

How to Think About Corporate Governance and the Owners of the World's Listed Companies

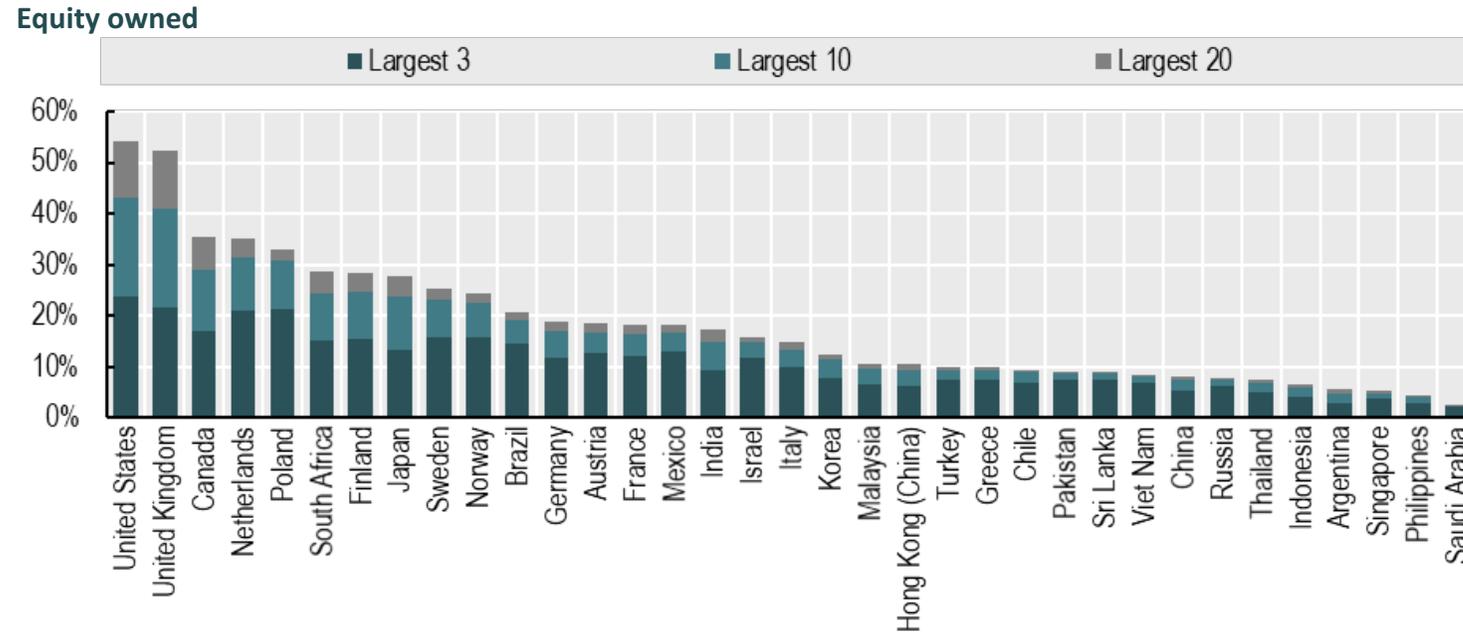
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Largest institutional investors' ownership at the company level

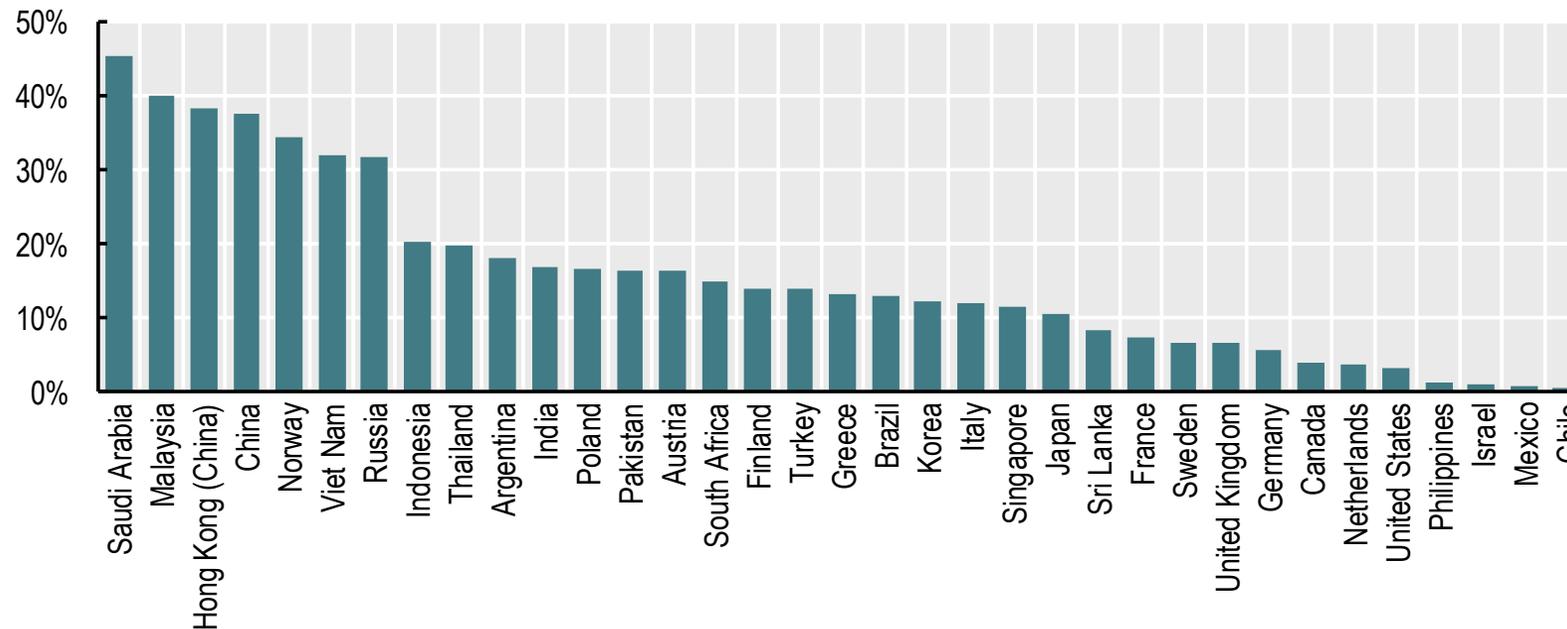


Source: OECD (2019), Owners of the World's Listed Companies, FactSet, Thomson Reuters, Bloomberg.

- Institutional investors are dominant owners in the United States, the United Kingdom and Canada. In these markets, on average the combined holdings of the 10 largest institutional investors represent more than 29% of a company's equity capital.
- In 10 of the world's 35 largest markets, the largest 3 institutional investors own more than 15% of the equity capital.
- In the United States the largest 20 institutional investors own almost 54% of the public equity capital.

The public sector is the second largest category of owners holding 14% of global equity capital

Market cap. weighted average

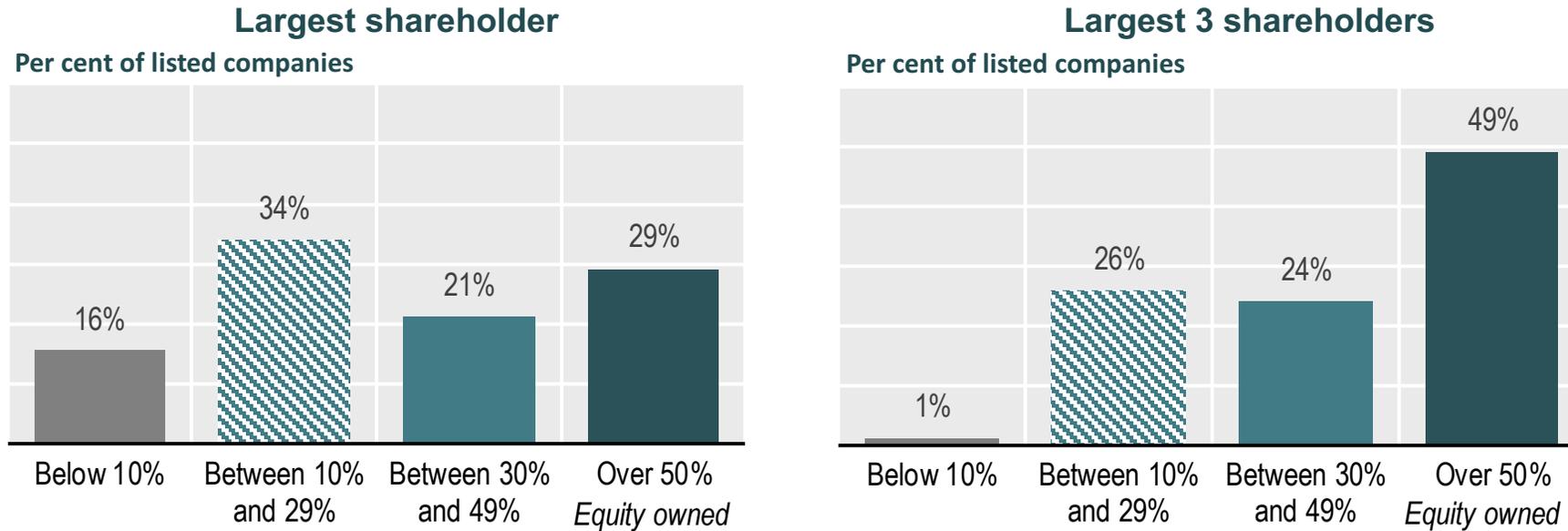


Source: OECD (2019), Owners of the World's Listed Companies, FactSet, Thomson Reuters, Bloomberg.

- The public sector holds 14% of the global market capitalisation at a total value of USD 10 trillion.
- Central and local governments are the largest public sector owners accounting for 56% of public sector ownership of listed companies.
- In about 8% of the world's listed companies, the public sector owns over 50% of equity capital.

Ownership concentration is common in listed companies around the world

Ownership distribution by concentration level

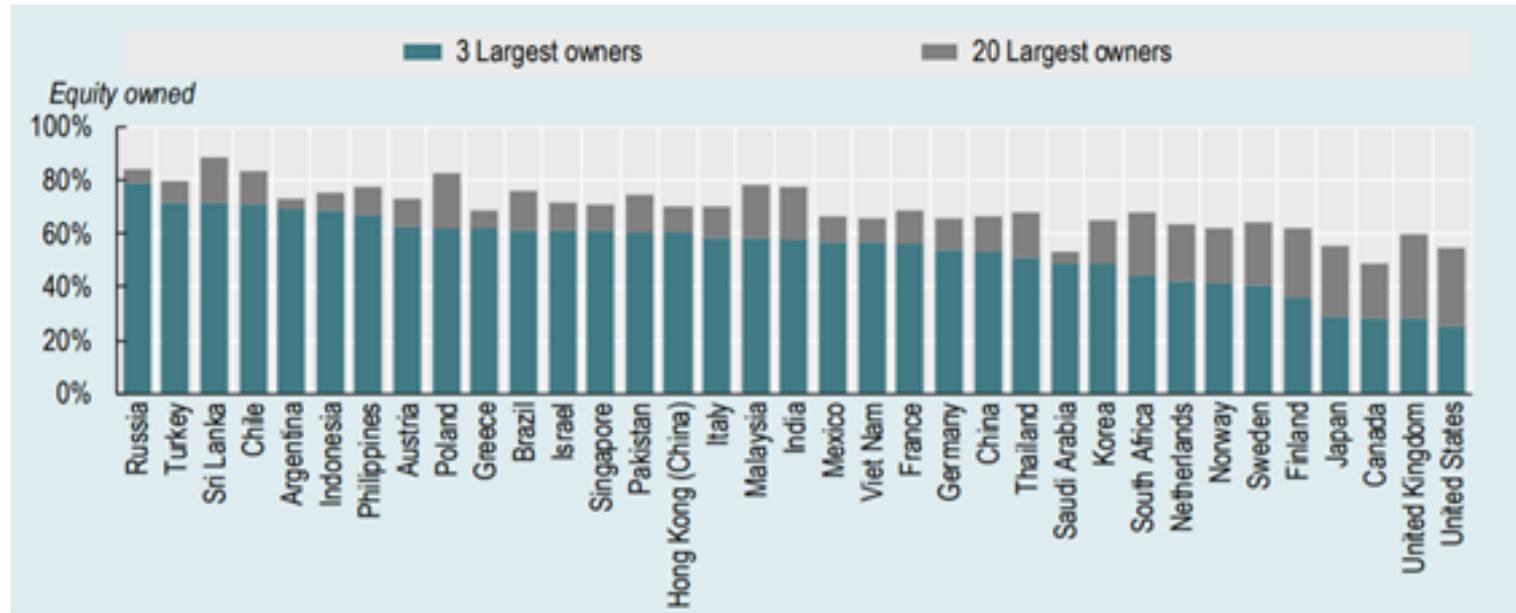


Source: OECD (2019), Owners of the World's Listed Companies, FactSet, Thomson Reuters, Bloomberg.

- The 3 largest owners hold more than 50% of equity capital in half of the world's largest listed companies.
- In 3 out of 4 companies the 3 largest owners hold more than 30% of equity capital.

Ownership concentration at the company level

Average combined holdings of the three and twenty largest shareholder(s)



Source: OECD (2019), Owners of the World's Listed Companies, FactSet, Thomson Reuters, Bloomberg.

- In 24 of the 35 jurisdictions, the three largest shareholders hold on average more than 50% of the company's equity capital.
- Moreover in all jurisdictions including the US and the UK, the 20 largest shareholders on average hold more than 50% of the equity capital.

Some takeaways

- As capital markets evolve, the owners of public equity and their incentives also change.
- Concentration of ownership among fewer institutions that increasingly use passive.
- New important categories of owners such as the public sector and other companies today own around 25% of the capital in the world's listed firms.
- In half of the world's listed companies, the 3 largest owners hold 50% or more of the equity.
- Cross-border investments account for almost one-quarter of the investments in public equity markets in the world.
- Investors and regulators are increasingly confronted with a variety of different ownership structures and categories of owners. What are the challenges and opportunities capital formation, effective capital allocation and monitoring?

Why should we care

- **The effect of an increase in passive indexed investing on shareholder scrutiny and small growth company listings.**
- **The political influence on listed companies resulting from significant public sector ownership.**
- **The widespread concentration of ownership in individual companies.**

Owners of the World's Listed Companies

This report is part of the *OECD Capital Market Series*. More information about the series is available at: <http://www.oecd.org/corporate/capital-markets>

The OECD Secretariat welcomes any questions and comments. Please address them to:

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