

# The Participation of Companies, Banks and the Public Sector in the Spanish Stock Market Rises, with International Investors Holding 49%

BME REPORT ON OWNERSHIP OF LISTED SPANISH SHARES





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The ownership structure of the shares listed on the Spanish stock exchange at year-end 2023 showed minor changes compared to 2022. These include the loss of slightly more than 1%pt of foreign investors and the increase in the participation of banks and non-financial companies. The participation of households and that of the public sector rose very slightly, without yet reflecting the entry of the latter in Telefónica.

For its part, the 2022 edition of the Survey of Household Finances confirms that families continue to be relevant in the Spanish stock market. Approximately 2.4 million Spanish families directly own shares listed on the stock exchange, 12.5% of all households. Less satisfactory is the data for the average value of the listed equity portfolio of those families participating in the stock market: it stood at 5,615 euros in 2022, 35% less than in 2017.

**DOMINGO GARCÍA COTO, JAVIER GARRIDO & EMILIO GAMARRA**

MARKET RESEARCH, BME

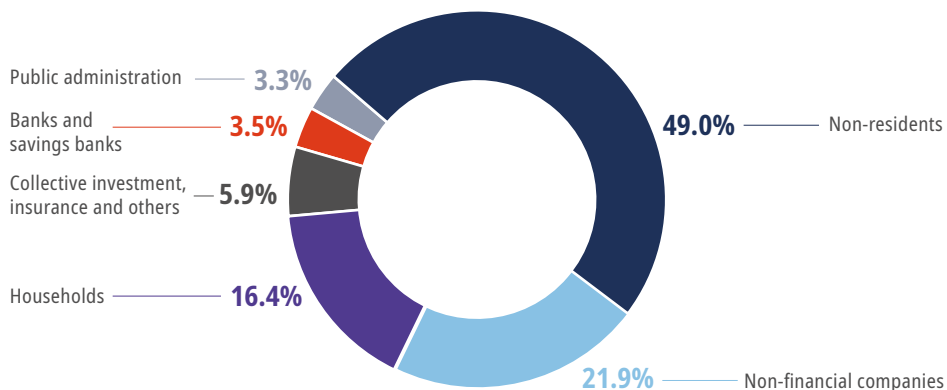
**DISTRIBUTION OF SHARE OWNERSHIP IN SPANISH LISTED COMPANIES**

Source: BME Market Research

Figures as a percentage of the total market value at year-end of all Spanish listed companies

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Banks and savings banks	15.6	13.4	15.1	15.1	14.1	12.9	11.7	12.8	7.3	7.9	7.1	7.7	8.7	8.6	9.3	9.4	7.6	5.0	4.6	7.5	5.2	5.1	4.3	3.6	3.0	3.1	3.0	2.8	2.7	3.5	3.1	3.5
Collective investment, insurance and others	5.0	4.2	5.7	7.0	7.2	10.2	10.2	8.8	7.1	7.2	7.4	7.9	8.6	8.6	9.6	8.1	7.4	7.6	7.6	8.8	8.4	7.4	7.8	7.9	7.4	8.0	7.9	7.3	6.4	7.0	5.9	5.9
Public administration	16.6	16.4	13.8	12.2	10.9	5.6	0.6	0.3	0.2	0.2	0.4	0.3	0.3	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.5	2.3	1.9	2.9	3.1	3.1	2.9	2.8	2.9	2.7	3.2	3.3
Non-financial corporations	7.7	6.9	6.8	6.7	6.9	5.9	5.5	10.1	20.3	21.7	22.0	23.0	23.1	24.7	24.4	25.4	26.0	25.9	26.1	22.1	21.7	19.0	17.1	18.9	20.1	20.1	20.8	20.8	21.0	20.9	21.3	21.9
Households	24.4	24.8	22.8	22.2	23.6	30.0	35.1	33.6	30.5	28.0	28.3	26.0	24.1	23.6	23.8	20.1	20.2	21.1	22.2	21.2	25.1	26.1	26.2	24.4	23.4	19.7	17.2	16.1	17.1	16.2	16.4	
Non-residents	30.6	34.4	35.9	36.7	37.4	35.6	36.9	34.3	34.7	35.0	34.8	35.1	35.2	34.2	32.6	36.8	38.5	40.1	39.2	40.0	39.2	40.1	43.0	42.3	43.1	46.0	48.1	50.2	49.9	48.8	50.3	49.0

**Graph 1: OWNERSHIP OF SPANISH LISTED SHARES (2023)**  
Percentage of total capitalization at year-end 2023



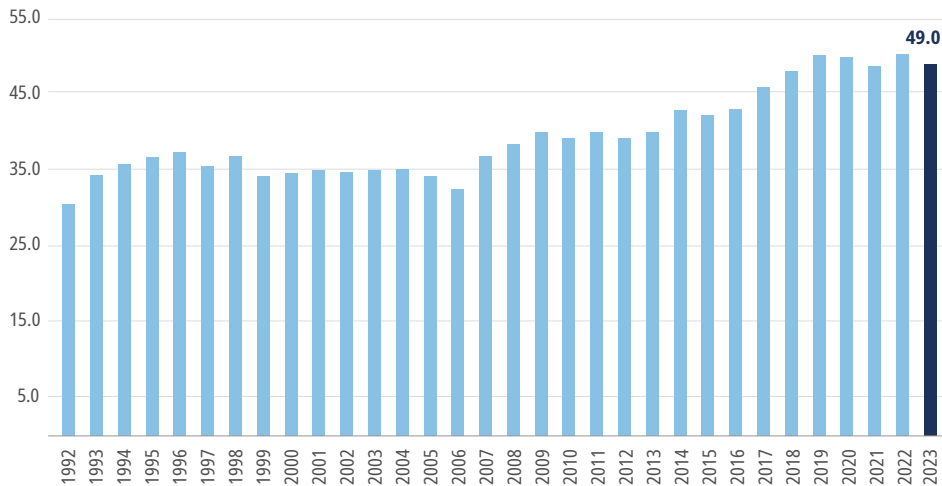
Source: BME Market Research. June 2020

The year 2023 was one of tense calm in the aggregate shareholding structure of Spanish listed companies, in anticipation of more significant changes that have already occurred in the first months of 2024 and will have an impact on the year-end data. These are transactions such as the entry of the Spanish state into Telefónica, the increase in Criteria Caixa’s industrial holdings, or the large number of takeover bids that are taking place on the Spanish stock market and which could affect the shareholding structure of large companies.

At year-end 2023, international investors owned 49% of the market value of companies listed on the Spanish stock exchange, 1.3%pt less than in 2022, when they reached an all-time high with 50.3% ownership. The 50% ownership level was exceeded for the first time in 2019. In almost a quarter of a century, foreign investors have increased their weight in the Spanish stock market by almost 15%pt, from 34.3% in 1999 to 49% in 2023. If we take 2007 as a reference year, before the outbreak of the global financial crisis that gave way to the Great Recession, foreign investors increased their share by just over 12%pt in a period marked by negative events of various types and magnitudes: the global financial crisis, the sovereign debt crisis in the Eurozone or the global pandemic caused by Covid-19, which gave way to an inflationary phase fueled by energy and international supply problems fed by the disruptions resulting from the Russian invasion of Ukraine.

The internationalization of the activity of a significant number of Spanish companies has been a constant since the 1990s. At the same time, the ownership and financing of these same companies has also been diversified by international investors and a Spanish stock market that has amply satisfied the requirements of the most demanding investors in terms of technology and transparency.

**Graph 2: FOREIGN INVESTORS (%)**  
Ownership of shares listed on the Spanish stock exchange (1992–2023)

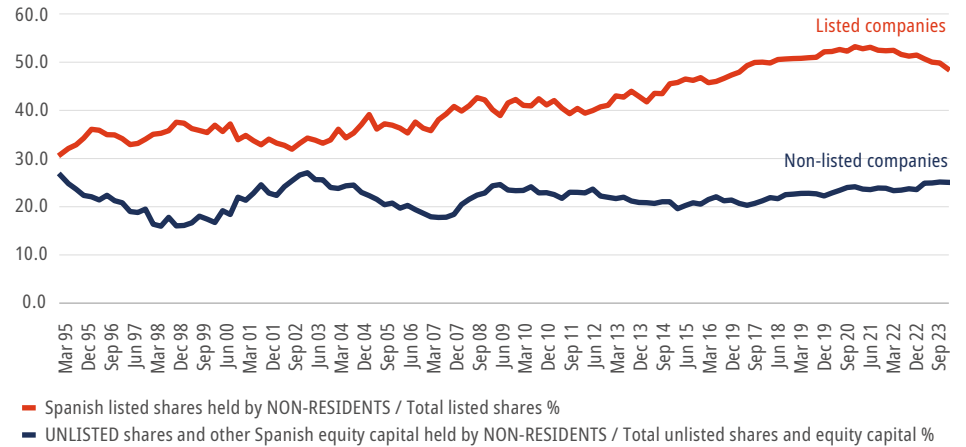


Source: BME Market Research

### Listing on the Stock Exchange Attracts Foreign Investment

The stock exchange listing of a company’s shares is a very powerful factor in attracting foreign capital, as a comparison with unlisted companies shows. In the latter, the weight of foreign capital reaches 25%, compared to almost double, 48.7%, in the case of listed companies. According to the data from the 2023 financial statements published by the Bank of Spain, in the last two decades the percentage of foreign ownership of listed companies has not stopped growing (+15%pt), compared to the meager increase of less than 2%pt in foreign ownership of unlisted companies (25.1%).

**Graph 3: FOREIGN EQUITY STAKE IN SPANISH COMPANIES (1995–2023)**  
Quarterly data Mar 1995 to Dec 2023 prepared using the methodology of the Financial Accounts of the Spanish Economy



Source: Bank of Spain, July 2024

The main investors within the foreign group are known as institutional investors, in other words, investment and pension fund managers, sovereign wealth funds, insurance companies, venture capital or private equity funds and even investment banks and intermediaries that hold stock portfolios. Among the world’s largest asset managers at the end of 2023 were BlackRock, which has 30.6 billion euros in Spanish listed companies, Vanguard Group with more than 21.8 billion euros, and Fidelity with almost 9.5 billion euros. Their holdings are mainly instrumented through vehicles such as traditional investment funds, exchange-traded funds or ETFs, vehicles that passively replicate listed equity indices of the world’s major stock markets, as well as venture capital funds.

An example of the enormous volume of assets held by these institutional investors is the announcement made by BlackRock that in April 2024 it had reached 10.5 trillion dollars in assets under management worldwide, a figure that is 7 times the Spanish GDP. At the beginning of 2024, BlackRock was a significant shareholder of many large Spanish companies such as BBVA (6.11%), ACS (5.16%), Enagas (3.96%), Repsol (5.9%), Santander (8.25%), Iberdrola (5.29%), Amadeus (5%), Cellnex (5%), CaixaBank (4.73%), and up to 71 listed Spanish companies in which it has stakes.

## Sovereign Wealth Funds

Among the institutional investors, the so-called sovereign wealth funds stand out for their growing global weight. Among them, the leader is Norges Bank, the vehicle that has the mandate to invest the money that Norway collects from the sale of oil and gas to ensure the future pensions of its population. Assets amounting to approximately 1.3 trillion euros, its global diversification policy and its clear commitment to equities as the most profitable investment in the long term have led Norges Bank to be one of the main investors in the Spanish stock market, with holdings that at the end of 2023 reached almost 12.5 billion euros, with holdings of more than 3% in Repsol, Solaria, Iberdrola, Cellnex and Unicaja Banco; and between 2% and 3% in Santander, BBVA, Amadeus, Telefónica, Fluidra, Viscofán and Sacyr, in addition to other smaller holdings in more than 60 Spanish listed companies.

Other benchmark investors in the Spanish stock market are the Qatar Investment Authority (QIA) with investments of over 7.1 billion euros, the Government Pension Investment Fund (GPIF) of Japan, with almost 3.2 billion euros, the Singapore's sovereign wealth fund GIC with 1.6 billion euros, Canada Pension Plan Investment Board (CPPIB) with 1.2 billion euros, Saudi Telecom Company (STC) from Saudi Arabia with more than 1 billion euros, Sonatrach of Algeria with 960 million euros from Japan, and the sovereign wealth fund of Abu Dhabi with nearly 750 million euros

## Whitepaper on Fostering the Competitiveness of Spanish Capital Markets

The high participation figures of foreign investors in the Spanish stock market further emphasize the importance of promoting the listing of more companies that can benefit from global investment flows that are otherwise difficult to attract. This is undoubtedly one of the most important elements in strengthening the competitiveness and attractiveness of the Spanish capital market in an increasingly complex international environment, in which Spain has been rapidly losing ground in the last decade in terms of some of the relevant indicators, undermining its historical backwardness in such essential economic indicators as productivity, investment in R&D and the size of our companies.

All of this became clear in January 2024 when BME presented the Whitepaper on fostering the competitiveness on Spanish capital markets (“Libro Blanco sobre

el Impulso de la Competitividad de los mercados de capitales españoles”). The whitepaper is a comparative compendium of analyses of the state of our financing and investment ecosystem in different markets, highlighting deficits, weaknesses and imbalances that hinder the competitive and equitable development of our financial industry. The decline in IPOs is perhaps the spearhead of a situation that indicates a growing lack of investor interest in our financial markets and a lack of incentives to try to stop this process. The book presents 56 measures that can be easily studied and implemented in order to make the Spanish capital market more attractive and present in the eyes of investors, so that it becomes a lever for faster and more solid progress in our economic growth model and in the average size of Spanish companies.

The whitepaper has been received with a broad consensus of agreement by almost all the main players in the financial sector and institutions. Also this year, we are witnessing a proliferation of reports and documents from European institutions and organizations that support measures for Europe very similar to those we are demanding for Spain, but with a broader objective: to regain ground, investment and influence in the world of the European capital market (e.g. Letta Report, FESE Manifesto, Eurogroup Declaration of March 11, 2024,...). Various initiatives are currently underway in relation to the proposals in the whitepaper, which we hope will crystallize into positive changes sooner rather than later, in order to seriously strengthen the bases for growth of the Spanish economy and markets.

In early July 2024, the Financial Conduct Authority (FCA), the UK's capital markets regulator, published a review of its stock exchange rules that will come into effect on July 29. The objective is to urgently restore the magnetism of the stock exchange – City of London – as a pole of attraction for companies and national and international capital. It is essential for UK policymakers to encourage companies to go to the stock market to finance themselves, and to find ways for demand to support this process, as key elements in restoring the strength of the UK economy. This is the same attitude that the white paper calls for in Spain: politics must be involved in this issue, making companies' access to the stock market a strategic axis for accelerating and sustaining our economic performance. Without larger companies, it is difficult to hope that our economic progress will take our country to higher levels of influence and decision-making capacity in Europe and the world.

The listing or presence on the stock exchange during the life cycle of companies is a decisive and differential step for the internationalization of businesses, productivity gains, shareholder diversification and sources of corporate financing

and, consequently, for attracting capital and growth in size, one of the handicaps of the Spanish economy compared to its European peers, which penalized it during the Covid-19 crisis due to the greater impact on smaller companies. The listing on the stock exchange and the presence of foreign funds and institutional investors in Spanish companies are determining factors in achieving business dimensions that are more in line with current competitive demands.

However, the whitepaper goes into greater detail about the competitive conditions in our markets for companies and investors and advocates the removal of local restrictions that encourage capital managers to choose other markets. It is precisely the strong presence of foreign shareholders in the main Spanish companies and the importance of the stock market in providing an efficient valuation of these holdings and adequate liquidity (as evidenced by the figures presented in this article) that should provide sufficient arguments to urgently eliminate the Financial Transaction Tax (FTT) applied to the shares of the main companies listed on the Spanish stock exchange as of January 2021. As the tax was not agreed with the EU, the Spanish stock market and therefore the main Spanish listed companies are being unfairly penalized as an investment alternative compared to other competing companies based in other markets, European or otherwise. Various analyses carried out by the CNMV, among others, contradict this hypothesis with data, but it seems that the Spanish governments do not consider it sufficiently relevant.

The whitepaper initiative seeks to change the lack of government interest in creating a competitive design for our economy by taking greater account of capital markets and the importance of adopting measures to ensure that taxation and other regulations encourage their development rather than encourage their decline.

## Households

The share of Spanish households in the ownership of listed shares of Spanish companies increased by 0.2%pt in 2023 to 16.4%. It is still the third-lowest figure in the last 31 years. The high presence of individual or family investors has historically been one of the characteristics of the Spanish stock market, reaching 33.6% in 1999, the peak of the major privatizations of public companies.

The increase in activity and the retail position, observed mainly in the North American markets and, to a lesser extent, in Europe, after the sharp declines in March 2020

in the midst of the pandemic crisis caused by Covid-19, has largely faded in the following years. The loss of shareholders of the five main Spanish listed banks, which – according to their own data – lost 200,000 shareholders in 2021, 110,000 shareholders in 2022 and 338,000 shareholders in 2023 can be used as an example.

A longer-term analysis allows us to identify the factors behind the decline in the proportion of small shareholders in the ownership of Spanish listed companies. In the medium term, the percentage will maintain an accelerated convergence with Europe, where the direct participation of individual investors in the stock market has traditionally been lower than in Spain. In the successive reforms of the financial and securities markets, regulators and supervisors have been unable to correctly assess the playing field in which they operate and how it will evolve in the future. In Europe, there were no sufficiently powerful financial intermediaries specializing in capital markets (as was the case in the U.S. with the major investment banks) capable of competing with commercial banks, financial institutions with business interests that in many cases had nothing to do with the public capital markets. The “catching up” appears to be very difficult because of the difficulty of recognizing the error of the strategy and because of the cost of the strong incentives (fiscal and others) that would be necessary and that, on the other hand, are applied in huge amounts to green investments or to digitalization.

A recent lecture by Professor Arturo Bris, one of the intellectual creators of the most widely followed and referenced global competitiveness ranking by country (IMD World Competitiveness Ranking), was devoted to the relationship between competitiveness and financial markets.

“ **Access to capital is what gives economies and companies the capacity to compete and therefore to grow.** ”

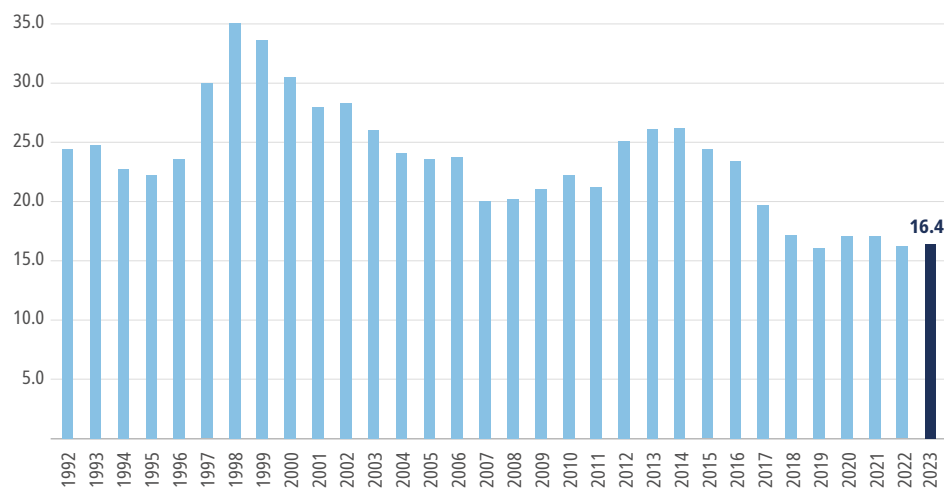
– Professor Arturo Bris



Professor Bris was very clear about the importance of access to capital in its many forms for the competitiveness of an economy and expressed his belief that this is an area where the U.S. is far ahead of Europe. *“Access to capital is what gives economies and companies the capacity to compete and therefore to grow,”* said Bris, who also stressed the essential role that financial institutions and advisors must play in identifying opportunities for companies to generate value and therefore also in educating the different agents involved in the economy and the financial markets. *“The relevance of the capital markets ecosystem for improving competitiveness is immense.”*

The reforms of the European financial and securities markets, implemented with the stated aim of improving investor protection, have had the perverse effect of discouraging direct access to listed shares, a product/service that has become less attractive to financial intermediaries, who are ultimately the main prescribers of investment products and services. A similar example is the fact that the IPOs that have taken place in recent years have largely dispensed with the retail tranche that was characteristic of the massive stock market debuts that took place in the last decade of the 20th century and the first decade of the 21st century.

Graph 4: **HOUSEHOLDS (%)**  
Ownership of shares listed on the Spanish stock exchange (1992–2023)



Source: BME Market Research

Another undesirable effect of the European reforms, not necessarily causal but related, has been the reduction in the number of companies listed on European public stock markets, in contrast to the development and more than satisfactory growth of alternatives such as venture capital, private equity or private debt financing.

Data from the latest Survey of Household Finances for 2020 published by the Bank of Spain revealed that 12.3% of Spanish households owned listed stock at that time, which represents 2.3 million households if we apply it to the total number of households in Spain and 5.8 million people with exposure to stocks if we use the average number of people per household for the calculation. Both the number of households and the percentage of the total number of households and persons with a household exposure to stocks have increased significantly since the first Survey of Household Finances in 2002.

In line with the above factors, another reason for the declining trend in the weight of individual private investors in the ownership of national shares is the growing weight of investment funds in Spanish portfolios, encouraged by a comparatively advantageous tax treatment and by the commercial commitment of banks and their networks to this instrument.

Competition is also intensifying with the growth of international investment funds marketed in Spain, to which also individual investors have access. According to CNMV data, the total volume marketed in Spain of these funds amounted to 251,304 million euros at the end of 2023, 25% more than the previous year and close to the all-time record of more than 276,000 million euros in 2021.

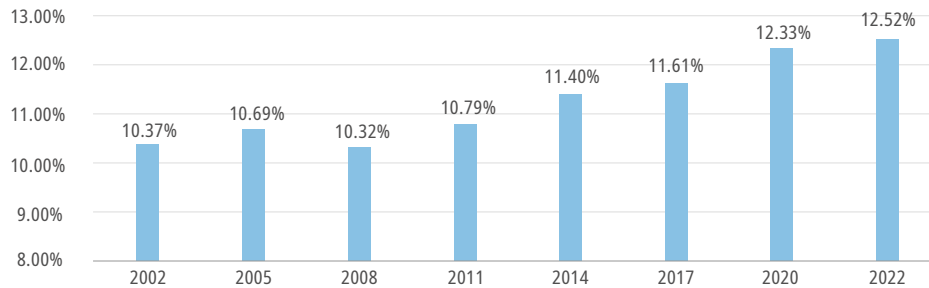
The poor performance of the Spanish stock market over the last decade, especially in large sectors such as banking and telecommunications, which attracted a large number of individual investors, may also account for the lower participation of Spanish investors in the stock market. This argument has lost weight in recent years in which the banking sector has led the recovery of the Spanish stock market.

We should also not lose sight of the growing interest of new and younger investors in novel assets such as cryptoassets. Investment in cryptoassets has grown globally. According to recent data and reports on cryptocurrency transactions, Spain has a weight proportional to its GDP in the context of the Eurozone.

## As Many as 2.4 Million Households Invest in Equities According to Latest Financial Survey

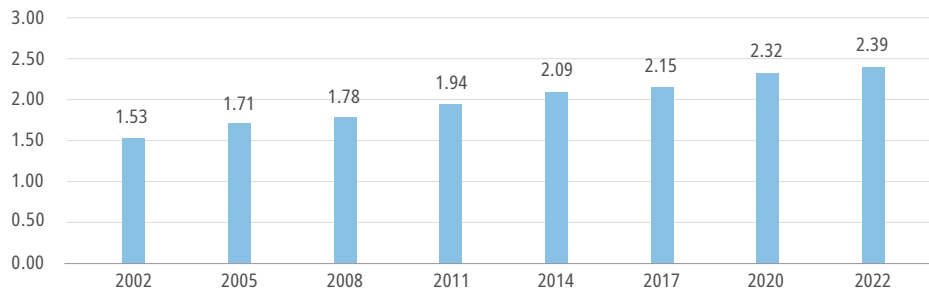
Data from the latest Survey of Household Finances for 2022, published by the Bank of Spain, show that 12.5% of Spanish households owned listed shares at that time, which corresponds to 2.4 million households if we apply it to the total number of households in Spain, and 6 million people with exposure to shares if we use the average number of people per household for the calculation. Both the number of households and the percentage of total households and individuals with family exposure to equities have grown appreciably since the first household financial survey was conducted in 2002.

**Graph 5: PERCENTAGE OF SPANISH HOUSEHOLDS OWNING SHARES LISTED ON THE STOCK MARKET (2002–2022)**



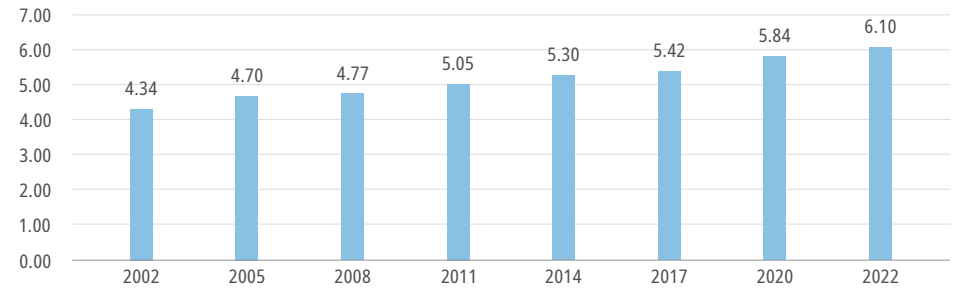
Source: Survey of Household Finances 2002–2022. Bank of Spain

**Graph 6: SPANISH HOUSEHOLDS OWNING SHARES LISTED ON THE STOCK EXCHANGE (IN MILLIONS) (2002–2022)**



Source: Own compilation based on the Survey of Household Finances 2002–2022. Bank of Spain and INE

**Graph 7: PERSONS WITH FAMILY EXPOSURE TO LISTED SHARES IN SPAIN (IN MILLIONS) (2002–2022)**

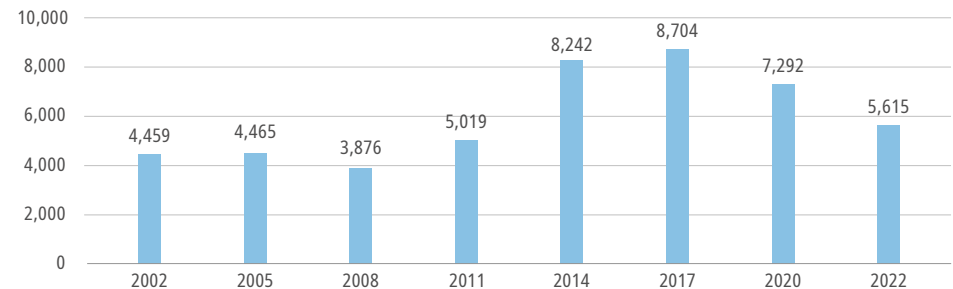


Source: Own compilation based on the Survey of Household Finances 2002–2022. Bank of Spain and INE

The share of Spanish households holding equities in their financial asset portfolio in 2020 (12.5%) is almost 3%pt higher than the share of households holding investment funds (9.6%). In absolute numbers, the 2.4 million households holding listed shares outnumber the 1.83 million households holding shares in investment funds.

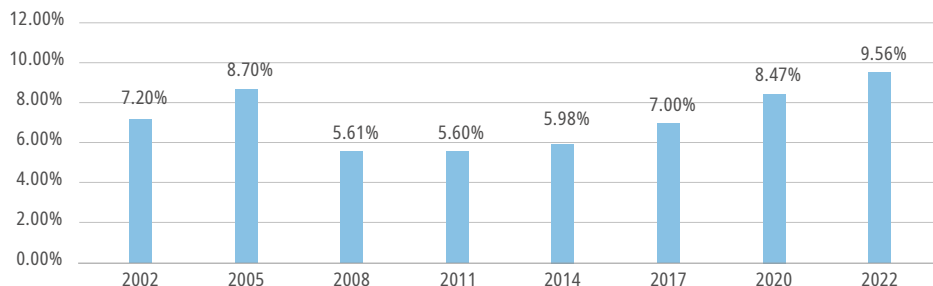
However, the growth in the number of households holding investment fund shares is much higher than those holding equities. Since 2008, the number of households holding shares in funds has almost doubled (from 5.6% to 9.6%), while in the case of stock it has barely increased by 2%pt (from 10.3% to 12.5%).

**Graph 8: AVERAGE VALUE (EUROS) OF THE SHARES PORTFOLIO OF SPANISH HOUSEHOLDS OWNING SHARES LISTED ON THE STOCK MARKET (2002–2022)**



Source: Survey of Household Finances 2002–2022. Bank of Spain

Graph 9: **PERCENTAGE OF SPANISH HOUSEHOLDS OWNING SHARES IN INVESTMENT FUNDS (2002–2022)**



Source: Survey of Household Finances 2002–2022. Bank of Spain

## Assets and Debt of Spanish Households

Listed shares and shares in investment funds are examples of financial assets that form part of the financial portfolio of Spanish households according to the Financial Accounts of the Spanish Economy published by the Bank of Spain. Direct investment in listed equities accounted for 4.6% of household financial savings at the end of 2023, while domestic and foreign investment funds accounted for 15.5%, more than three times as much. Ten years ago, in 2012, the weight of listed shares, the vast majority of which were Spanish, in family portfolios (5.5%) was close to that of shares in funds and SICAVs (6.4%), which gives an idea of the low incentive and interest of Spanish families to rely directly on shares to diversify their savings in recent years. This trend can be explained to a large extent by overly protectionist regulation and unfavorable taxation compared to other alternative financial products, which clearly discourage listed shares as a direct investment object for families.

The low participation of small investors in the ownership of listed companies is one of the problems of the low competitiveness of the European and Spanish capital markets. It has been denounced in several declarations and reports promoted by the European Commission (for example, the Letta Report) and by private institutions of various profiles, in order to try to remedy it through concrete actions and measures. The Retail Investment Package is an EC regulatory initiative to try to boost the retail participation segment in the European capital markets. In Spain, this objective has been widely

included in the 56 measures proposed in the white paper published by BME in January 2024 on fostering the competitiveness of our capital markets.

Returning to the structure of Spanish household savings, and also according to data from the Financial Accounts, the proportion of funds held in current accounts and time deposits continues to predominate in the financial asset portfolios of households. At the end of 2023, it accounted for 35.9% of the total. Another trend that has accelerated in recent years is the reduction in household cash holdings, which have decreased by a factor of three over the past 15 years, from 5.6% of total household assets at the end of 2008 to 1.6% in 2023.

## Net Financial Position of Spanish Households Exceeds 2 Trillion Euros, an All-Time High

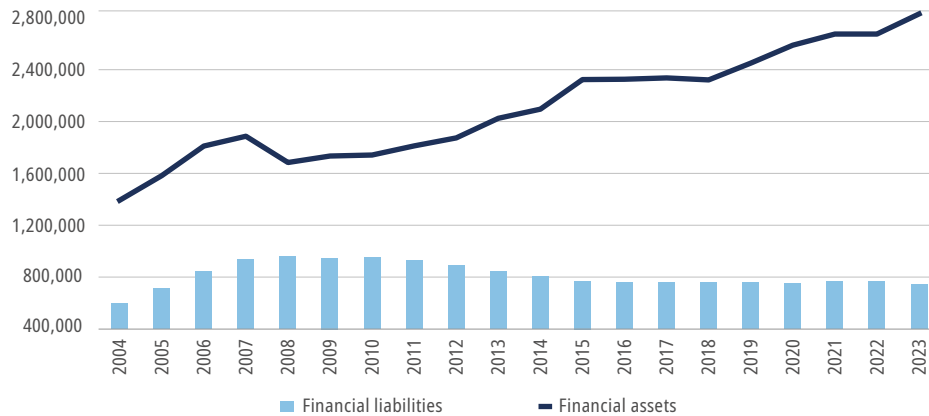
The financial assets of Spanish households stood at 2.83 trillion euros at the end of 2023, 5.8% more than the previous year and 40% more than a decade ago (end of 2013), according to data from the Financial Accounts of the Spanish Economy published by the Bank of Spain. Compared to the end of 2019, financial assets increased by 16%, reflecting the limited impact of the Covid-19 pandemic on the overall financial assets of Spanish households, thanks to income protection measures and the strong increase in household savings in 2020, which reached record levels.

For its part, the total debt of Spanish households, their liabilities, reached 744,335 million euros at the end of 2023, 2.4% less than the previous year and 1.8% less than the level of 2019, before the pandemic. The 2022 figure is 22% lower than at the end of 2008, reflecting that Spanish households have reduced their debt in a decade and a half by more than 216,000 million euros, more than 15%pt in terms of 2023 GDP. A recent analysis by the Bank of Spain also supports this reduction in household debt, which stood at 45% of GDP at the beginning of 2024, its lowest level so far this century. Among the reasons cited by the Bank of Spain to explain this behavior is the decreasing number of young homeowners and, consequently, the reduction of mortgages among those under 35 years of age.

In terms of net financial wealth, the difference between financial assets and liabilities (debt), Spanish households exceeded 2 trillion euros for the first time at the end of 2023, specifically reaching 2.08 trillion euros, a new historical record and 9.3%

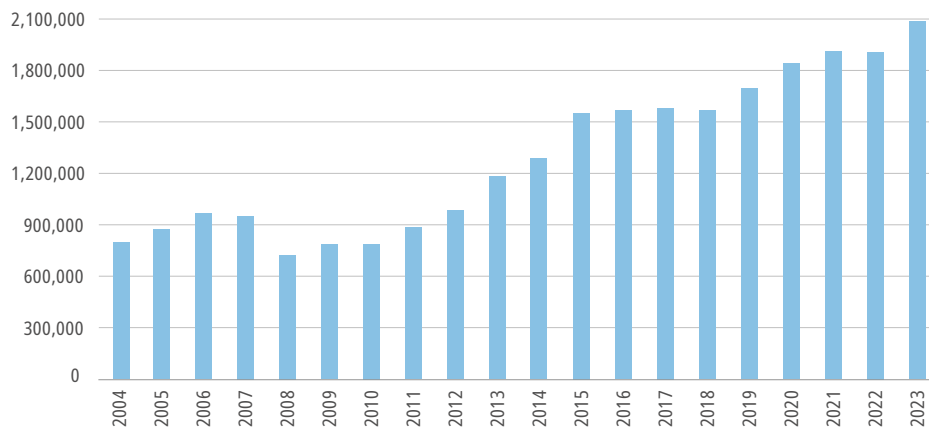
more than at the end of the previous year and 23% more than at the end of 2019, a few months before the start of the pandemic.

**Graph 10: VALUE OF FINANCIAL ASSETS AND LIABILITIES OF SPANISH HOUSEHOLDS**  
(2004–2023) Figures in EUR million



Source: Financial Accounts. Bank of Spain

**Graph 11: NET FINANCIAL WEALTH OF SPANISH FAMILIES.**  
Financial assets less financial liabilities (2004–2023), figures in EUR million

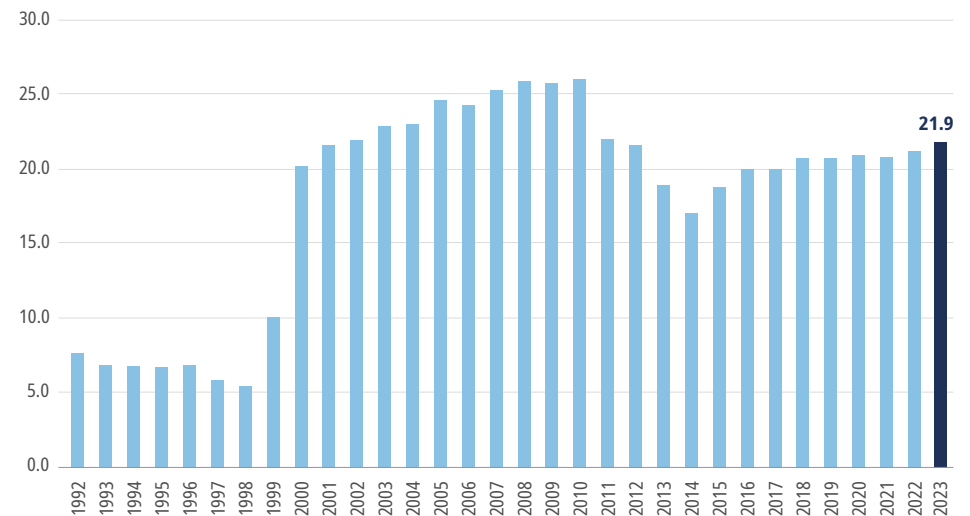


Source: Financial Accounts. Bank of Spain

## Non-financial Companies

The share of non-financial companies in the Spanish stock market stood at 21.9% of the total capitalization of Spanish listed companies at the end of 2023, 0.6%pt higher than the previous year and the best figure in the last 12 years. The upward trend over the past 9 years has resulted in a near 5%pt improvement in equity ownership since 2014, reflecting both the acquisition of stakes in listed companies by large corporations and the increasing use of corporate vehicles to instrument investments in the shares of listed companies.

**Graph 12: NON-FINANCIAL COMPANIES (%).**  
Ownership of shares listed on the Spanish stock exchange (1992–2023)



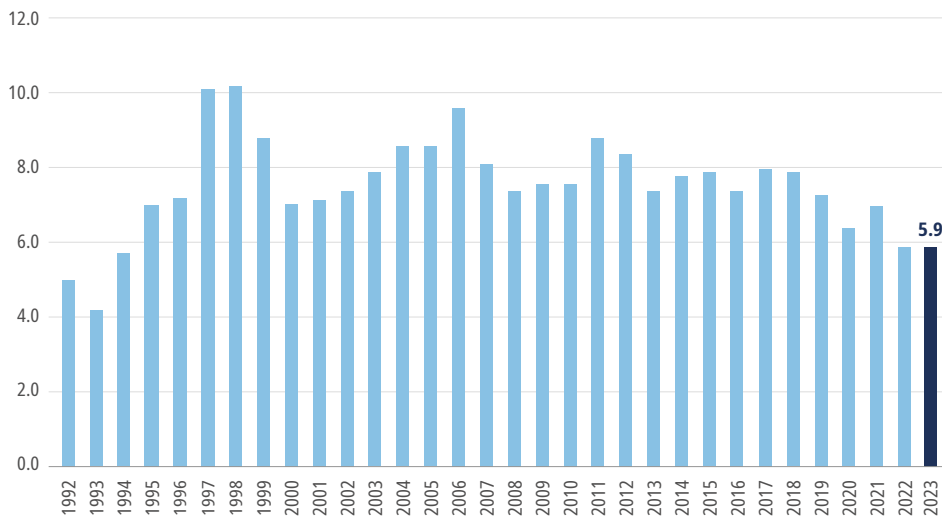
Source: BME Research Department

The share of non-financial companies owning Spanish listed shares fell substantially in the aftermath of the global financial crisis of the first decade of this century. In the following years, non-financial companies were in many cases forced to make large divestments to reduce their debt, and their presence in the capital of Spanish listed companies reached a low point in 2014, with 17.1% of the total. Since then and until 2023, their share has grown to the aforementioned 21.9%.

## Collective Investment, Insurance and Other Financial Institutions

Collective investment institutions (IICs), insurance companies and other non-bank financial institutions controlled 5.9% of the market capitalization of Spanish listed companies at the end of 2023, exactly the same percentage as the previous year and far from its maximum in the historical series reached in 1997 and 1998, when this group owned 10.2% of the total value of Spanish listed shares.

Graph 13: COLLECTIVE INVESTMENT INSTITUTIONS, INSURANCE AND OTHERS (%)  
Ownership of shares listed on the Spanish stock exchange (1992–2023)



Source: BME Research Department

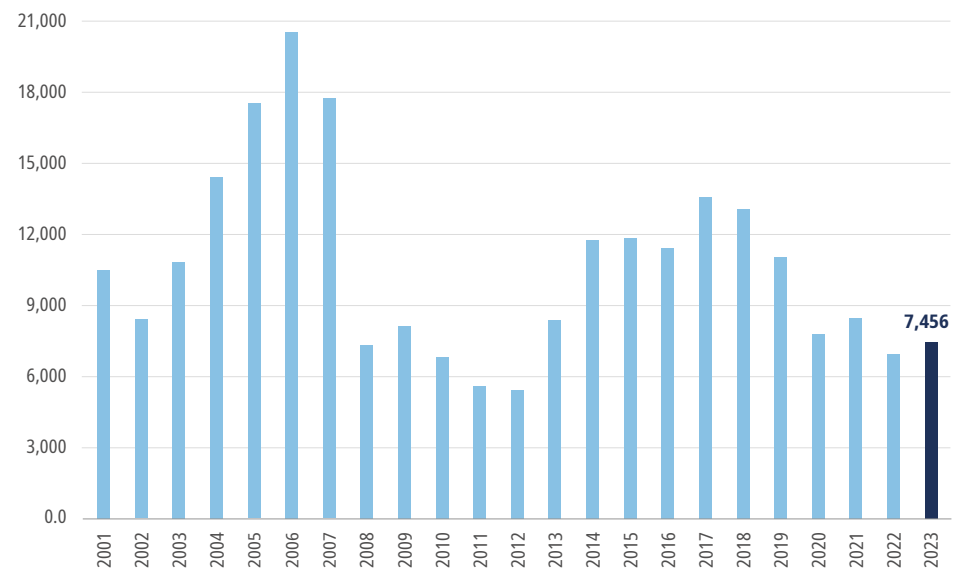
The value of the Spanish equity portfolio of investment funds and SICAVs increased by 7.5% in 2023, but the total capitalization of Spanish listed equities increased by 12%, which means that the weight of listed domestic equities held by the collective investment institutions (IICs) in our analysis did not change between 2022 and 2023.

The loss of competitiveness of our capital market is also reflected in this analysis: fewer Spanish listed companies with an international dimension and few incentives or

measures to encourage investment funds to invest in our companies are negative factors. If we add to this the conservative profile of Spanish investors and the increasing geographical diversification of the portfolios of collective investment institutions (IICs), often not directly but through the acquisition of shares in other foreign investment funds, all this can sufficiently explain the low national institutional participation in the Spanish stock market.

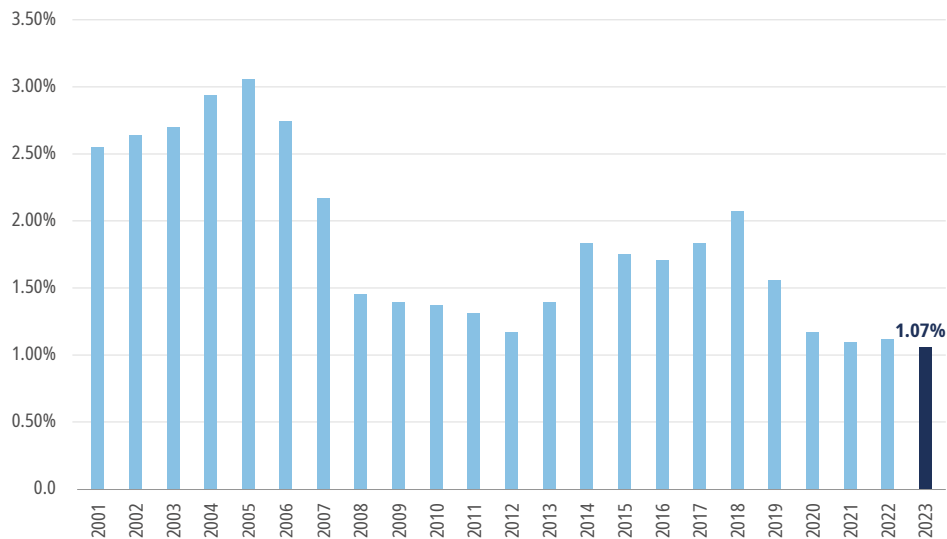
As we have pointed out in previous years when presenting the data in this report, the lack of incentives, especially tax incentives, for national institutional investment to support Spanish listed companies is a handicap for smaller listed companies, especially those that have the most difficulty attracting the attention of foreign investors. In fact, the Whitepaper on fostering the competitiveness of the Spanish capital market presented by BME this year (already mentioned) details at least 5 measures aimed at encouraging investment demand for Spanish listed shares by IICs.

Graph 14: VALUE OF THE SPANISH EQUITY PORTFOLIO OF DOMESTIC FUNDS AND SICAVs  
(2001–2023) Figures in EUR million



Source: CNMV

**Graph 15: WEIGHT OF SPANISH EQUITY PORTFOLIO OF DOMESTIC FUNDS AND SICAVs**  
(2001–2023) Figures as a percentage (%) of the capitalization of Spanish listed securities



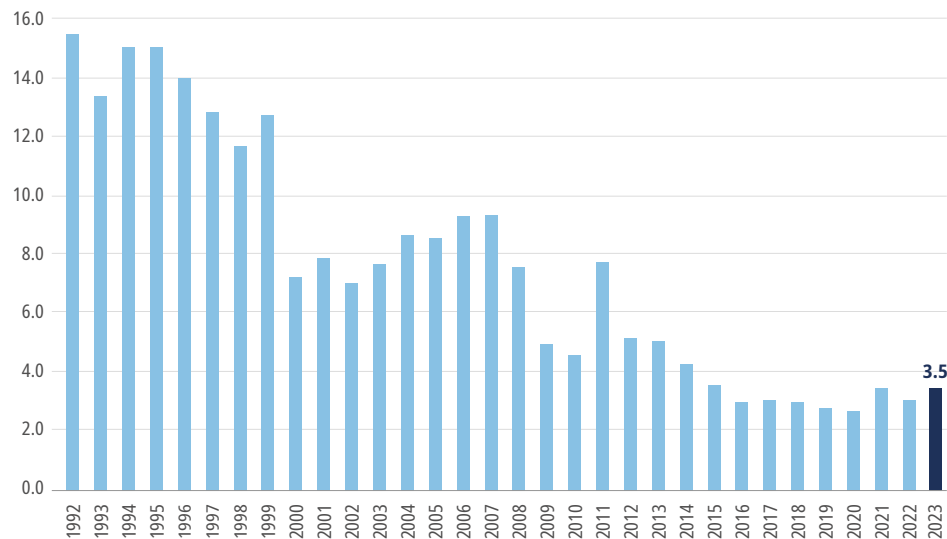
Source: In-house with CNMV and BME data

Due to technical problems in the data source, we do not have information on the participation of pension funds as investors in shares listed on the Spanish stock exchange. It is likely to be between 14 billion and 15 billion euros. In any case, in 2022 it was equivalent to 2.2% of the capitalization of Spanish listed companies, which is a very low figure, especially in comparison with other European countries. In 2023 this will not be much different.

### Banks’ Participation in the Stock Exchange Rebounds

The share of the banks and savings banks sector in the Spanish stock market rebounded 0.4%pt 2023 to 3.5%, recovering from the lows reached in 2019 (2.8%) and 2020 (2.7%). The percentage of shares held by banks in Spanish companies listed on the Spanish stock exchange has followed a steep downward trend since a peak of 15.6% in 1992. From the closing year of the 20th century to 2023, the loss is around 9%pt.

**Graph 16: BANKS AND SAVINGS BANKS (%)**  
Ownership of shares listed on the Spanish stock exchange (1992–2023)



Source: BME Research Department

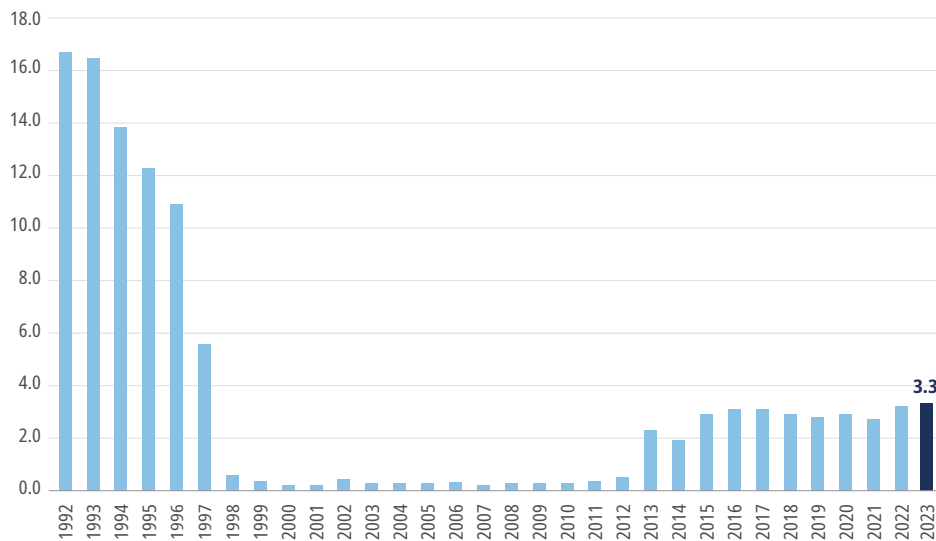
The fall in bank shareholdings in the stock market is a structural trend that reflects the profound change experienced by banking activity in recent decades, with a marked emphasis on the reduction of industrial shareholdings, divestments imposed by the financial crisis and regulatory pressure to strengthen capital. The new and abundant regulations that have emerged as a result of the global financial and banking crisis that began in 2008 severely penalize bank holdings in companies, whether publicly traded or not, because they affect the solvency calculations required by regulators.

In the case of Spain, some banking institutions or the investment arms of banking foundations have continued to maintain stable ties with some listed companies, as is the case of Critería Caixa and CaixaBank with Naturgy, Telefónica or Cellnex, and BBVA with Telefónica, a company in which it owns 5% of the capital, or Metrovacesa or Tubos Reunidos. Already in 2024, Critería Caixa took a 3.05% stake in Puig at the time of its IPO and also announced its intention to increase its stake in Telefónica to 5%, in addition to the 2.5% currently held by CaixaBank.

## Public Sector Ownership at 26-Year High

At the end of 2023, Spanish public administration, through different agencies, entities and public companies, controlled 3.3% of the market value of Spanish securities listed on the stock exchange, 1%pt more than the previous year and the highest figure in the last 26 years.

Graph 17: **GOVERNMENTS (%)**  
Ownership of shares listed on the Spanish stock exchange (1992–2023)



Source: BME Research Department

It was the successive IPO and privatization processes of large public companies at the end of the 1990s that led to a large reduction in the participation of the public administration in Spanish listed companies. While in 1992 this shareholding reached 16.6%, at the end of 1998 it dropped to 0.6% as a result of the placement on the stock market of shares in large companies, which passed into the hands of a large number of shareholders, both individual and institutional, national and foreign.

For more than a decade it remained at residual levels, until it rebounded to 2.3% in 2013, due to the public aid received by some banking entities and specifically the

nationalization of the Bankia banking entity as a result of the financial and sovereign debt crisis of the years between 2008 and 2014. Currently, this stake in the former Bankia has been transformed into a 16.1% stake in the capital of CaixaBank, following the merger of this entity with Bankia. That stake was worth 4,768 million euros at year-end 2023.

At the end of 2023, the Spanish government announced its intention to take a strategic 5% stake in the capital of Telefónica, the flagship Spanish telecommunications company. Subsequently, it announced that it would take up to 10% of the capital. The actual acquisition of these holdings took place in 2024, so the data presented in this paper does not take into account this effect, which, if it materializes and is sustained, will be visible in the 2024 year-end data.

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