

Media and financial markets

- Let me start saying thank you. Thanks to all of you, all the journalists who have reported on the financial markets in your newspapers, digital media, TV and radios. Your role is absolutely key. As you know, one of our goals at SIX and at BME is to promote the financial literacy, because a society better informed is a stronger society that will make better decisions. You, the media, are crucial in this purpose.
- Society needs more than ever rigorous information, so go ahead. We hope to continue facilitating your work, as always, from the conviction that transparency and access to quality information, one of the decisive factors in financial markets, is also a pillar of democracy.
- Media and financial markets are actually very similar. Both worlds have changed a lot in recent years. Both are facing new competitors and need to be more agile than ever before. And, definitely, both are very important for the economy and society as a whole.
- It is no coincidence that since the very birth of financial markets, the press has played a key role in them. Safety, efficiency, reliability and the ability to adapt to change, which are fundamental for the media, are also key for us in our day-to-day work.
- Before giving the floor to Javier to detail the highlights of this year in the Spanish financial markets, I wanted to take this opportunity to briefly comment on our macroeconomic outlook and share with you how the year has gone for us at SIX and what our prospects are for 2024.

Summary of 2023

- 2023 has not been an easy year. I don't know if anyone in the room remembers the last easy year. It is starting to become commonplace to talk about the difficulties of the last year, just like the last year, and the one before that, and the one before that, and the one before that... It's the terrain we get to play on.
- GDP in the Eurozone is expected to decelerate sharply to 0.7% growth in 2023 as a whole, according to IMF forecasts. Spain, as in 2022, is once again one of the Eurozone economies with the most positive contribution to the area's growth, with an expected GDP growth of 2.5% in 2023.

- The effects of the wars in Ukraine and Middle East, central bank rate hikes to combat inflation, fears of an economic slowdown, widespread uncertainty, which has led to volatility at very low levels because investors are on the lookout... No, 2023 hasn't been an easy year.
- Despite all these circumstances we at SIX were able to grow our business. Although group net result will be affected by non-cash value adjustments due to external factors, we expect a revenue growth of approximately 3% at constant currencies for the full year 2023. Profitability at EBITDA level is expected to increase by 6%-7% at constant currencies, underlining the successful strategy and diversified business model of SIX.
- We are one of Europe's top 3 financial markets infrastructure groups and in the recent years we have proven that SIX and BME are indeed a strong match.
- We maintain our main objectives:
 - Further strengthening the capital raising ecosystems in Switzerland and Spain, especially for SMEs.
 - Growing the clearing and custody business by extending our offering and increasing our global footprint.
 - Extending the offering in the digital asset space and loading liquidity onto the platform around SIX Digital Exchange.
 - Expanding our attractive market position in the financial information space by pursuing various growth opportunities around tax and regulatory services, funds/ETFs, and ESG.
 - Accelerating the current growth path in the banking services space.
 - Actively supporting the transformation of Swiss and Spanish financial centers.

What to expect in 2024

- No one has the answer to what will happen in 2024, but it is important to know what the companies expect from the new year. That's why, every year at SIX, we prepare the Future of Finance Study, an annual survey that canvasses the opinions of senior executives across 343 financial institutions across the world.

- They seem to be quite optimistic. Over three-quarters (77%) of senior finance executives globally expect the economic environment to improve over the coming year, up considerably from 66% in 2022.
- Globally, a considerable 64% of companies feel they are strongly positioned for significant growth – up meaningfully from 51% last year.
- As for the themes driving growth expectations, identifying and implementing artificial intelligence (AI) use cases was seen as the most compelling opportunity for companies, selected by 38% of respondents globally. Enhancing high quality data and analytics capabilities was chosen by 35% globally.
- The rate of technological progress witnessed this year poses a huge growth opportunity. Undoubtedly, it has been one of the big topics of the year and it is still not easy to know what the consequences of this disruption will be. Market participants are well aware of all these changes and they know that there are several key factors, from how effectively they can integrate emerging technologies, to the rate at which market regulators and financial market infrastructures can adapt to the swiftly evolving market environment.
- If we talk about the future and financial markets, we must undoubtedly talk about digital assets. According to the global Cornerstones for Growth study, part of our Future of Finance series, the digital assets sector is experiencing rapid evolution and holds immense potential. However, the participants emphasized the need for effective and secure market infrastructure to boost confidence and accelerate its growth.
- Confidence in the way that digital assets are traded was consistently cited as a key driver to greater adoption – with over 60% of respondents pointing to a desire for a safer trading environment. This was supported by a belief that a regulated exchange would provide such an environment.
- There is space here for experienced exchange and market infrastructure operators to make the trading, settlement, and custody of these exciting assets both more accessible, and more secure, underpinned with the appropriate application of blockchain technology.



- We are sure that exchanges have a key role to play in the development of the digital assets space.
- Another word for the future, which is also the present, is sustainability. In 2022, SIX started to fully integrate sustainability into its overall strategic thinking with the launch of a sustainability strategy. We will maintain our commitment this year and continue to grow in sustainable finance, for example by launching ESG indices such as the IBEX ESG family that we created a few months ago.
- In closing, let me give you a headline that I know you will appreciate. Our pipeline of companies ready to go public is one of the strongest in many years. Of course, market conditions will need to be right for these IPOs to materialize, but there are reasons to be optimistic, given the intentions of so many companies. Hopefully in 2024 you will have many IPOs to report on.
- Thanks and enjoy the lunch. Happy to talk with you later. Feliz Navidad y Feliz año nuevo. (Merry Christmas and happy new year).