



The Italian case study: the largest retail bond market in Europe

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Banca IMI - Intesa Sanpaolo Group

Agenda

1 Historical evolution of italian household savings

2 Fixed Income market

3 A new distribution channel

4 Banca IMI experience

Historical drivers and features

- *Since the '70s:*

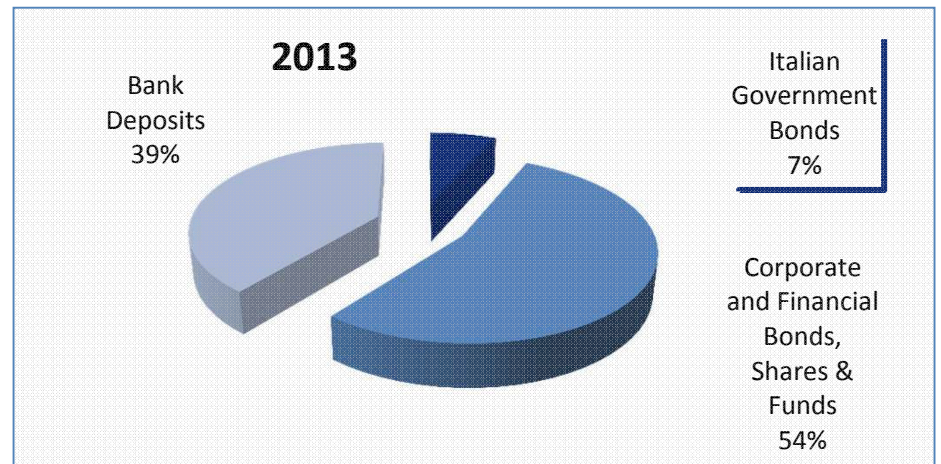
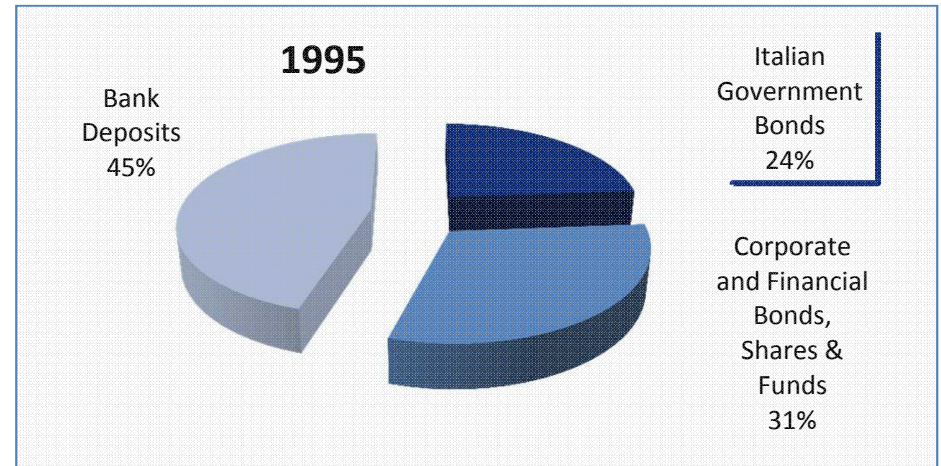
Italian Investors have been traditionally big purchasers of Bonds issued by their Government

- *Since the end of 2011:*

The stock of Italian Govies in customers' portfolio has gradually reduced by roughly 70%

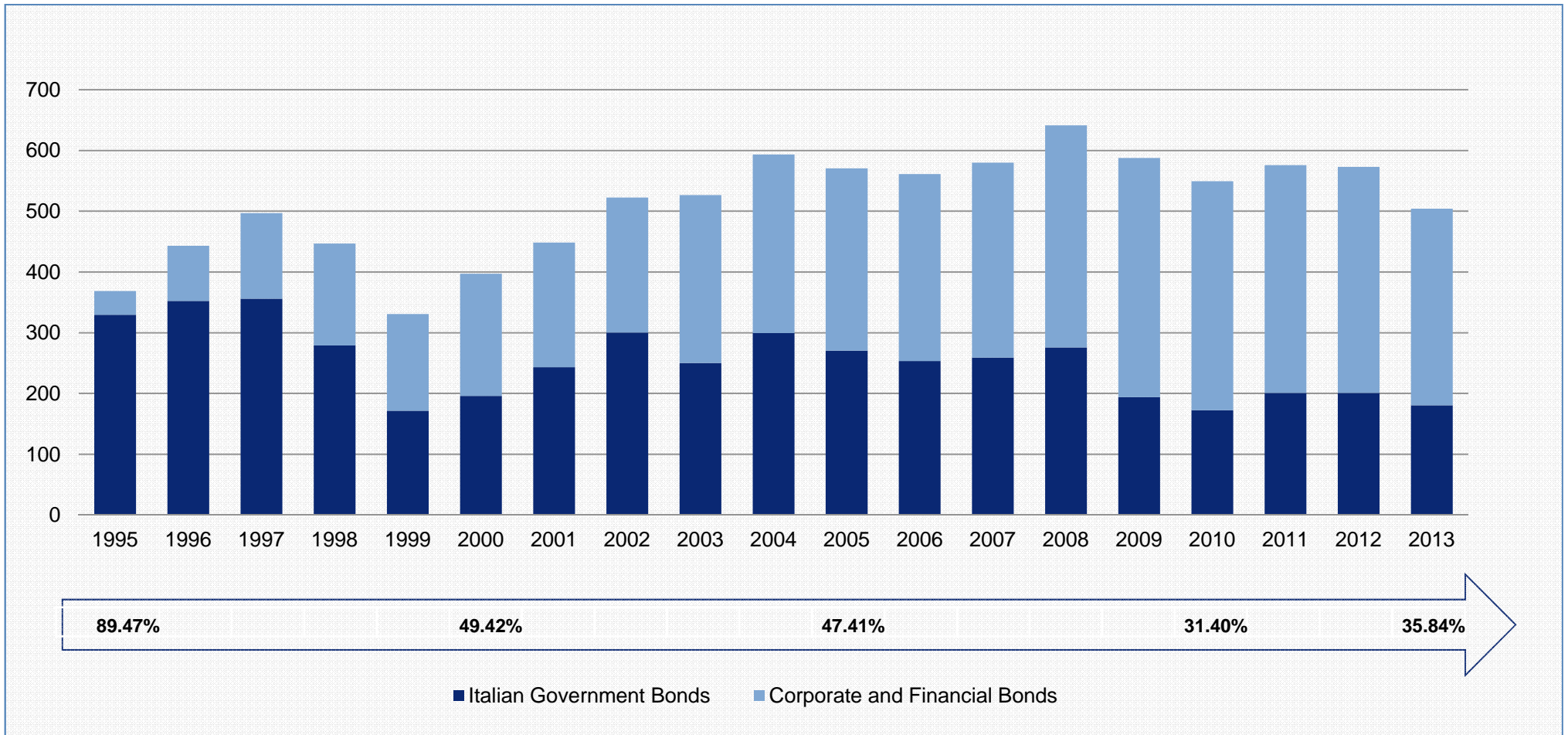
- *Strong «simplification» of pay-off*

Financial Wealth: Italian Families



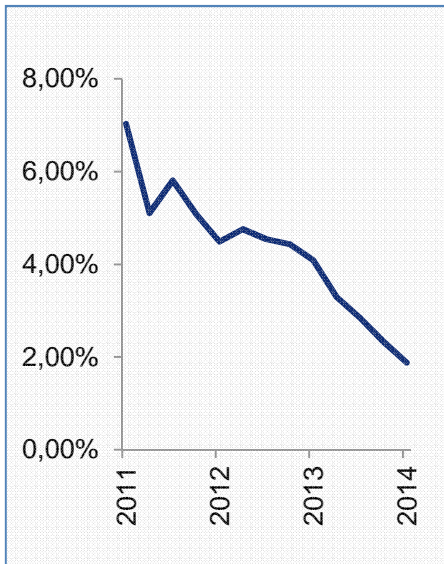
Retail Bonds market: the evolution

Fixed Income securities owned by Italian Retail Investors (EUR bln)

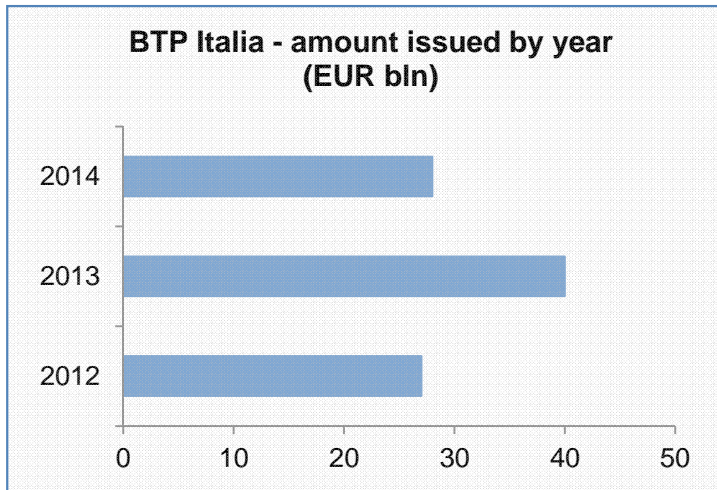


The evolution: different answers to changing market conditions

Interest rate – Italy 10Y

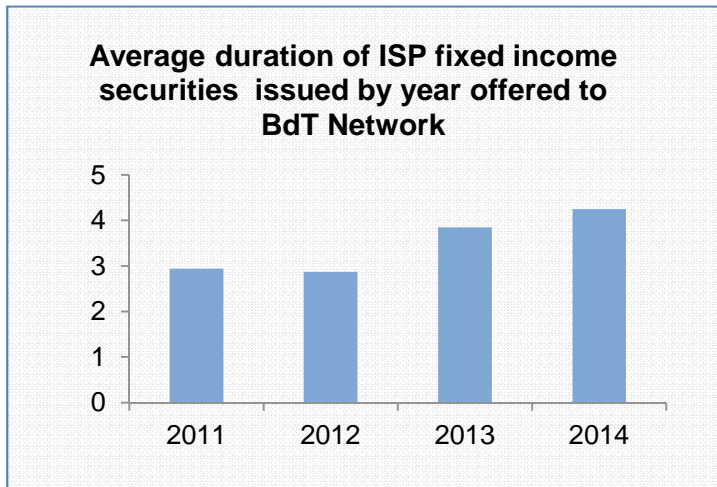


Italian Public Debt



Introduction, in 2012, of the new «BTP Italia» linked to inflation

Italian Banks



Shift from shorter maturities to new issues characterized by longer maturities.

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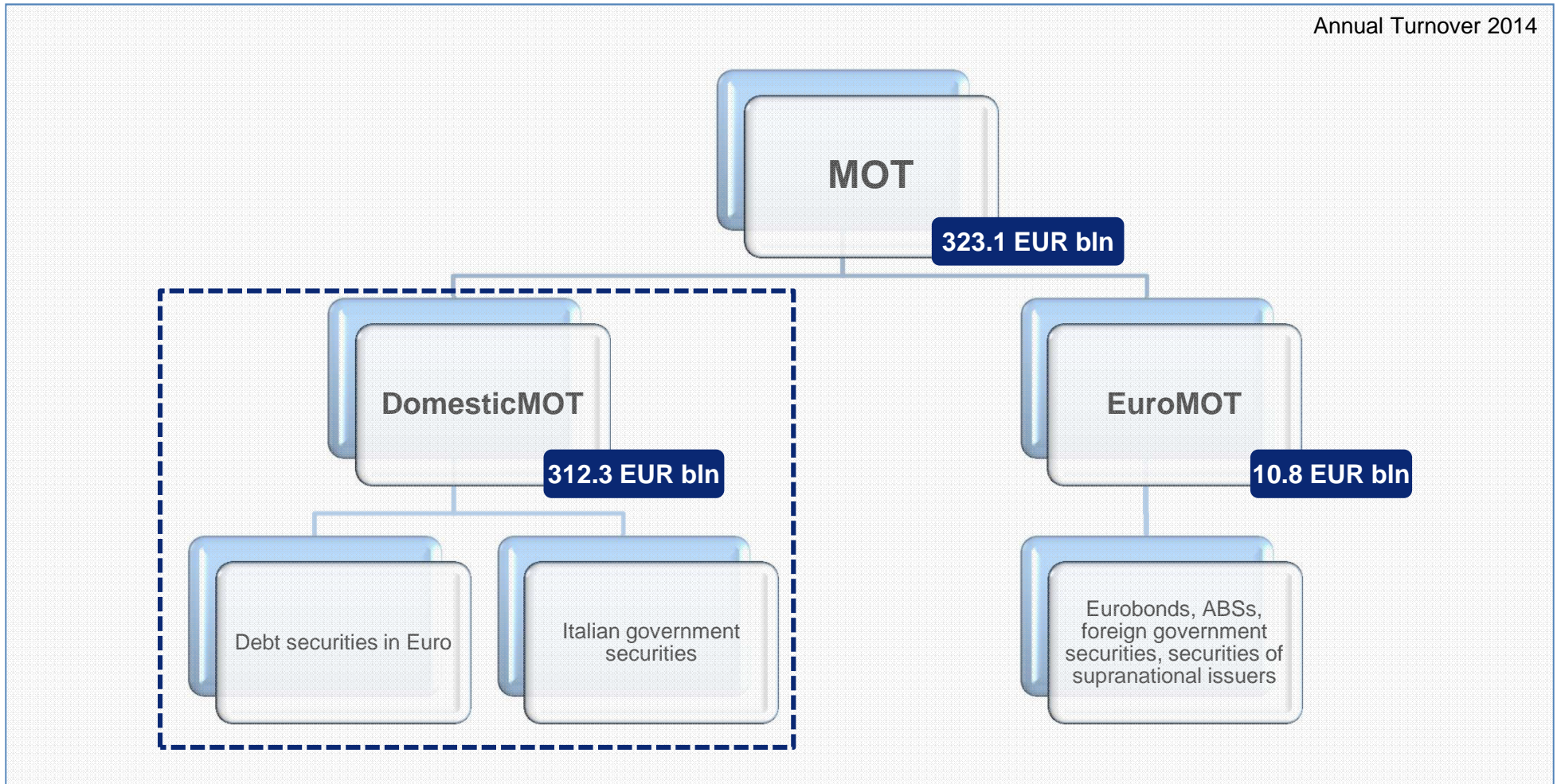
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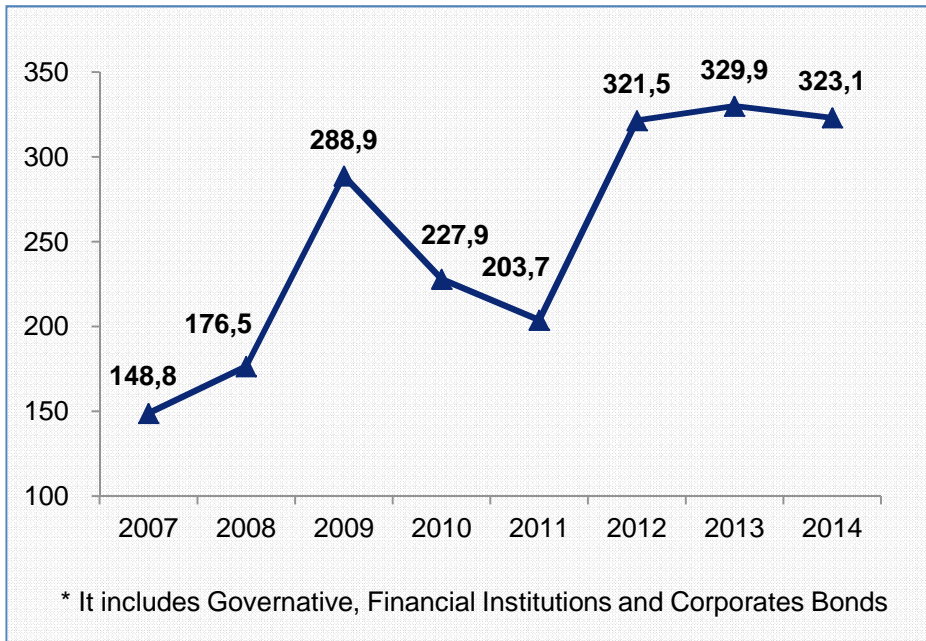
Current market analysis: MOT bond market

Market structure

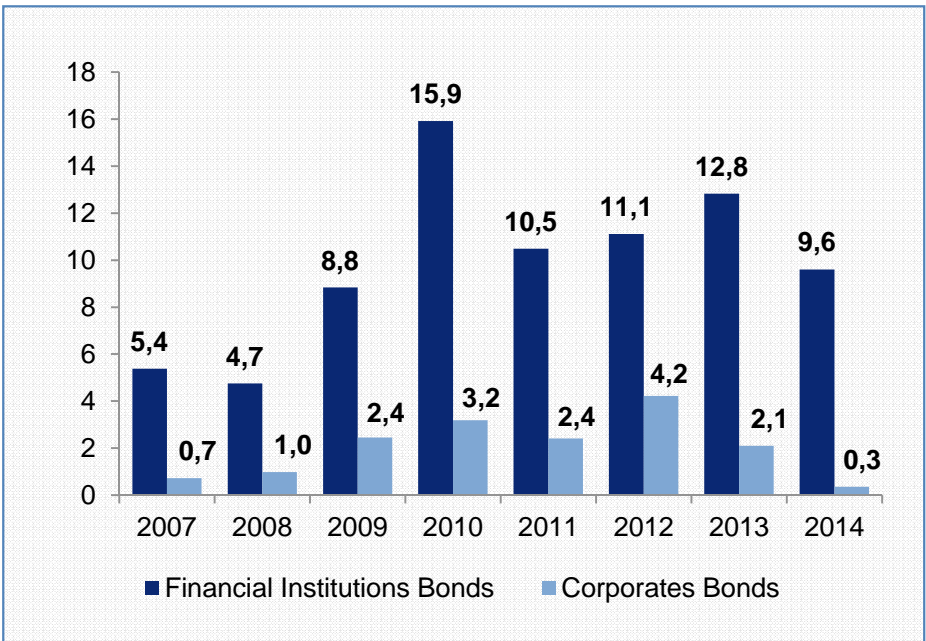


Evolution of the MOT market

Aggregate turnover MOT - EUR bln *

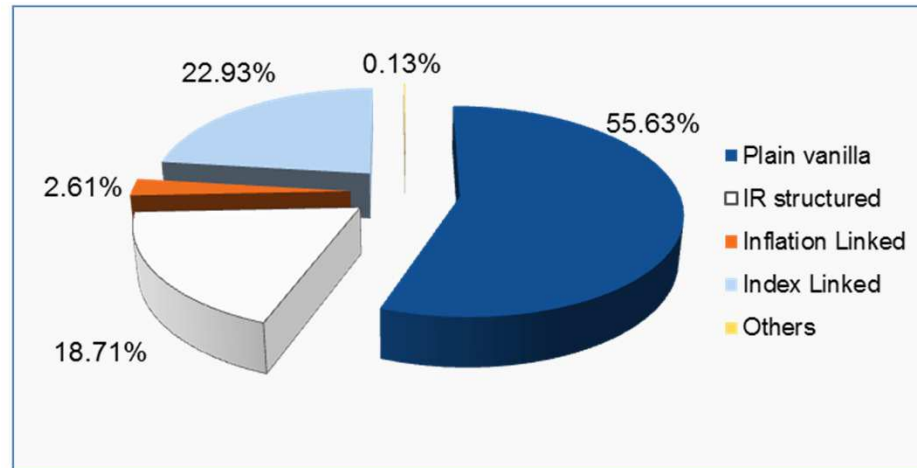


**Turnover by Issuer (non-government)
MOT - EUR bln**



Current market analysis

Turnover by structure type – 2014 *



Most traded securities on MOT – December 2014 *

Financial Institutions Bonds

Name	EUR mln	Contracts
IMI Opera V TF 3% NV 21 USD	63.15	2882
IMI Dual Cur TF 10% NV16 BRL	58.99	5228
Mediobanca TF 3% OT 19 USD	28.20	1153

Corporates Bonds

Name	EUR mln	Contracts
General Elect TF 2.5% MZ20 USD	22.46	1470
Enel TF 4.875 2012 - 18	11.70	578
Enel TV 2010 - 16	8.49	482

* Governative Bonds excluded

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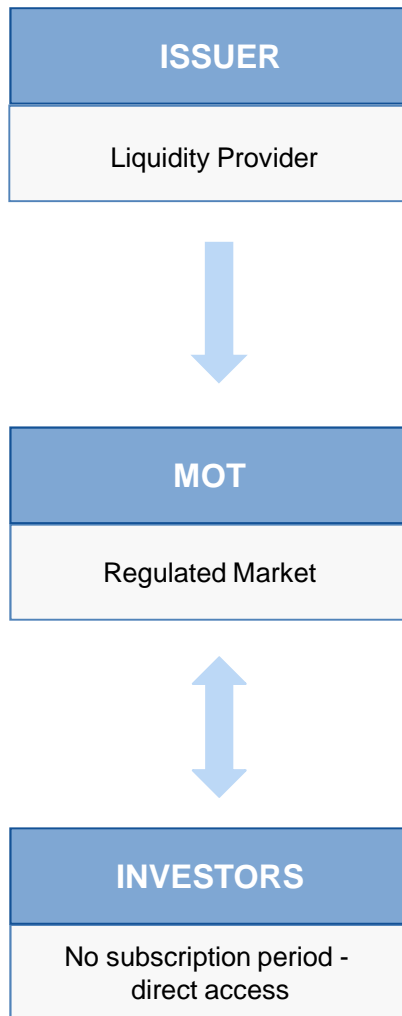
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Direct Listing

Direct Listing process



Key attributes

The MOT is directly accessible by the widest audience of investors;

Being a **secondary market**, it is not possible to distinguish *a priori* the true nature of retail investor;

The **price of the security varies constantly**, depending on market conditions;

In case of immediate good performance of the security, it would be immediately listed above par.

Distribution channels

	Public Subscription Offer - Bank Network distribution	Direct listing - MOT
Distribution	Fees for distributor Sales / marketing taken care of by the distributor	No fees for distributor Need for targeted marketing / brand strength
Size	Possibility to agree on minimum sold amounts	Uncertainty about sold amounts
Sophistication	Easier to sell products with relatively more sophisticated payoffs	Need for quick-to-understand payouts, reaching the investor with no intermediation

Agenda

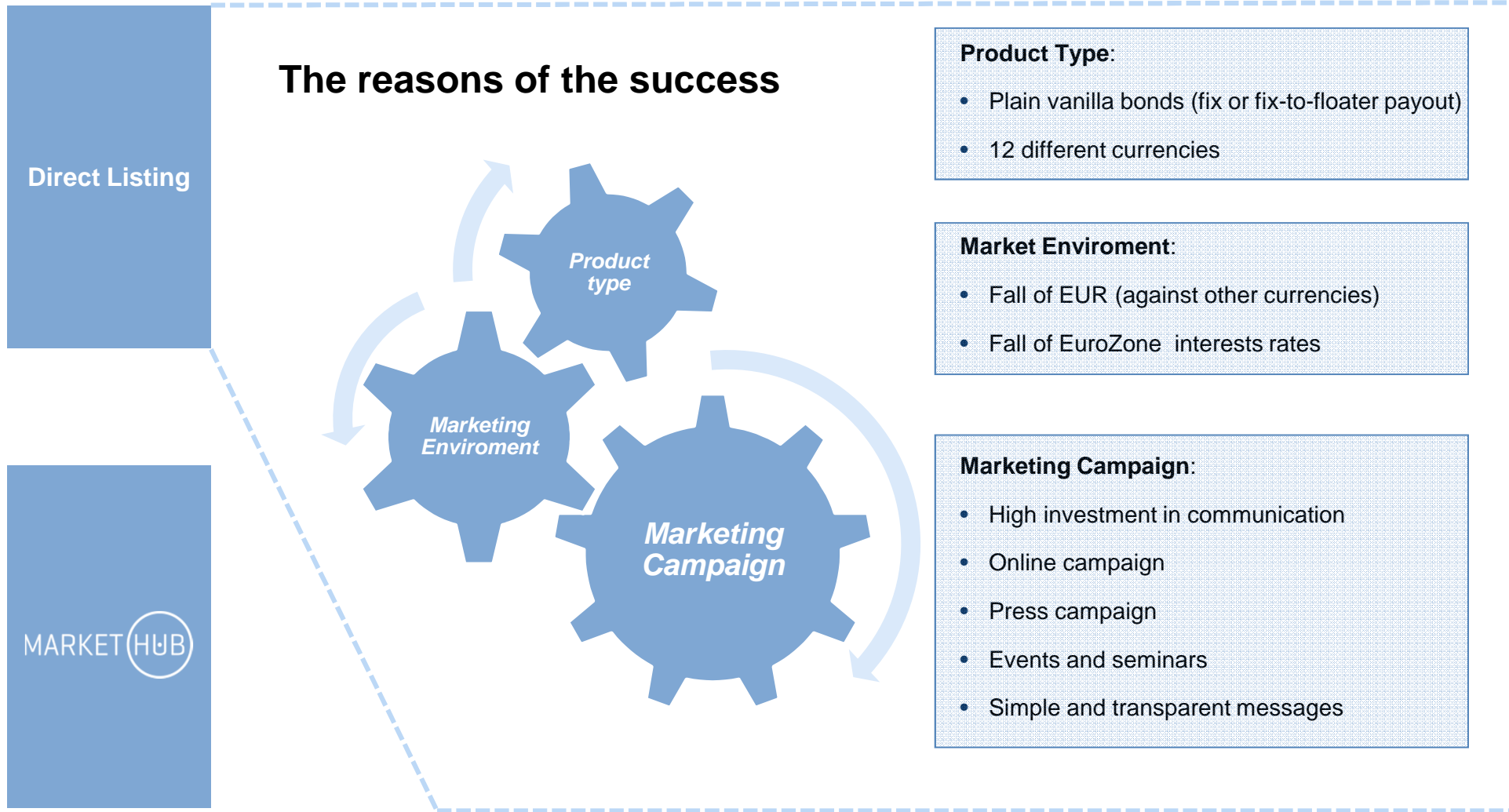
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Our Experience



Our Experience

Direct Listing

The efficiency of the advertising campaign



Target:

- Retail Investors

Goals:

- Consolidating the brand
- Stimulate interest in the product
- Explain the characteristics of the bonds

Graphics:

- Simple and easily identifiable: the symbol is the frame
- Flags: immediate understanding of the currency denomination

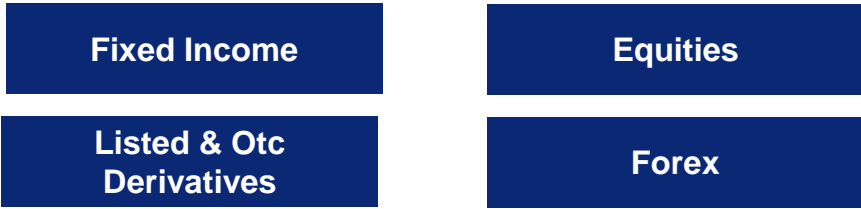
MARKET HUB

Our Experience

Direct Listing

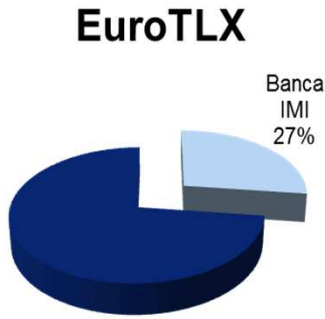
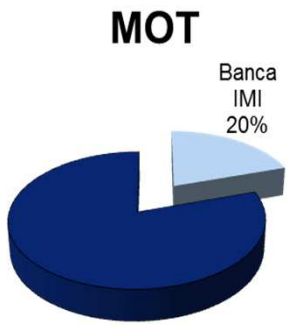
MARKET HUB

Market Hub is the brokerage division of Banca IMI offering a **Multi Asset Class Electronic Execution** service combined with voice brokerage:

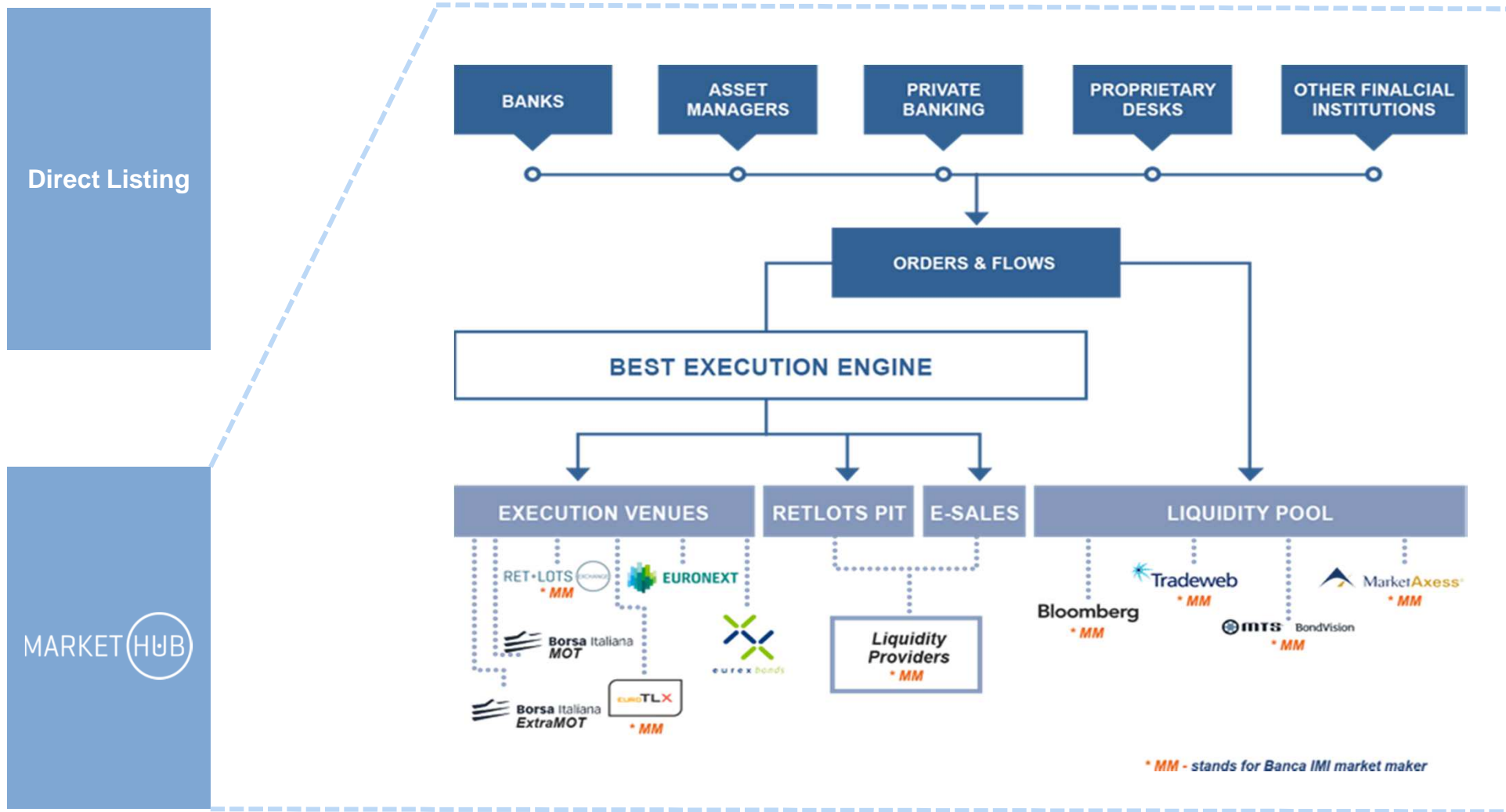


The platform provides one of the most advanced solutions in terms of integrated access to financial markets and **Best Execution**.

	FIXED INCOME MOT (Euro/1000)	FIXED INCOME EUROTIX (Euro/1000)
Banca IMI Volume	55.000.000	37.000.000
Market Volume	272.000.000	136.000.000
Market Share	20 %	27 %
Ranking	1	1



Our Experience



Contacts

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