

# REVIEW OF THE YEAR 2022

**Javier HERNANI**  
**Chief Executive Officer**

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Good afternoon.

We are delighted to see this trading floor filled with so many familiar faces again at this traditional meeting with the media. As you well know, we here at BME are convinced that sharing and promoting financial expertise is an essential element in the proper operation of the stock exchanges. We value your service tremendously and have always done everything we can to make your work easier and to make you feel at home.

As Jos mentioned earlier, 2022 has been a complicated year for the financial markets. We started the year off celebrating the 30<sup>th</sup> anniversary of the IBEX 35®. Over these three decades, Spain's economy tripled in size in terms of GDP and the value of the companies multiplied ten-fold, with an annual average return of 8%, including dividends.

However, just a month later – in February – Russian troops invaded Ukraine. The markets reflected the armed conflict with declines and the resulting impact on energy prices. This abrupt surge of inflation quickly led to tighter monetary policies.

I'd like to summarize the most remarkable milestones for the Spanish stock exchanges over the past year in our customary ten-point list :

1. Once again, this year, one the strengths of the Spanish stock exchange was **shareholder remuneration**, which **rose 29% year-on-year** to reach **EUR 23.6 billion**. Spain stands out internationally with a **4% dividend yield**.
2. In a global environment of declining IPO levels – which the WFE estimates to be 90% in North America and Europe – **two companies joined the Spanish stock exchange this year, while one joined Latibex and 15 joined BME Growth**. The 13 you already know and two in the coming days.

3. After a year of heavy capital raising activity to address the fallout from the pandemic, **capital increases** were less significant in 2022. There were **115 transactions** totalling EUR **6.13 billion**.
4. BME Growth has also been very active in these transactions and generated **financing for EUR 864 million**. It will end the year with 135 listed companies. In a country where small and medium-sized enterprises play a decisive role for the economy as a whole, **MARF managed to have 134 issuers** with **17 new companies** making their début. The volume issued continues to grow each year and has already topped 12.5 billion.
5. The **outstanding balance of Spanish public debt has risen 7% to reach EUR 1.33 trillion**, while the volume of **private debt exceeded EURO 100 billion**.
6. Without a doubt, sustainability is another key word for 2022. There are now **85 BME issues with an ESG label**, compared to 63 in 2021.
7. **Financial derivatives** continued to expand their offering with new underlyngs. They ended the year with **27 million contracts traded** and a five-point increase in implied volatility, with an average of **22% on the VIBEX®**.
8. The volume of IBEX **futures cleared** also rose **5%**, and a new **record was set for Italian sovereign debt settled...**
9. Lastly, I'd like to note that **REGIS-TR** – the leading OTC derivatives trade repository in Europe – **has been fully integrated into SIX**.

As I noted at the start of my speech, 2022 has been a difficult year that ushered in a new phase of uncertainty. Nevertheless, Spanish companies are tackling the difficulty that this new scenario presents in better condition than in the past. Over the past decade, banking financing went from comprising 50% of the financial liabilities of IBEX 35® companies to 26%, while the funds obtained through listed

debt securities now make up 55% versus the 40%, they constituted ten years ago. This trend is not exclusive to larger companies. The development of the BME Growth and MARF markets has also contributed substantially to this diversification of the sources tapped for financing.

BME is thus fulfilling the purpose for which it was created, which is none other than to generate financing that promotes economic growth and public well-being. From this vantage point, we believe the new regulations that are underway should serve to strengthen the financial system and facilitate the development of the stock exchanges.

We hope that MiCA, DLT Pilot Regime, EMIR, CSDR or MiFID III, which are going through the European environment, as well as the recently passed Spanish Start Ups Act or the reform of the Spanish Securities Markets Law will make it easier for companies to come to market and help investor access every kind of financial instrument. Our economy needs a regulatory environment that ensures equal opportunities and favours the competitiveness of our market infrastructures.

I encourage you to download the 2022 report, which has already been published on our website. This report has become a point of reference about the events occurred over the year, and it is one we are particularly proud of at BME. I am sure you will make the most of it, as always, in your year-end reports.

Lastly, I'd like to thank all of you for the invaluable and vital work you do, which is not always appropriately acknowledged. For your articles, reports and interviews, and for your thorough and continuous monitoring of the markets that BME operates and of the rest of its activities throughout the value chain.

I wish you all the best on behalf of BME, SIX and myself. I hope 2023 brings plenty of good tidings for you and your loved ones. Thank you.