fragmentation as a "defining challenge" for financial stability, capable of reshaping global macro-financial links and increasing tail risks for the real economy. Similarly, both the IMF and the European Commission stress that the global economic outlook is now fundamentally conditioned by geopolitical tensions, which have become a dominant source of uncertainty and volatility.

Geopolitical shocks are transmitted to financial systems through multiple, interrelated macro-financial channels. Firstly, conflicts and geopolitical friction directly affect commodity and energy markets, generating supply-side shocks that result in higher inflation and increased volatility as regards monetary policy expectations. The ECB Financial Stability

Review (May 2026) highlights the fact that disruptions to energy supply routes, in particular in the area around the Strait of Hormuz, have contributed to oil and gas price hikes, reinforcing inflationary pressures in a global context of weak economic growth and negative pressures on public finances and related risks. Secondly, heightened geopolitical uncertainty results in heightened financial market volatility, raises risk premiums and causing the repricing of risky assets. As summarized in the ECB-ESRB framework, geopolitical shocks systematically lead to tighter financial conditions, widening credit spreads and reduced loan growth. Thirdly, geopolitical fragmentation alters global capital allocation, supply chains and investment decisions. This has long-term implications for productivity, corporate financing conditions and sovereign debt sustainability. These effects are further amplified by cross-market spillovers, as geopolitical shocks modify relations among asset classes and trigger portfolio reallocations.

These dynamics are particularly relevant for European economies, which are currently facing a complex combination of cyclical and structural vulnerabilities, as stated by IMF and European Commission, Europe in general is faced with persistently high public debt ratios, rising defence expenditure, substantial investment needs related to the green and digital transitions, unfavorable demographic trends and a structurally high interest-rate environment. According to the IMF

Fiscal Monitor (April 2026), global public debt reached nearly 94% of GDP in 2025, and is projected to approach 100% by 2029, while rising borrowing costs and defence-related spending are progressively eroding fiscal space. This deterioration in fiscal conditions implies that governments have a harder time stabilizing the economy when adverse shocks hit. For its part, the European Commission emphasizes the fact that the 2026 Middle East conflict has triggered a new energy shock, weakening economic activity and reigniting inflationary pressures across the euro area. These developments highlight the increasing interaction between geopolitical risk and fiscal sustainability, particularly in countries suffering from high debt ratios and limited policy buffers.

Within this framework, the escalation of the conflict in the Middle East in early 2026 constitutes a significant new macro-financial risk factor, causing a negative supply effect, pushing up energy prices and raising uncertainty regarding inflation and growth trajectories (ECB, Financial Stability Review, May 2026).

Despite this adverse backdrop, financial markets are showing a notable degree of resilience. According to the ECB, the initial adjustment in asset prices following the outbreak of the conflict caused only moderate and short-lived corrections in equity markets, and a modest widening of sovereign and corporate spreads.

The European banking sector appears relatively well positioned to absorb direct geopolitical shocks, reflecting the substantial strengthening of prudential frameworks over the past decade. The EBA Risk Dashboard (Q1-2026) indicates that EU/EEA banks are maintaining robust capital ratios, thanks to sound liquidity buffers, solid asset quality, and resilient funding conditions, even though conditions in the near future will be strictly dependent on ECB decisions about interest rates and monetary policy. Although direct exposure to counterparties in the Middle East is limited, with a low immediate credit risk, the EBA stresses that indirect and second-round effects could be critical, mentioning the negative impact of higher energy prices, a drop in economic growth, and less

favourable financing conditions. These effects, taken together, might exert significant pressure on bank balance sheets, particularly regarding exposure to energy-intensive and trade-dependent sectors and connections with non-bank financial institutions (systemic risk).

Recent developments in European capital markets further support the view that geopolitical uncertainty has not yet resulted in a generalized contraction of financing activity. Sovereign debt issuance, for instance, has remained exceptionally strong in the first months of 2026, reflecting both high refinancing needs and expanding fiscal deficits associated with defence spending and strategic investments. More broadly, global debt markets are continuing to exhibit high issuance levels despite rising interest rates and structural pressures, including shifting investor bases and higher refinancing risks. Investor demand for sovereign bonds has remained resilient, suggesting that, at least for now, markets retain confidence in the sustainability of euro-area public finances.

Corporate debt markets have also demonstrated considerable resilience. Primary issuances by investment-grade firms have remained active, supported by relatively modest credit spreads and sustained demand for high-quality fixed-income instruments. Episodes of increased geopolitical tension have primarily affected issuance timing rather than overall volumes, with firms strategically postponing transactions to periods of lower volatility. This behaviour reflects a broader structural adaptation: geopolitical uncertainty is increasingly perceived by market participants as a persistent feature of the investment landscape rather than the occasional episodic shock.

By contrast, equity capital markets are showing greater sensitivity to uncertainty and volatility. While there was a gradual recovery in IPO activity in 2025, both in Europe and Italy, the first months of 2026 have seen a more cautious environment, with several issuers postponing listings in response to heightened uncertainty.

Turning to Italy, recent developments are broadly consistent with the trends observed at the European

level. According to Dealogic data, new syndicated loan issuances amounted to approximately €24.2 billion in the first quarter of 2026. Of this total, €13.4 billion (55%) was arranged by foreign bookrunners, while overall issuances declined by around 32% compared with the same period of the previous year.

The Italian debt capital market proved to be more resilient. Between January and April 2026, debt issuance totalled €109 billion, with foreign bookrunners participating in €86 billion of

transactions, equivalent to 79% of the market. Total deal value increased by 14% compared with the corresponding period of 2025.

As noted above, equity capital markets experienced considerably greater volatility. During the first quarter of 2026, equity issuances amounted to €1.3 billion, with foreign bookrunners involved in 97% of transactions, compared with total issuances of €4.2 billion in the first quarter of 2025.

List of AIBE Member Banks

The list is updated through June, 1st, 2026.

Aareal Bank AG
Arab Banking Corporation SA
Banco Bilbao Vizcaya Argentaria SA
Banco Santander SA
Bank of America Europe DAC
Bank of China Ltd. Milan Branch
Bank of Communications (Luxembourg) SA
Bank Pictet & CIE (Europe) AG
Barclays Bank Ireland Plc.
Bayerische Landesbank
Bhw Bausparkasse AG
BNP Paribas
Caixabank
China Construction Bank (Europe) SA
Citibank N.A.
Commerzbank AG
Cooperatieve Rabobank U.A.
Crédit Agricole Corporate and Investment Bank
Crédit Agricole Leasing & Factoring SA
Deutsche Bank
Euroclear Bank

HSBC Continental Europe
Industrial and Commercial Bank of China (Europe) SA
ING Bank N.V.
J.P. Morgan Chase Bank
KBC Bank N.V.
MUFG Bank, Ltd.
Natixis SA
Nomura Financial Products Europe GMBH
SMBC Bank EU AG
Société Générale
State Street Bank GMBH
The Bank of New York Mellon SA/NV
UBS Europe SE
Western Union International Bank GMBH

Representative Offices

Caisse d'Epargne et de Prévoyance Côte d'Azur
Crédit Industriel et Commercial

The Authors

Carlo Arlotta

Partner, Consilia Business Management Srl, Milan

Lecturer in “LAB: Financial Solutions For SMEs”

Department of Economics, University of Insubria, Varese-Como

Giorgio Donato

Head of Banking Supervision 1 Directorate

Bank of Italy

Alessandra Tanda

Associate Professor in Financial Markets and Institutions

Department of Economics, University of Insubria, Varese-Como

Andrea Uselli

Associate Professor in Financial Markets and Institutions

Department of Economics, University of Insubria, Varese-Como

The report was edited by Carlo Arlotta (Consilia Business Management Srl) and Andrea Uselli (University of Insubria). Paragraph 3.2 was written by Giorgio Donato, Head of Banking Supervision 1 Directorate of the Bank of Italy. Paragraph 5.1.1 was written by Alessandra Tanda.

AIBE wishes to thank the Bank of Italy, all Associations, foreign bank members and market operators for providing the data and information used for the report.

The report is updated with information available as at 30th June 2026.

