

28 February 2017

BME POSTS A NET PROFIT OF €160.3 MILLION IN 2016

- **Revenues in 2016 stood at €326.8 million**
- **Significant growth of net revenues in the business areas of Clearing, Information and IT & Consulting, of 33.9%, 19.1% and 7% respectively yoy**
- **Net profit for the fourth quarter came in at €39.2 million on revenues of €84 million**
- **ROE for the year stands at 37.5% and the efficiency ratio at 33.2%, improving more than 23 and 9 points respectively on the previous year, and more favourable than its peers**
- **The investment flows channeled through the Exchange in 2016 stand at €28.6 billion**

BME net profit for 2016 totaled €160.3 million, a decrease of 7.6% on the year ago figure. However, net profit in the last quarter of the year was €39.2 million, 11.8% higher compared to the previous quarter.

Revenues for the full year amounted to €326.8 million, down 6.1% on 2015. Revenues in the fourth quarter were up 0.8% year-on-year at €84 million, rising 12.5% compared to the third quarter of the year. Significant growth of net revenues in the business areas of Clearing, Information and IT & Consulting, of 33.9%, 19% and 7% respectively year-on-year.

Excluding the effects of non-recurrent items and the integration of Infobolsa, operating costs in the year were 1.3% up on 2015.

EBITDA fell by 6.6% in the fourth quarter, and 11.8% in the full year, by €54.5 million and €216.1 million respectively.

The annual earnings per share was €1.92 in 2016, €0.47 of which corresponded to the final quarter of the year.

In 2016, the strength of the indicators to monitor financial management, efficiency, ROE and the cost to revenue ratio not related with volumes, continued to show BME to be a benchmark in terms of management. The financial management monitoring ratios (ROE and efficiency) stood at 37.5% and 33.2%, respectively, at year-end 2016. The difference compared to the average of BME's peers remains above 23 points in terms of ROE, and 9 points in terms of efficiency.

BME's coverage of its cost base with revenues not linked to volumes stood at 119% in 2016.

EQUITIES

Investment flows channelled through the stock market in the quarter totalled €4.9 billion, reaching €28.6 billion for the full year.

Turnover grew by 12.8% in the last quarter of the year, with trades up 15.9% compared to the previous quarter.

Net revenues in the Equity business unit in the last quarter of the year totalled €36.7 million, up 1.6% compared to the same period in 2015. The unit posted full year revenues of €141.8 million, down 9.7% year-on-year. Stripping out operating costs, the unit's EBITDA stood at €26.1 million in the fourth quarter, down 1.4% year-on-year while EBITDA for the full year reached €101.7 million, down 14.5% from 2015.

FIXED INCOME

In 2016 the Spanish Alternative Fixed Income Market for financing SMEs (MARF) reported an issue volume of €2.3 billion, 174.4% up on the previous year, and with an outstanding balance of €1.6 billion, 56.6% higher than at the end of the previous year.

Trading of Fixed Income products continues to be affected by the current climate of interest rates and the ECB's asset purchase policy. Trading in Fixed Income totalled €86.1 billion in the fourth quarter of 2016

Net revenues totalled €2.3 million in the fourth quarter, down 0.3% compared to those generated in the fourth quarter of 2015. Net revenue for the full year reached €9.2 million, compared to €9.7 for 2015. EBITDA for the unit decreased 1.9% and 6.7% in the fourth quarter and 2016 periods respectively.

DERIVATIVES

Trading in derivatives in the fourth quarter of 2016 continued to pick up, with the number of contracts traded up 53.5% compared to the third quarter to stand at 13.4 million, with volumes up 10.1% compared to the same period in 2015.

Net revenues in the fourth quarter stood at €2.6 million, down 8.3% on the same period in 2015 but up 6.4% from the preceding quarter. Net revenues for the full year were €10.9 million, 10.7% lower year-on-year. EBITDA for the fourth quarter was €1.1 million and it totalled €5.2 million for the full year, down 26.7% and 25.7% respectively year-on-year.

CLEARING

The Clearing unit posted a 57.7% increase in net revenues in the fourth quarter compared to the same period in 2015, to €7.4 million, driven by the inclusion of the clearing house for equities that forms part of the Reform of the Securities Clearing and Settlement System.

Net revenues for the full year rose 33.9% to €24.4 million. EBITDA totalled €4.7 million in the fourth quarter, up 99.2% on the fourth quarter of 2015, and growing 74.9% in the full year, to €14.8 million.

SETTLEMENT AND REGISTRATION

Net revenues generated by the Settlement and Registration unit decreased by 17.6% year-on-year in the fourth quarter of 2016, to €16.2 million. Net revenues decreased by 15.6% in 2016 compared to 2015, to stand at €68.4 million.

As mentioned earlier, the drop in net revenues was due to the launch of the clearing house for Equities, which has significantly reduced the number of trades settled due to the netting process that the clearing house carries out, increasing, in turn, revenues in the area of Clearing.

EBITDA for this unit was €11.1 million for the fourth quarter and €51.5 million for the full year, down 26.9% and 18.7% year-on-year respectively.

INFORMATION

The Information unit reported an increase in net revenues in the fourth quarter, compared to the same period in 2015. Net revenues increased by 18.9% in the quarter and 19.1% in the year to stand at €11.4 million and €45 million year-on-year respectively. EBITDA also grew by 0.9% over the year, standing at €34.7 million, while dropping by 2.3% in the final quarter compared to the previous year.

Customers of the “End of Day” information product family increased by 1.9% on the previous quarter, reaching a record high.

IT & CONSULTING

The IT & Consulting unit generated net revenues of €5.2 million in the year’s final quarter, 12.7% above the figure for the same quarter in 2015. This brought total net revenues in the year to €19.1 million, for an increase of 7% on 2015. EBITDA grew by 17.7% (€2.2 million) in the quarter, and 3.7% (€7.5 million) during the year.

The unit’s business activity continued to follow the trend seen in previous quarters, with technological infrastructure, interface, market access and regulatory compliance services.

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