

28 April 2016

Up 4.6% from the previous quarter

BME POSTS €42.9 MILLION NET PROFIT IN THE FIRST QUARTER

- Revenue for the first quarter stood at €82.1 million
- EBITDA for the first three months reached €55.3 million
- The cost base coverage ratio with revenue not linked to volumes closed the first quarter at 117% of costs covered, an increase of 3 points versus the value of the indicator in the first quarter of 2015
- The efficiency ratio and ROE remain stable and in line with preceding years, ranking among the best in the sector
- Investment flows channelled through the Exchange in the first quarter of 2016 totalled €3.3 billion

BME reported net profit of €42.9 million in the first quarter of 2016, a decline of 8.9% on the year ago figure and 4.6% higher than the figure reported in the previous quarter.

Revenue for the quarter totalled €82.1 million, down 11.7% on the same period of the previous year. The business units most closely related to market activity have been affected by the global market situation since mid-2015, in terms of both volatility and prices.

Operating costs remained stable, rising to €26.8 million, a 0.1% increase on the year ago figure.

Factoring in revenue and costs, EBITDA was €55.3 million in the first quarter of 2016, a year-on-year decrease of 16.5%.

The cost base coverage ratio with revenue not linked to volumes closed the first quarter at 117% of costs covered, an increase of 3 points versus the value of the indicator in the first quarter of 2015.

The efficiency ratio and ROE remain stable and in line with preceding years, ranking among the best in the sector.

EQUITIES

In the first quarter of 2016 turnover stood at €197.6 billion with a total of 15.6 million trades. Compared to the first quarter of 2015 this implied a drop of 24.2% in turnover and 11.8% in trades, although the trend compared to the fourth quarter, in sequential terms, marked an increase of 10.7% in the number of trades exchanged and 9.3% lower turnover.

Income from trading activities in the first quarter of 2016 stood at €31.5 million, a decline of 17.2% year-on-year, and 1% higher compared to the fourth quarter of 2015.

Flows channelled through the Spanish Exchange the first quarter of 2016 totalled €3.3 billion. Flows from scrip dividends accounted for 27.2% of these, standing at €886 million.

SETTLEMENT

Revenue generated by the Settlement & Registration unit decreased by 10.3% in the first quarter of 2016, to €19.5 million.

Registration revenue increased by 0.2% year-on-year to €8.6 million, accounting for 44.3% of total unit revenue. The volume registered, including the nominal registered in Fixed Income, both in Corporate Fixed Income and Public Debt, and the market cap registered in equity, totalled €2.2 trillion, down 4.3% year-on-year.

EBITDA stood at €15 million, down 10.4% year-on-year.

CLEARING

Clearing activity includes the clearing and settlement of all energy market and MEFF financial derivatives and clearing and settlement of fixed-income securities (reverse repos on Spanish government debt) and interest rate derivatives traded on the OTC market.

Clearing of the different underlyings processed by BME Clearing in 1Q gave rise to unit revenue of €4 million, 8.9% lower year-on-year. Operating costs fell 11.3%, while EBITDA for the period stood at €1.8 million, a decline of 5.6% compared to the same period in the previous year.

In January 2016, the first interest rate swaps were registered. At the end of the quarter, this new segment for interest rate derivatives traded on the OTC market had 8 members. Trades for a notional amount of €1.7 billion were registered in the quarter, with an open position for the same amount at 31 March 2016.

MARKET DATA

BME's connection activity as a primary source of information in the Spanish securities market remained in record levels in the first quarter of 2016, in absolute terms, in terms of both the total number of customers and direct connections to BME's information servers. The total number of customers increased by 6.6% compared to the first quarter of 2015 and the number of customers with direct connections rose by 22.1%.

In the first quarter, the total number of end users subscribed to the various levels of information provided rose 1.6% year-on-year.

Connections and subscriptions to information from primary sources continued to expand in the first quarter of 2016. Revenue rose 17.9% compared to 2015 to €11 million. EBITDA increased to €9.2 million, up 6.7% compared to the first quarter of 2015.

DERIVATIVES

The total volume of contracts traded in the financial derivative products business line in the first quarter of 2016 was 8.9% lower than in same period in 2015.

Trading in the different underlying assets in the first three months of the year generated revenue of €3 million for the unit, a decline of 4.4% compared to the first quarter of 2015. EBITDA reduced by 12.0% year-on-year.

FIXED INCOME

Fixed Income trading remained limited and influenced by the ECB's scenario of low interest rates which dissuades trading in this type of product. Total trading in Fixed Income was down 41.2% year-on-year at €115.4 billion in the first quarter of 2016.

Revenue in this unit in the first quarter declined by 7.1% year-on-year to €2.3 million, with trading revenue down 8.8% and primary market revenue down 4.8%. Operating costs remained stable, leading to a 14.8% decline in EBITDA to €1.1 million.

IT & CONSULTING

Revenue from all services provided by the unit amounted to €4.8 million in the first quarter of 2016, up 3.6% year-on-year. EBITDA in the quarter rose 13.7% year-on-year to €2.1 million.

FOR MORE INFORMATION:

BME Corporate Communication
+ 34 91 589 12 86
Email: newsbme@grupobme.es
<http://www.bolsasymercados.es/>

Investor Relations BME
+ (34) 91 709 51 65
Email: InvestorRelations@grupobme.es
<http://www.bolsasymercados.es/>

Follow us on Twitter @Grupobme