

Strength of the Efficiency



Technological advances, liberalised financial movements, and the need to serve global customers are all becoming critical factors in the development of international financial markets. If capital flow growth, which is expected to increase at a much higher rate in the future, is added to the equation, then the economic importance of being able to attract and manage funds becomes evident. This argument proves the interest in improving the knowledge and enhancing the positioning of Madrid as a Global Financial Centre.

A Global Financial Centre is considered as such based on three factors, namely: market liquidity, general economic situation, and service development. Global Financial Centres are in turn liquidity management markets which, at the same time, boost fund and

capital attraction and facilitate investment by promoting financing. This implies improved efficiency and a reduction of management costs in the system whilst increasing competitiveness.



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Madrid Centro Financiero Internacional is backed by the major institutions of the sector it represents, which are also the foundational members of the association



LEADING FINANCIAL POWER

MADRID



Objectives

Madrid Centro Financiero Internacional is an institution that gathers interests for the promotion and development of financial business in Madrid, as a global financial centre.

This mission is translated into concrete actions through the following objectives:

- 1 Ongoing promotion for the consolidation of Madrid as a financial centre
- 2 Boosting international development projects
- 3 Channeling investor and stakeholder interests towards financial opportunities offered by Madrid as a financial centre

Working Groups

The activities undertaken by the Association Madrid Centro Financiero Internacional are conceived from the working group debates which in turn rely on the expertise of the members for the analysis of the most relevant aspects and whose proposals are submitted to the Board of Directors for approval. The working groups existing today are the following:

Promotion

Identifying differential factors which grant Madrid a competitive advantage over other financial markets is essential. Madrid's starting position already benefits from facts such as the leadership position of many Spanish banks in public-private infrastructure financing, the position of the securitisation market as second in Europe and of the stock market as fourth, according to share trading. Another important objective is to work towards the preservation and improvement of the Spanish financial sector image, by means of carefully planning promotion and visibility actions.

Legislation and Regulation

The regulatory and institutional framework is crucial. In major international financial centres, every participant is aware of the fact that adequate and flexible regulation is a

decisive factor, which is why this working group studies the initiatives that must be submitted to the Spanish Administration, aiming at the adoption of appropriate measures, which are required if one considers that Madrid gathers nearly two thirds of the international financial activity in the Spanish financial sector. Madrid Centro Financiero aims to concentrate the interests represented in more specific existing business and professional associations, eventually managing these types of proposals.

Development of Financial Products and Services

The main objective is to promote specific products and services that will enhance the appeal of the financial sector offer. Debated initiatives include the development of products oriented to the attraction of funds from different parts of the world, to suggest innovative SME financing tools, develop credit insurance, Covered Bonds, aid funds, MIDCAPS investments, etc.

Technology

Financial business is becoming more global and competitiveness demanded by this field of operations mainly comes from strong investments in technology. The union that the association implies could lead to joint developments. Identifying

such developments and establishing priorities according to their interest is an objective of capital importance.

Human Resources

Human resource is of high importance for the sector. Madrid counts on state of the art business schools that already attract students from many other countries and deliver excellent professionals to the financial services industry, allowing for the early detection and attraction of talent.

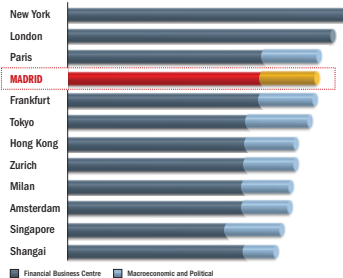


Madrid's capacity as a financial activity centre

- It hosts the decision-making headquarters of two major banks which rank among the leading 30 banks internationally;
- It serves as a key reference to entering Latin American markets;
- Financial institutions located in Madrid have demonstrated their leadership in terms of efficiency and strength in international markets;
- Data provided by the Federation of World Exchanges ranks Madrid's equity market as the fourth in Europe;
- Bond market trading reached top positions in the 2007 European ranking

This leadership position, together with the opportunities rendered by the concentration of financial sector agents in Madrid, constitutes a twofold key competitive advantage for Madrid Centro Financiero in its quest to reinforce the overall standing and competitiveness of the sector. Such overall standing, as illustrated in a study commissioned to the firm Deloitte, which determines the overall ranking of Madrid as a financial centre, according to an array of variables.

Overall Ranking



Source: Deloitte Analysis

Services

Madrid Centro Financiero Internacional provides the following services:

Services managed on its own

- Representation and promotion of sectoral interests
- Establishment of a cooperative service network
- Organisation of international events
- Training and research projects
- Participation in sectoral activities

Channeling third-party services

- Observation of trends
- Training
- Estate and infrastructure
- Promotion
- Other