

LATIBEX FORUM INAUGURATION
Madrid Stock Exchange

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Good afternoon to all,

Secretary of State for the Economy, Chairman of Mapfre, CEO of Santander, CEO of Cemig, Chairman of Deloitte, friends. It is a pleasure to welcome you to the twenty-second edition of the Latibex Forum. As circumstances dictate in these times of pandemic, it will be a virtual edition. Technology allows us once again to hold this benchmark event for investors and companies on both sides of the Atlantic, with the same objectives and the same enthusiasm as always.

Since its inception, the vocation of the Latibex Forum has been to build bridges between Latin America and Europe. This function has always been important, but it has acquired special significance at this time when taking a plane to cross the pond is not a viable option. Travel can wait, but the economy moves on, as do the ties between these two parts of the world.

Latin America is a region full of opportunities for companies and investors, as can be seen by the interest that the Latibex Forum arouses every year. As always, fund managers will have a first-hand view of the plans of the main Latin American companies, 60 in this edition, a third more than in 2019.

IMF forecasts show that developed economies will bounce back by 3.9% and 2.9% in 2021 and 2022, and that stable growth will be consolidated from 2023 onwards. In the case of emerging countries, their economies will show stronger recovery in 2021, growing at 6%.

However, the health and economic crisis reflects a greater decorrelation between emerging countries that have been able to control the pandemic more rigorously and those that have not. The IMF also concludes that the vulnerability of some emerging economies may widen inequalities between this group of countries and the more developed economies.

In addition to the meetings to be held between investors and companies, some 800 have already been scheduled, the Forum will enable us to reflect on current issues in the different panels. Sustainable development, innovation, digital

disruption and the growth of Fixed Income in the region will be some of these topics addressed at the conferences to be held this year.

2020 has been difficult for all markets. Latin American markets have suffered especially, as can be seen in the Latibex Top index, which has fallen 26% in the year.

As in the rest of the world, companies have continued to go to the markets to finance their capital. Although investors have not received all of them in the same way, those in the most resilient sectors, such as technology, e-commerce, clean energy and health have been especially favoured. In Brazil, for example, 2020 could end up being a good year for IPOs if the plans announced by companies in these sectors come to fruition. The change in market feelings as a result of the latest developments in vaccines is driving a certain recovery, which will be very welcome in such a negative environment. However, this drive should not hide the enormous challenges facing the financing of companies in the region in the stock markets.

Spain is the natural connection point from Europe to Latin America and vice versa. Whilst financial markets are the best channel to access other countries. This is why BME's commitment to that region has been clear for decades and will continue to be so in the future. We will continue working to unite both sides of the Atlantic. We will do this as market operators, with the help of the Latibex market and initiatives such as this Forum, but we will also do it as a service provider company, because we believe that we can add a great amount of value in Latin America.

We have recently reinforced our commitment to the region, through our subsidiary BME Latam, which provides BME services throughout Latin America. We are convinced that Latin America offers attractive growth opportunities for BME. Last June, for example, we announced the launch of LED, a joint initiative with the Mexican Stock Exchange. The objective of this initiative is to promote the generation, distribution and sale of market data on Latin American stock markets.

It is one of the fields in which we feel there are growth possibilities for BME in the future.

We are especially excited about contributing to the technological transformation of the financial markets in that region. Our activities include projects in Mexico, Colombia, Chile, Costa Rica and Bolivia.

In addition to the historical, cultural and linguistic ties between Spain and Latin America, there are other good reasons for keeping a close watch on what is happening in this sister region. I only need to provide two pieces of data: More than a third of the international investment of Spanish companies in recent years has been directed to that part of the world and almost 25% of the turnover of the companies included in the IBEX 35 originates in Latin America.

The Latin American market is a key factor for many of the largest companies in our country, which means that it is essential for the Spanish economy itself. When we talk about Latin America we are not talking about a region that is far away and alien to our reality, but about a part of the world with which we maintain a close and positive mutual relationship. There is clear interdependence between both sides. That is why it is in everyone's interest for these ties between Spain and Latin America to become stronger as time goes by.

Here at BME we will continue working so that on both sides of the Atlantic we speak the same language, the language of efficient financial markets that contribute to economic and social development.

Special thanks for your interest to the sponsors of this Latibex Forum, to all those who have supported and participated in it for so many years and to all of you who have joined us today.