



Green Finance: Market Developments and Challenges in Italy

5 October, 2018

Sara Lovisolo, Borsa Italiana

New green asset classes gaining traction

65

Green and sustainable bonds traded on Borsa Italiana

€55 billion

Total outstanding from green bonds traded on Borsa Italiana (36 of which listed by Borsa Italiana's initiative)

26

Sustainable Bonds mostly issued by the World Bank

12

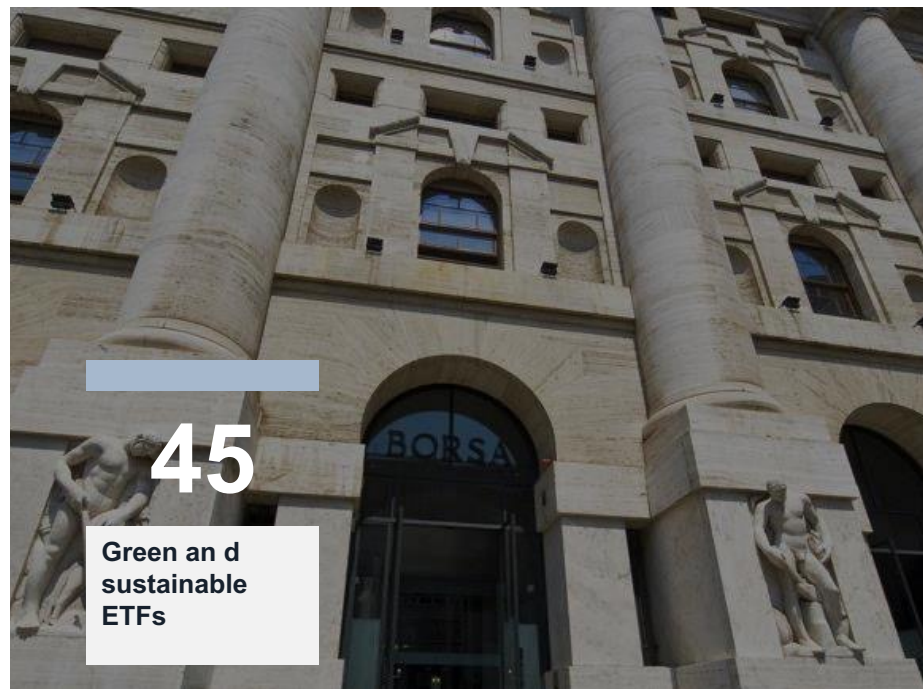
Issuers: supranational, corporate, banks and sovereign

1

Social bond based on ICMA Social Bonds Principles

45

Green and sustainable ETFs



ExtraMOT Pro: Strengthening the Capital Structure of SMEs

The regulatory framework

Taxation

Passive interests and issuance costs are now deductible even if the issuer is a private company; withholding tax on active interests removed

Leverage

Private companies are now allowed to issue bonds for more than 200% of net equity

Guarantee

A guarantee fund is available to asset managers and banks to reduce the risk profile of the investment

The market

Simple

The market is exempt from the Prospectus Directive, and credit rating is not required

Full service

The market allows issuers to run the underwriting or distribution phase on exchange without recourse to arrangers

Cost efficient

The listing fee is currently €2.500 and no other fees are due

Market performance

303

Bonds issued on ExtraMOT Pro in 2013-2018, raising over €16bn, with 76 issuances in the €2-5mn range

4.9 years

Average maturity of the issuances in 2017

3.9%

Average coupon in 2017

Credit ratings

Only 14% of the issuances are investment grade and 76% are not rated

Ecosystem

A network of specialized investors, advisors, arrangers, and academic and publicity initiatives is building awareness and capacity around the market

Trust

Since inception in 2013, four defaults were experienced, setting this market for professional investors apart from the German and UK retail mini-bond experience

In March 2017, a procedure for green and sustainable listings on ExtraMOT Pro was established

Elite: Getting SMEs Ready for Capital Markets

ELITE **accelerates** long-term growth by offering access to a **diverse network**, a **range of funding options**, and a **dedicated training programme**.



What?

ELITE is a programme that **helps** fast-growing private companies prepare and structure for further growth through sharing experiences, access to financing opportunities and education.



Who?

ELITE **serves** the most exciting and ambitious businesses with a strong business model, clear growth strategy and the commitment to implement useful changes for development.



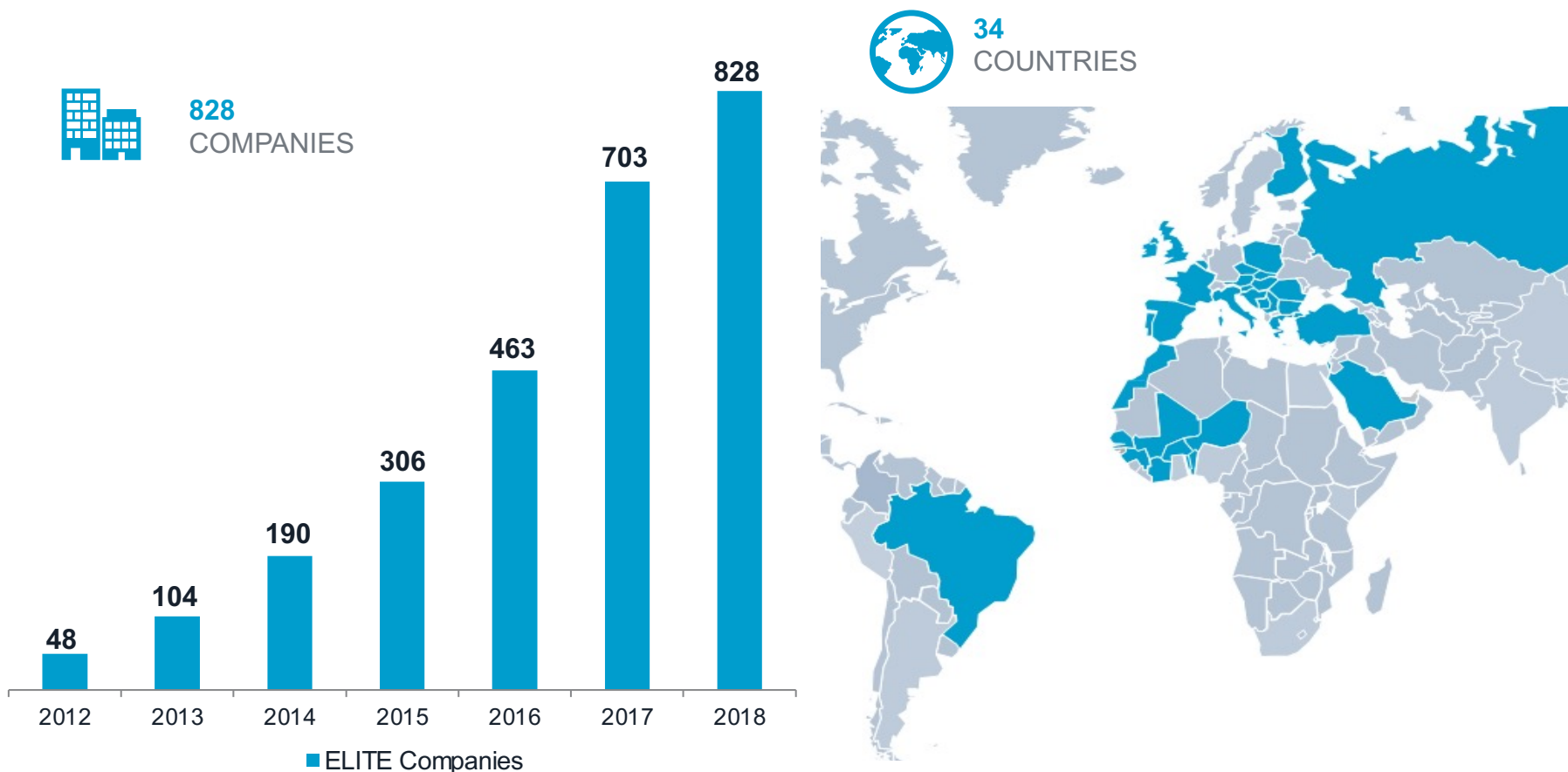
How?

ELITE **offers** an innovative approach through training and access to a diverse community of companies, entrepreneurs, investors and corporate advisers.

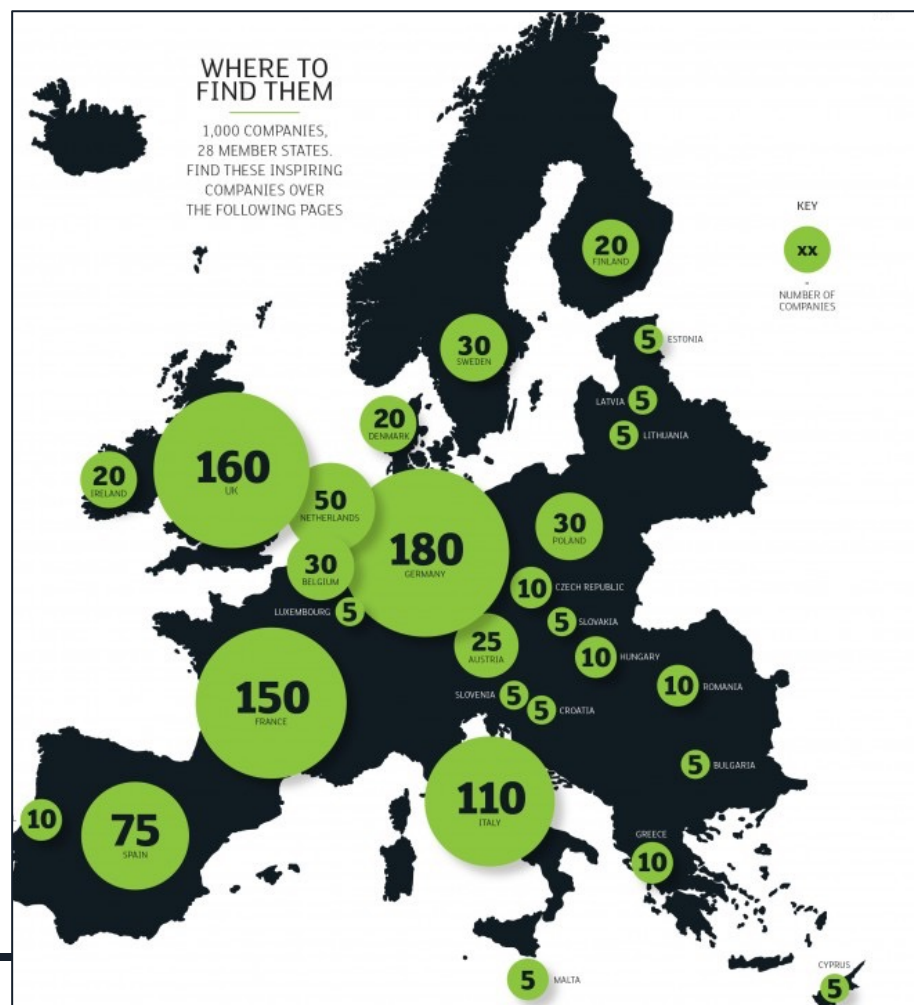
Companies **access** a unique digital platform enabling collaboration and communication with peers and partners.

Elite's International Growth

Launched in 2012, ELITE has over 820 companies enrolled and is growing rapidly.



Green companies to inspire Europe



The 1000 Companies to Inspire Europe report has a section dedicated to green. A case study is Coenergia, a B2B distributor of renewable energy products based in Italy, specialising in photovoltaics (PV) and solar systems.

“We believe in ecologically sustainable buildings, where renewable technologies work in synergy and energy isn’t wasted,” explains Giulio Arletti, CEO of Coenergia. “We don’t think this is an impossible utopia, we know that it’s possible in the near future because we already have the technologies to make it so.”

DISCLAIMER

This presentation contains text, data, graphics, photographs, illustrations, artwork, names, logos, trade marks, service marks and information (“Information”) connected with Borsa Italiana S.p.A. (“Borsa Italiana”). Borsa Italiana attempts to ensure Information is accurate, however Information is provided “AS IS” and on an “AS AVAILABLE” basis and may not be accurate or up to date. Information in this presentation/document may or may not have been prepared by Borsa Italiana but is made available without responsibility on the part of Borsa Italiana. Borsa Italiana does not guarantee the accuracy, timeliness, completeness, performance or fitness for a particular purpose of the presentation/document or any of the Information. No responsibility is accepted by or on behalf of Borsa Italiana for any errors, omissions, or inaccurate Information in this presentation/document.

The publication of this presentation/document does not represent solicitation, by Borsa Italiana, of public saving and is not to be considered as a recommendation by Borsa Italiana as to the suitability of the investment, if any, herein described.

No action should be taken or omitted to be taken in reliance upon Information in this presentation/document. We accept no liability for the results of any action taken on the basis of the Information.

Borsa Italiana, MTA, MIB, MOT, AGREX, IDEX and IDEM are trade marks of Borsa Italiana S.p.A.