Award Ceremony for the 2\textsuperscript{nd} Edition of the Jaime Fernández de Araoz Corporate Finance Award

Speech by the President of the Community of Madrid, HE Ms Esperanza Aguirre.

June 7th, 2011

Your Royal Highness,

It is a pleasure and an immense honour for me to find that the first official act that I am attending following last Sunday’s Autonomous Community elections is one at which you are present.

This gives me the opportunity to renew both my own and the Community of Madrid’s expression of allegiance to the Crown, and once again to pass on to you the respect, appreciation and affection of all the citizens of Madrid.

I know, Your Highness, the esteem in which you held Jaime Fernández de Araoz, whom you honoured with your friendship. This is made clear by your attendance at both editions of this Corporate Finance Award ceremony, founded in memory of your friend who, sadly, left us while still in the prime of life.

Your Highness, the Award that you will be presenting today is, of course, a tribute to the memory of your friend. The memory of a young man who had already become a leading international expert in the world of business finances. Indeed, between 1989 and his death in 2003, he worked at three of the world’s most prestigious institutions in the investment banking sector: Lehman Brothers, Banco de Santander (which is sponsoring this edition of the award) and Citigroup, where he was Managing Director.

However, this Award is also, as I believe Jaime Fernández de Araoz would have wanted it to be, an expression of public recognition for all those businesses and individuals working in the economics and finances sector who have made Spain, and particularly Madrid, one of the world’s important financial and business centres.

Jaime Fernández de Araoz was someone whom we might refer to colloquially as a financial wizard, one of those people who devote their professional lives to breathing life into business projects. That is to say, he found the financial resources necessary to turn good business plans into real projects that generated both jobs and wealth.
And I believe that it is precisely here that we see the importance of the market economy; where thanks to the financial markets and investment banking, all those great corporate projects are able to find investors who are willing to take on risk and give them life.

I therefore believe that it was a magnificent idea of Jaime Fernández de Araoz’s family to found this Award, the only one in this professional sector in Spain. It is an award that honours Jaime’s memory in a way that would have appealed to him: encouraging investment in the areas of financing and company management.

Your Royal Highness,

You will today be giving this second Jaime Fernández de Araoz Award to María Guadalupe and Vicente Cuñat, who are the authors of an excellent research project that demonstrates something that is extremely important, namely that, contrary to what many believe, the positions and salaries obtained by managers in competitive companies do not depend on privilege or entrenchment.

They actually depend on the merits and capabilities of the managers themselves, that is to say, the benefits that the managers can bring to the company.

And this is key to the advancement of any free and open society: the higher a person rises, the greater his or her responsibilities and the more he or she contributes to society. And as one would expect, the greater their merits, the greater they should be rewarded for their efforts.

I would therefore like to congratulate Professors Guadalupe and Cuñat, and would also like to offer my congratulations to the Award Jury, who had the difficult task of choosing the winners from 26 excellent business research projects.

Finally, I should like to thank the organisers and sponsors of this Award, and particularly Jaime Fernández de Araoz’s family, who invited me to take part in its presentation.

This is an Award which, thanks to both the quality of the research works presented and to your support, Sir, has gained a reputation that extends beyond the borders of this country and will surely become one of the most prestigious in the world.

This is, I am sure, the nicest way of honouring the memory of your friend, Jaime Fernández de Araoz, and the way that he himself would most have liked.

Thank you very much.