

# Business Performance January-September 2018

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## Nine months 2018

- Bolsas y Mercados Españoles (BME) reported a net profit for the third quarter of 2018 of €30.2 million, down 16.2% on the same period of the previous year. The accumulated net profit for the first nine months of 2018 totalled €101.5 million, 12.7% less than in 2017.
  - Total revenue, less variable costs for the provision of services, which from 18 September 2017 include the costs for the settlement and information services associated with Target2-Securities (T2S), amounted to €225.3 million between January and September, down 6.3% compared to the previous year.
  - The operating costs for the third quarter and the first nine months of the year increase by 3.5% and 3.0%, respectively, excluding the effect of certain costs associated to staff renewal measures.
- Ten new REITs have been admitted to trading during the third quarter in the Alternative Equity Market (MAB). With these admissions, when added to the four admitted to trading during the first half of the year, this brings the number of REITs admitted to trading on the Spanish Stock Exchange to 65 at the close of September 2018. The company Alquiber Quality was also admitted to trading within the MAB, which takes the number of growth companies of the segment up to 42. Altogether, including REITs and Growth Companies, the figure now stands at 107 companies.
- The prominence within the alternatives for business financing in Spain on the Alternative Fixed Income Market (MARF) continues to grow. Since its launch in 2013 until September 2018, 45 companies have turned to the MARF for financing. During the first nine months of 2018 the accumulated issued volume stands at €4.4 billion, 47.8% up year-on-year, and an outstanding balance of €3.1 billion, 31.4% up on the previous year.
- In a volatility setting that remains at very low levels in accordance with the historical standards, the volume of contracts traded in IBEX 35® Futures rose 6.5% during the first nine months of 2018. The younger products traded on the market, related to hedge dividends, grew by 24% for the year in the case of IBEX 35® Impacto Dividendo, whereas the stock dividend futures increased by 77.4% for the year. Another of the leading products, IBEX 35® options, maintains an annual increase of 6.6%.
- The first BME Investor Day took place on 4 October 2018 at the Palacio de la Bolsa de Madrid, during which the basic lines of the 2019-2021 Strategic Plan were presented.

| BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD<br>HOLDING DE MERCADOS Y SISTEMAS<br>FINANCIEROS, S.A. AND SUBSIDIARIES<br>COMPRISING THE BOLSAS Y MERCADOS<br>ESPAÑOLES GROUP<br>CONSOLIDATED PROFIT AND LOSS ACCOUNTS<br>(UNAUDITED) | 3Q18      | 3Q17      | Δ      | 9M18      | 9M17      | Δ      |
|--|-----------|-----------|--------|-----------|-----------|--------|
|  | (Th.Eur.) | (Th.Eur.) | %      | (Th.Eur.) | (Th.Eur.) | %      |
| Operating Income   | 73,563    | 77,497    | -5.1%  | 231,889   | 243,416   | -4.7%  |
| Revenue  | 72,722    | 76,788    | -5.3%  | 229,787   | 240,767   | -4.6%  |
| Other operating income   | 604       | 335       | 80.3%  | 1,171     | 1,619     | -27.7% |
| Own work capitalised   | 237       | 374       | -36.6% | 931       | 1,030     | -9.6%  |
| Variable direct cost of operations   | (2,142)   | (1,251)   | 71.2%  | (6,556)   | (2,869)   | 128.5% |
| Net Revenue  | 71,421    | 76,246    | -6.3%  | 225,333   | 240,547   | -6.3%  |
| Operating Expenses   | (29,876)  | (27,124)  | 10.1%  | (87,572)  | (81,521)  | 7.4%   |
| Employee benefits expense  | (19,081)  | (17,563)  | 8.6%   | (56,783)  | (52,591)  | 8.0%   |
| Other operating costs- external services   | (10,640)  | (9,493)   | 12.1%  | (30,318)  | (28,661)  | 5.8%   |
| Taxes  | (155)     | (68)      | 127.9% | (471)     | (269)     | 75.1%  |
| Earnings before interest, taxes, net impairment losses<br>and depreciation   | 41,545    | 49,122    | -15.4% | 137,761   | 159,026   | -13.4% |
| Amortisation   | (1,971)   | (2,034)   | -3.1%  | (5,932)   | (6,096)   | -2.7%  |
| Depreciation   | (1)       | (10)      | -90.0% | 15        | (11)      | -      |
| Earnings before interest and taxes   | 39,573    | 47,078    | -15.9% | 131,844   | 152,919   | -13.8% |
| Net financial income   | (86)      | (41)      | 109.8% | 408       | 329       | 24.0%  |
| Share of profit (loss) of associates   | 452       | 442       | 2.3%   | 2,107     | 864       | 143.9% |
| Profit before tax  | 39,939    | 47,479    | -15.9% | 134,359   | 154,112   | -12.8% |
| Income tax expense   | (9,840)   | (11,497)  | -14.4% | (33,031)  | (37,835)  | -12.7% |
| Consolidated profit for the period   | 30,099    | 35,982    | -16.3% | 101,328   | 116,277   | -12.9% |
| Profit attributable to non-controlling interests   | (54)      | (14)      | 285.7% | (146)     | (15)      | 873.3% |
| Profit attributable to owners of the parent  | 30,153    | 35,996    | -16.2% | 101,474   | 116,292   | -12.7% |
| Earnings per share   | 0.36      | 0.43      | -16.3% | 1.22      | 1.40      | -12.8% |

Bolsas y Mercados Españoles (BME) reported a net profit for the third quarter of 2018 of €30.2 million, down 16.2% on the same period of the previous year. The accumulated net profit for the first nine months of 2018 totalled €101.5 million, 12.7% less than in 2017.

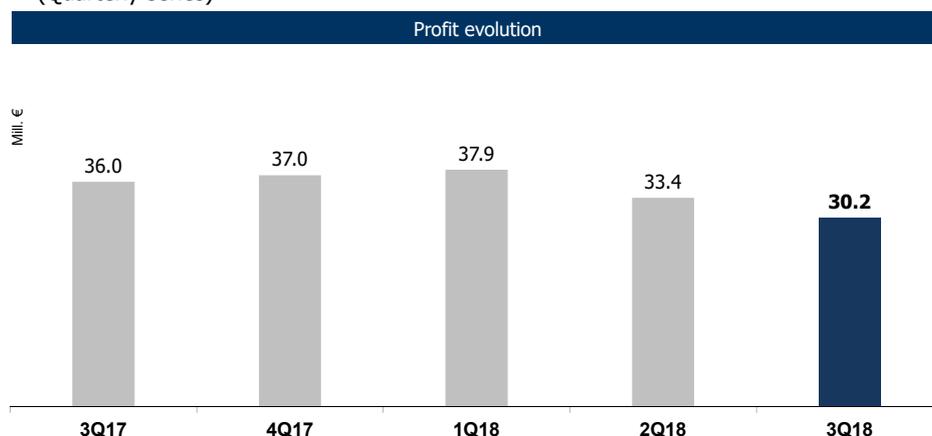
Total revenue for the third quarter and for the period January-September 2018, less variable costs for the provision of services, which as of 18 September 2017 include the costs for the settlement and information services associated with Target2-Securities (T2S), amounted to €71.4 and €225.3 million respectively, both down 6.3% compared to the previous year.

The total operating costs for BME Group for the third quarter stood at €29.9 million euros, an increase of 10.1% compared to the same period of the previous year, whereas for the first nine months of the year this amounted to €87.6 million, an increase of 7.4%. The EBITDA for the third quarter stood at €41.5 million, 15.4% down compared to the same period of 2017. The accumulated EBITDA for the period January-September of 2018 stands at €137.8 million, down 13.4%.

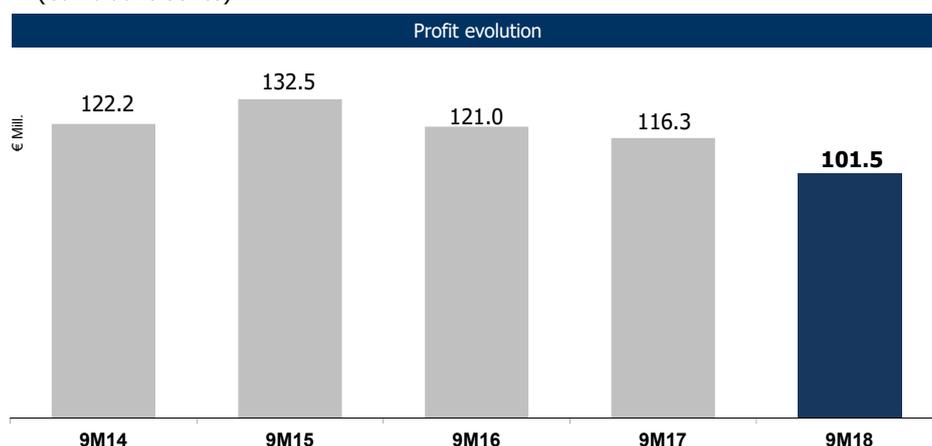
Earnings per share for the third quarter of 2018 is €0.36, 16.3% down year-on-year, whereas for the first nine months of the year it stands at €1.22, a decrease of 12.8%.

Excluding the impact of certain costs associated to staff renewal measures, the operating costs of the third quarter and first nine months of 2018 show an increase of 3.5% and 3.0%, whereas the EBITDA shows a fall of 11.7% and 11.1%, respectively. With regard to net profit, the falls are 12.5% for the quarter and 10.4% for the first nine months of the year.

#### BME: Profit attributable to The Group (Quarterly series)



#### BME: Profit attributable to The Group (Cumulative series)



## Financial Statements

| BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP | as of<br>30/09/2018 | as of<br>30/09/2017 | Δ             |
|--|---------------------|---------------------|---------------|
| CONSOLIDATED BALANCE SHEETS AT CLOSING DATES (UNAUDITED)   | (Th.Eur.)           | (Th.Eur.)           | %             |
| <b>NON-CURRENT ASSETS</b>  | <b>175,615</b>      | <b>174,122</b>      | <b>0.9%</b>   |
| Goodwill   | 88,718              | 88,718              | 0.0%          |
| Other intangible assets  | 13,233              | 16,734              | -20.9%        |
| Property, plant and equipment  | 42,383              | 43,019              | -1.5%         |
| Non-current financial assets   | 22,200              | 17,212              | 29.0%         |
| Deferred tax assets  | 9,081               | 8,439               | 7.6%          |
| <b>CURRENT ASSETS</b>  | <b>13,402,544</b>   | <b>18,574,701</b>   | <b>-27.8%</b> |
| Trade and other receivables  | 51,749              | 51,151              | 1.2%          |
| Current financial assets   | 9,347               | 22,093              | -57.7%        |
| Other current financial assets- non Group  | 13,036,541          | 18,199,422          | -28.4%        |
| Other current assets   | 2,552               | 2,443               | 4.5%          |
| Cash and cash equivalents  | 302,355             | 299,592             | 0.9%          |
| <b>TOTAL ASSETS</b>  | <b>13,578,159</b>   | <b>18,748,823</b>   | <b>-27.6%</b> |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>   | <b>434,623</b>      | <b>442,407</b>      | <b>-1.8%</b>  |
| Capital  | 250,847             | 250,847             | 0.0%          |
| Reserves   | 118,827             | 112,002             | 6.1%          |
| Parent company shares or equity holdings   | (11,801)            | (11,961)            | -1.3%         |
| Profit/(loss) for the period   | 101,474             | 116,292             | -12.7%        |
| Interim dividend   | (33,261)            | (33,258)            | 0.0%          |
| Other equity instruments   | 4,821               | 6,355               | -24.1%        |
| Valuation adjustments  | 3,716               | 2,130               | 74.5%         |
| <b>Non-controlling interests</b>   | <b>87</b>           | <b>243</b>          | <b>-64.2%</b> |
| <b>NON-CURRENT LIABILITIES</b>   | <b>22,814</b>       | <b>19,817</b>       | <b>15.1%</b>  |
| Non-current provisions   | 17,190              | 14,721              | 16.8%         |
| Deferred tax liabilities   | 5,610               | 5,082               | 10.4%         |
| Other non-current liabilities  | 14                  | 14                  | 0.0%          |
| <b>CURRENT LIABILITIES</b>   | <b>13,120,635</b>   | <b>18,286,356</b>   | <b>-28.2%</b> |
| Other current financial liabilities- non Group   | 13,036,494          | 18,199,422          | -28.4%        |
| Trade and other payables   | 76,471              | 79,972              | -4.4%         |
| Other current liabilities  | 7,670               | 6,962               | 10.2%         |
| <b>TOTAL LIABILITIES</b>   | <b>13,143,449</b>   | <b>18,306,173</b>   | <b>-28.2%</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | <b>13,578,159</b>   | <b>18,748,823</b>   | <b>-27.6%</b> |

The group includes as a balance of assets and liabilities the amounts related to:

Guarantees received from participants

Financial instruments in which it acts as central counterparty

Receivables balance (payables) on settlement of daily operations with options and futures

Receivables balance (payables) of cash withheld for settlement

These amounts increase, for the same amount, the balances of the accounts "Other current financial assets- non Group" in the assets of the balance sheet and "Other current financial liabilities - non Group" in the liabilities of the balance sheet. This presentation criteria has no impact on income or equity.

| BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP |           |           |         |
|--|-----------|-----------|---------|
|  | 9M18      | 9M17      | Δ       |
| CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)   |           |           |         |
|  | (Th.Eur.) | (Th.Eur.) | %       |
| Profit before tax  | 134,359   | 154,112   | -12.8%  |
| Adjustments to profit  | 7,951     | 6,462     | 23.0%   |
| Changes in working capital   | 7,536     | 13,100    | -42.5%  |
| Trade and other receivables  | 28,524    | 30,630    | -6.9%   |
| Current financial assets excluding non-Group current financial assets  | (474)     | (786)     | -39.7%  |
| Trade and other payables   | (24,963)  | (23,795)  | 4.9%    |
| Other current liabilities  | 5,921     | 6,009     | -1.5%   |
| Other non-current assets and liabilities   | (1,472)   | 1,042     | -241.3% |
| Other amounts received/ (paid) in operating activities   | (34,145)  | (37,926)  | -10.0%  |
| Net cash flows from operating activities   | 115,701   | 135,748   | -14.8%  |
| Net cash flows from investing activities   | 4,421     | 33,754    | -86.9%  |
| Net cash flows from financing activities   | (93,506)  | (94,339)  | -0.9%   |
| Net increase/(decrease) in cash and cash equivalents   | 26,616    | 75,163    | -64.6%  |
| Total cash and cash equivalents at beginning of year   | 275,739   | 224,429   | 22.9%   |
| Total cash and cash equivalents at period end  | 302,355   | 299,592   | 0.9%    |

Note: For the purpose of clear presentation of changes in working capital, cash flows from Other current financial assets and liabilities - non Group are included in the consolidated cash flow statement by its net amount.

| BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A. AND SUBSIDIARIES COMPRISING THE BOLSAS Y MERCADOS ESPAÑOLES GROUP |                  |                  |
|--|------------------|------------------|
|  | as of 30/09/2018 | as of 30/09/2017 |
| CHANGE IN SHAREHOLDERS' EQUITY (UNAUDITED)   |                  |                  |
|  | (Th.Eur.)        | (Th.Eur.)        |
| Equity attributable to owners of the parent Opening balance  | 430,147          | 423,792          |
| Distribution of dividends  | (98,080)         | (99,731)         |
| Transactions with parent company shares and equity holdings  | (661)            | 0                |
| Acquisitions / (disposals) of non-controlling interests  | (175)            | 0                |
| Equity-settled share-based payments  | (994)            | 768              |
| Total recognised income and expense  | 104,386          | 117,578          |
| Profit for the year  | 101,474          | 116,292          |
| Measurement of financial instruments   | 2,038            | 1,033            |
| Actuarial gains and losses and other adjustments   | 1,834            | 688              |
| Translation differences  | 8                | (5)              |
| Tax effect   | (968)            | (430)            |
| Equity attributable to owners of the parent Closing balance  | 434,623          | 442,407          |

## Highlights

■ During the third quarter, 10 new REITs were admitted to trading on the Stock Exchange, all of which belong to the corresponding segment of the Alternative Securities Market (MAB). With these admissions, when added to the 4 admitted to trading during the first half of the year, this brings the number of REITs admitted to trading on the Spanish Stock Exchange to 65 at the close of September 2018.

A “growth” segment was opened in the Pre-Market Environment in cooperation with an entity specialized in innovation company programs.

The quarter also saw the admission of the company Berkeley to the Stock Exchange with a capitalisation of €122.5 million and the company Alquiber Quality to the Growth Companies segment of the MAB, following which, this section of the MAB at the close of September had 42 listed issuers.

The investment funds channelled through the Stock Exchange total €6.3 billion for the quarter, reaching €12.0 billion for the year.

■ At the close of the third quarter the listing, and subsequent inclusion in the market’s electronic platform of all the government

| Bolsas y Mercados Españoles<br>(Quarterly Overview)      | 3Q18       | 3Q17       | Δ      | 9M18       | 9M17       | Δ      |
|--|------------|------------|--------|------------|------------|--------|
| Equity   |            |            |        |            |            |        |
| Trading  |            |            |        |            |            |        |
| Turnover (€ Mill.)                                       | 115,100    | 128,249    | -10.3% | 454,795    | 493,382    | -7.8%  |
| Number of trades   | 9,823,799  | 11,674,429 | -15.9% | 33,179,303 | 38,345,326 | -13.5% |
| Number of shares (Million)                               | 25,987     | 44,651     | -41.8% | 106,761    | 167,305    | -36.2% |
| Average amount per trade (Euros)                         | 11,716     | 10,985     | 6.7%   | 13,707     | 12,867     | 6.5%   |
| Listing (€ Mill.)  |            |            |        |            |            |        |
| Market Capitalisation                                    |            |            |        | 1,093,396  | 1,155,746  | -5.4%  |
| Investment Flows channelled through Exchange             | 6,256      | 15,501     | -59.6% | 12,007     | 36,259     | -66.9% |
| Fixed Income   |            |            |        |            |            |        |
| Trading  |            |            |        |            |            |        |
| Turnover (€ Mill.)                                       | 42,002     | 39,666     | 5.9%   | 148,835    | 182,929    | -18.6% |
| Number of Operations                                     | 8,302      | 13,241     | -37.3% | 35,934     | 58,693     | -38.8% |
| Listing  |            |            |        |            |            |        |
| AIAF volume admitted (nominal € Mill.)                   | 69,686     | 110,319    | -36.8% | 235,505    | 305,878    | -23.0% |
| Public Debt  | 57,369     | 97,772     | -41.3% | 179,364    | 220,533    | -18.7% |
| Corporate Fixed Income                                   | 10,933     | 11,622     | -5.9%  | 51,735     | 82,363     | -37.2% |
| MARF   | 1,384      | 925        | 49.6%  | 4,406      | 2,982      | 47.8%  |
| Derivatives  |            |            |        |            |            |        |
| Futures (number of contracts)                            |            |            |        |            |            |        |
| Index Futures  | 1,744,256  | 1,798,794  | -3.0%  | 5,897,468  | 5,605,079  | 5.2%   |
| Stock Futures  | 2,074,537  | 2,745,511  | -24.4% | 8,363,262  | 9,340,213  | -10.5% |
| Options (number of contracts)                            |            |            |        |            |            |        |
| Index Options  | 829,446    | 853,293    | -2.8%  | 2,677,261  | 2,510,500  | 6.6%   |
| Stock Options  | 4,467,539  | 4,585,515  | -2.6%  | 14,407,821 | 14,894,586 | -3.3%  |
| Open interest (number of contracts)                      |            |            |        | 10,389,152 | 10,418,386 | -0.3%  |
| Clearing   |            |            |        |            |            |        |
| Financial Derivatives (number of contracts)              | 9,115,778  | 9,983,113  | -8.7%  | 31,345,812 | 32,350,378 | -3.1%  |
| Energy Derivatives (Volume MWh)                          | 3,187,501  | 5,581,301  | -42.9% | 9,112,732  | 14,967,522 | -39.1% |
| Repo (Turnover Mill. Eur.)                               | 40,048     | 62,603     | -36.0% | 117,029    | 227,538    | -48.6% |
| Interest Rates Derivatives (Notional value reg. € Mill.) | 5          | 231        | -97.8% | 65         | 654        | -90.1% |
| Equity (Transactions cleared)                            | 19,646,966 | 23,348,582 | -15.9% | 66,356,536 | 76,682,850 | -13.5% |
| Settlement & Registration                                |            |            |        |            |            |        |
| Operations settled                                       | 2,219,130  | 2,692,305  | -17.6% | 6,870,462  | 8,515,794  | -19.3% |
| Turnover settled (€ Billion daily avg.)                  |            |            |        | 78.4       | 172.4      | -54.5% |
| Volume registered - end of period- (€ Billion)           |            |            |        | 2,329.7    | 2,294.8    | 1.5%   |

debt issues for Germany, France, The Netherlands, Belgium, Italy, Austria, Portugal and Ireland and the European Stability Mechanism (ESM) was completed. After these admissions, the outstanding volume admitted to the market's electronic platform in fixed income available for trading, exceeded €6.8 trillion.

Also in Fixed income, there is a growing prominence within the alternatives for business financing in Spain in the Alternative Fixed Income Market (MARF). The MARF closed the first nine months of 2018 with accumulated issued volume of €4.4 billion, 47.8% up year-on-year, and an outstanding balance of €3.1 billion, 31.5% up on the previous year.

- The IBEX 35® derivatives stand out in a context that still has very low volatility levels. The volume of contracts traded in IBEX 35® futures rose 6.5% during the first nine months of 2018. Another of the benchmark products, the IBEX 35® options, maintained an annual increase of 6.6% in trading volumes.

Of particular note is the performance of the younger products traded on the market, both types related to the hedge dividends. The IBEX 35® Impacto Dividendo futures increased 3.7% during the quarter and 24.0% for the year, whereas stock dividend futures rose 17.9% for the quarter and 77.4% for the year.

- The total volume registered in Fixed Income showed an increase of 5.7% compared to the nominal values registered a year before.

- BME Clearing unit increased during 2018 with the inclusion of natural gas contracts in the energy segment.

July saw the announcement of the agreement between BME Clearing and Nex Markets, the operator of the main repos trading platform in Spanish debt, to permit the clearing, though BME Clearing, of trades carried out on the platform.

- During the third quarter of 2018, the Colombian Stock Exchange launched the trading and order management platform (OMS) by BME Inntech for the authorisation and implementation of trading strategies on the Colombian fixed income securities market, as part of the project for the implementation of a comprehensive routing and order management solution.

- In OpenFinance, an alliance was reached with Refinitiv to offer technical analyses of securities and pioneering technology in the management of private banking for Spain and Latin America.

- On 14 September 2018, the company paid out its first interim dividend against 2018 results, for the amount of €0.4 per share, gross. The second interim dividend is expected to be paid out on Friday, 28 December 2018. Shareholders registered in the Shareholder Register on 27 December 2018 (the record date) will be entitled to receive this dividend, with the ex-date being Monday 24 December.

On 4 October 2018, the Company's first Investor Day took place at Palacio de la Bolsa de Madrid, at which it presented the basic lines of the 2019-2021 Strategic Plan. The presentation given by the Company's managers is available on the corporate website, [www.bolsasymercados.es](http://www.bolsasymercados.es), and on the website of the National Securities Market Commission, [www.cnmv.es](http://www.cnmv.es) under the section "Price sensitive information".

## Key performance indicators

The monitoring and comparison with other companies in the sector in which the BME operates is performed through three indicators. The efficiency ratio which measures the operating costs over total net revenue, the ROE that measures the return on equity and the ratio of revenues not linked to volumes (RNLV) over operating costs.

The ratio of revenues not linked to volumes over the cost base presented a value of 124% at the close of the third quarter of 2018, three points down year-on-year, reflecting the degree to which revenues not linked to volumes are capable of covering the costs incurred for their generation.

The efficiency ratio, which is more favourable when the value of the indicator is lower, in 2018 presented a value of 41.8% for the third quarter of 2018 and 38.9% for the first nine months of the year, compared to the values in 2017 of 35.6% and 33.9%

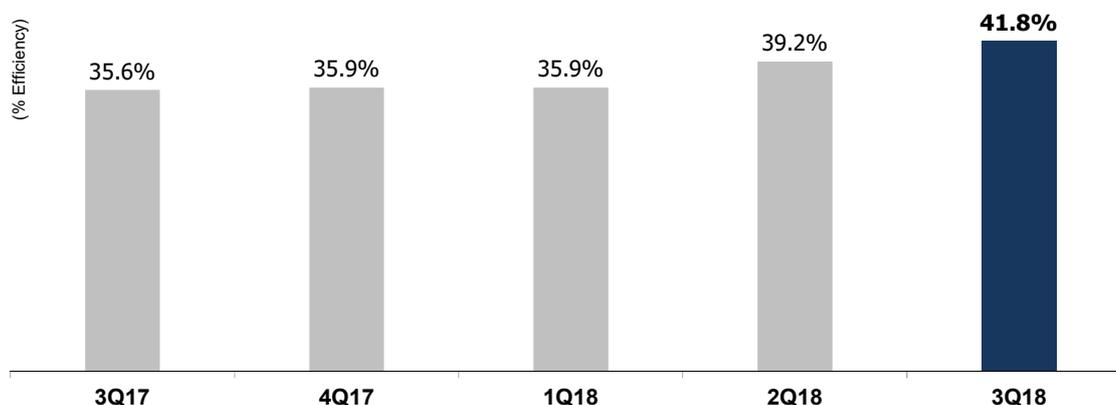
respectively. Excluding the costs associated with staff renewal measures, the value of the indicator would have been 39.3% for the third quarter and 37.3% for the accumulated year 2018. The indicator is placed in line with the one obtained by the comparable ones of the sector presenting a positive margin of 1.4 points with respect to the average of the companies that operate globally in the same BME's sector.

The return on equity (ROE) during the third quarter stood at 27.9%, down 4.9 points compared to the same period of 2017. For the year to date, the ROE stands at 31.5% with a difference of 11.5 percentage points when compared to peer companies of the sector operating globally.

| Bolsas y Mercados Españoles Group (KPIs) | 3Q18  | 3Q17  | 9M18  | 9M17  |
|--|-------|-------|-------|-------|
| RNLV/Cost base ratio                     |       |       | 124%  | 127%  |
| Efficiency ratio (%)                     | 41.8% | 35.6% | 38.9% | 33.9% |
| ROE (%)                                  | 27.9% | 32.8% | 31.5% | 35.9% |

## BME efficiency ratio (Quarterly series)

Consolidated efficiency ratio evolution



Note: Quarterly comparative data calculated using net revenues

## Staff

| Bolsas y Mercados Españoles (Staff) | 3Q18 | 3Q17 | 9M18 | 9M17 |
|-------------------------------------|------|------|------|------|
| Average number of staff             | 754  | 747  | 746  | 746  |
| Employees as at balance sheet date  | 759  | 746  | 759  | 746  |

## Share Performance

During the first nine months of 2018, the BME share price rose 4.9% to reach €27.84, compared to the fall of 6.5% experienced by the IBEX 35®. The total yield for the BME shareholder up to the close of the third quarter, including the amount of the dividends, reached 9.21%, whereas the total yield of the IBEX 35® with dividends has been negative.

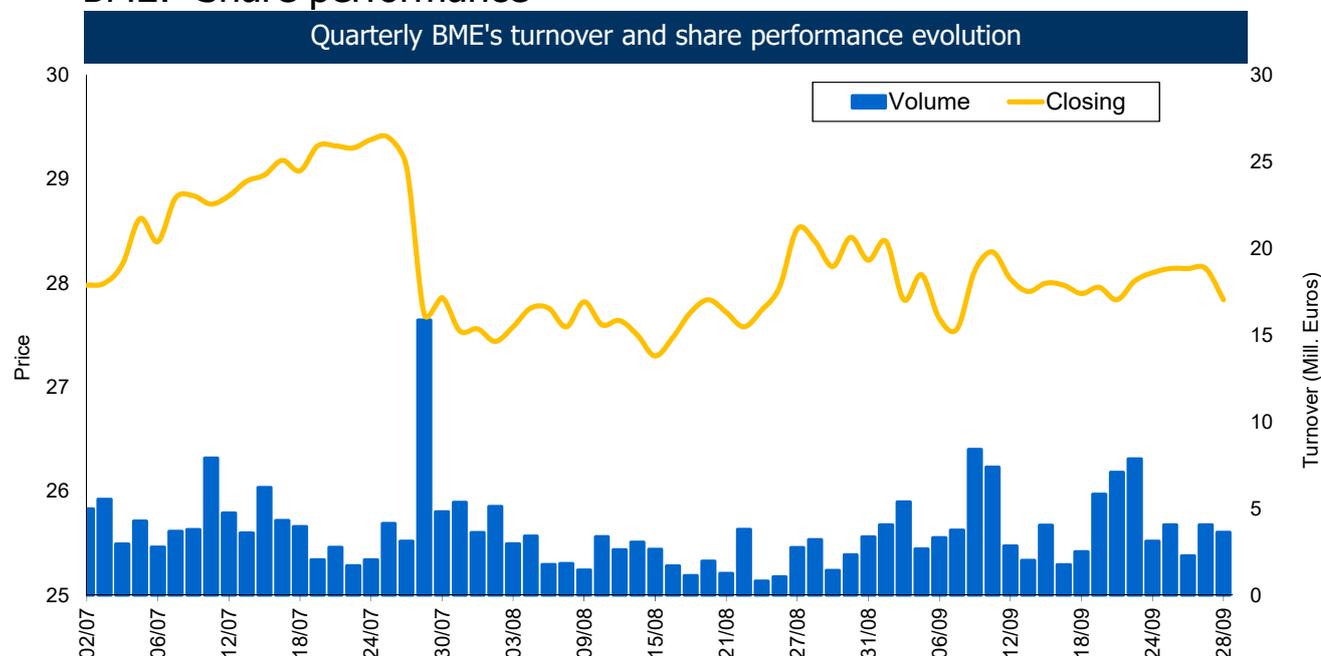
The third quarter of 2018 saw a slight downward trend in the BME trading price showing a fall of 1.6%. The share price hit a low of €27.20 and a maximum of €29.50 at the end of July to close the quarter €27.84. The performance of the market, measured using the IBEX 35® index, has been worse, ending

the quarter down 2.4% compared to the close of the previous quarter.

The number of shares traded in the third quarter remained stable at 8.6 million securities, but down 6.7% for the first nine months of 2018.

The number of trades in BME shares for the first nine months of 2018 reached 129,713, showing a fall of 13.0% compared to the previous year, which mirrors a fall of 14.6% in the daily average trading volume.

## BME: Share performance



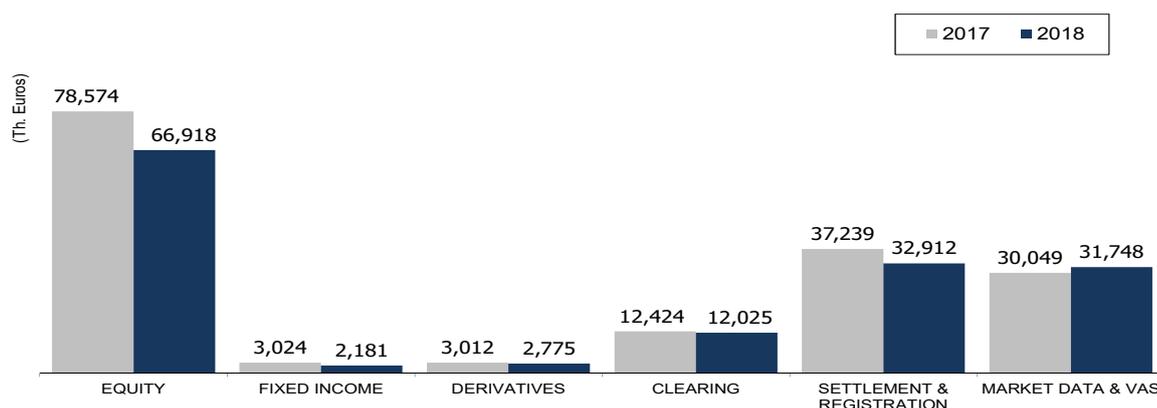
| Bolsas y Mercados Españoles<br>(Share performance) | 3Q18   | 3Q17   | Δ      | 9M18    | 9M17    | Δ      |
|--|--------|--------|--------|---------|---------|--------|
| <b>BME's share performance</b>                     |        |        |        |         |         |        |
| Higher quote                                       | 29.50  | 32.65  | -9.6%  | 30.20   | 33.60   | -10.1% |
| Lower quote  | 27.20  | 28.05  | -3.0%  | 26.20   | 28.00   | -6.4%  |
| Average quote                                      | 28.17  | 30.36  | -7.2%  | 28.18   | 30.60   | -7.9%  |
| Closing quote                                      |        |        |        | 27.84   | 29.20   | -4.7%  |
| <b>BME's trading daily turnover (Mill. Euros)</b>  |        |        |        |         |         |        |
| Higher daily turnover                              | 15.9   | 10.6   | 50.0%  | 15.9    | 13.8    | 15.2%  |
| Lower daily turnover                               | 0.8    | 1.7    | -52.9% | 0.8     | 0.8     | 0.0%   |
| Average daily turnover                             | 3.7    | 4.0    | -7.5%  | 4.1     | 4.8     | -14.6% |
| <b>BME's shares trading (Mill. Shares)</b>         |        |        |        |         |         |        |
|  | 8.6    | 8.6    | 0.0%   | 28.0    | 30.0    | -6.7%  |
| <b>BME's number of trades</b>                      |        |        |        |         |         |        |
|  | 39,078 | 48,150 | -18.8% | 129,713 | 149,034 | -13.0% |

## Business Units Quarter Overview

| Bolsas y Mercados Españoles<br>(Business Units 9M18)<br>(Thousands of Euros) | Equity   | Fixed Income | Derivatives | Clearing | Settlement &<br>Registration | Market Data &<br>VAS |
|--|----------|--------------|-------------|----------|------------------------------|----------------------|
| Net Revenues   | 97,096   | 5,700        | 8,285       | 19,613   | 44,492                       | 49,662               |
| Operating Costs  | (30,178) | (3,519)      | (5,510)     | (7,588)  | (11,580)                     | (17,914)             |
| EBITDA   | 66,918   | 2,181        | 2,775       | 12,025   | 32,912                       | 31,748               |

### Key Investment Highlights Key Financial Business Units overview

#### EBITDA evolution by Business Unit (9M18)



| Bolsas y Mercados Españoles                      | Net Revenues |         |        |          |          |        |
|--|--------------|---------|--------|----------|----------|--------|
| Business Units Net Revenues (Thousands of Euros) | 3Q18         | 3Q17    | Δ      | 9M18     | 9M17     | Δ      |
| Equity   | 29,497       | 33,460  | -11.8% | 97,096   | 109,547  | -11.4% |
| Fixed Income                                     | 1,931        | 1,975   | -2.2%  | 5,700    | 6,531    | -12.7% |
| Derivatives                                      | 2,588        | 2,616   | -1.1%  | 8,285    | 7,735    | 7.1%   |
| Clearing   | 5,861        | 6,319   | -7.2%  | 19,613   | 19,685   | -0.4%  |
| Settlement & Registration                        | 14,544       | 16,217  | -10.3% | 44,492   | 49,062   | -9.3%  |
| Market Data & VAS                                | 16,702       | 15,451  | 8.1%   | 49,662   | 46,749   | 6.2%   |
| Total  | 71,123       | 76,038  | -6.5%  | 224,848  | 239,309  | -6.0%  |
| Corporate Unit                                   | 4,572        | 4,695   | -2.6%  | 13,715   | 15,155   | -9.5%  |
| Consolidation adjustments                        | (4,274)      | (4,487) | -4.7%  | (13,230) | (13,917) | -4.9%  |
| Consolidated                                     | 71,421       | 76,246  | -6.3%  | 225,333  | 240,547  | -6.3%  |

| Bolsas y Mercados Españoles                | EBITDA  |         |        |          |         |        |
|--|---------|---------|--------|----------|---------|--------|
| Business Units EBITDA (Thousands of Euros) | 3Q18    | 3Q17    | Δ      | 9M18     | 9M17    | Δ      |
| Equity                                     | 19,475  | 23,061  | -15.6% | 66,918   | 78,574  | -14.8% |
| Fixed Income                               | 777     | 757     | 2.6%   | 2,181    | 3,024   | -27.9% |
| Derivatives                                | 670     | 1,001   | -33.1% | 2,775    | 3,012   | -7.9%  |
| Clearing                                   | 3,309   | 3,735   | -11.4% | 12,025   | 12,424  | -3.2%  |
| Settlement & Registration                  | 10,759  | 12,071  | -10.9% | 32,912   | 37,239  | -11.6% |
| Market Data & VAS                          | 10,763  | 9,963   | 8.0%   | 31,748   | 30,049  | 5.7%   |
| Total                                      | 45,753  | 50,588  | -9.6%  | 148,559  | 164,322 | -9.6%  |
| Corporate unit                             | (4,208) | (1,466) | 187.0% | (10,798) | (5,296) | 103.9% |
| Consolidation adjustments                  |         |         |        |          |         |        |
| Consolidated                               | 41,545  | 49,122  | -15.4% | 137,761  | 159,026 | -13.4% |

Note: The information presented for the third quarter and nine months of 2017 of the Derivatives, Clearing and Market Data & VAS business units as well as the amount of eliminations correspond to proforma data in which, for comparability purposes, have been collected as if had been produced linearly from January 1, 2017, the economic effects resulting from the agreements between the different infrastructures of the Group as a result of their adaptation to the MIFID II regulations, which were fully booked in the fourth quarter of 2017. Therefore, the information corresponding to the third quarter and to the first nine months of 2017 differs from public information presented in the year 2017.

## Equity

Up until the close of the third quarter of 2018, the Equity unit obtained €97,096 thousand in net revenue, 11.4% down on that obtained during the same period the previous year.

In terms of the year to date the listing services performance has come down relatively less compared to the revenue deriving from trading and which we now identify as originating from “transaction and regarding characteristics of the orders”. Up until September, the net revenue for listing and other services fell by 7.1% year-on-year to €17,428 thousand, whereas that obtained for transactional operations fell by 12.2% to €79,668 thousand. The third quarter showed a decrease of 7.4% year-on-year for the listing segment and a decrease of 12.9% for trading, the final figures being €5,983 thousand in the first instance and €23,514 thousand in the second.

17.9% of the cumulative net revenue of the unit for 2018 up until September relates to the contribution of the listing of equity

products, whereas 82.1% corresponded to the contribution of the trading in listed products.

Costs during the third quarter fell by 3.6% compared to the third quarter of 2017, with the total amount for the nine months standing at €30,178 thousand, 2.6% down year-on-year.

After deducting the operating costs of the unit, the EBITDA for the third quarter of the year totalled €19,475 thousand and €66,918 thousand for the year up until September. These amounts have fallen compared to the previous year by 15.6% and 14.8%, respectively.

Equity turnover totalled €115.1 billion during the third quarter, 10.3% down year-on-year. Over the year as a whole, turnover totalled €454.8 billion, 7.8% less than the same period of the previous year.

| Bolsas y Mercados Españoles<br>(Equity Business Unit Income) (Th.Eur.) | 3Q18     | 3Q17     | Δ      | 9M18     | 9M17     | Δ      |
|--|----------|----------|--------|----------|----------|--------|
| Equity   |          |          |        |          |          |        |
| Net Revenues   | 29,497   | 33,460   | -11.8% | 97,096   | 109,547  | -11.4% |
| Per transaction and regarding characteristics of the orders            | 23,514   | 26,998   | -12.9% | 79,668   | 90,781   | -12.2% |
| Listing and other services   | 5,983    | 6,462    | -7.4%  | 17,428   | 18,766   | -7.1%  |
| Operating Costs  | (10,022) | (10,399) | -3.6%  | (30,178) | (30,973) | -2.6%  |
| EBITDA   | 19,475   | 23,061   | -15.6% | 66,918   | 78,574   | -14.8% |

| Bolsas y Mercados Españoles<br>(Equity Business Unit Activity Overview) | 3Q18      | 3Q17       | Δ      | 9M18       | 9M17       | Δ      |
|---|-----------|------------|--------|------------|------------|--------|
| TRADING (Mill. Euros)   | 115,100   | 128,249    | -10.3% | 454,795    | 493,382    | -7.8%  |
| Equity  |           |            |        |            |            |        |
| Turnover (Mill. Euros)  | 114,560   | 127,454    | -10.1% | 452,099    | 490,052    | -7.7%  |
| Of securities with 0,3 bps trading fee                                  | 93,228    | 98,341     | -5.2%  | 312,654    | 342,435    | -8.7%  |
| Rest of securities  | 21,332    | 29,113     | -26.7% | 139,445    | 147,617    | -5.5%  |
| Number of trades  | 9,790,978 | 11,637,058 | -15.9% | 33,047,467 | 38,199,603 | -13.5% |
| Average amount per trade (Euros)  | 11,701    | 10,952     | 6.8%   | 13,680     | 12,829     | 6.6%   |
| Exchange Traded Funds (ETFs)  |           |            |        |            |            |        |
| Turnover (Mill. Euros)  | 455       | 699        | -34.9% | 2,393      | 2,991      | -20.0% |
| Number of trades  | 14,668    | 17,277     | -15.1% | 67,547     | 70,282     | -3.9%  |
| Warrants  |           |            |        |            |            |        |
| Turnover (Mill. Euros)  | 85        | 96         | -11.5% | 303        | 339        | -10.6% |
| Number of Trades  | 18,153    | 20,094     | -9.7%  | 64,289     | 75,441     | -14.8% |
| Number of shares (Mill. Shares)   | 25,987    | 44,651     | -41.8% | 106,761    | 167,305    | -36.2% |
| LISTING   |           |            |        |            |            |        |
| Number of Companies listed  |           |            |        | 3,027      | 3,219      | -6.0%  |
| Market Capitalisation listed (Mill.Euros)                               |           |            |        | 1,093,396  | 1,155,746  | -5.4%  |
| Investment Flows channeled through Exchange (Mill. Euros)               |           |            |        |            |            |        |
| New listed companies  | 2,452     | 3,383      | -27.5% | 3,508      | 7,007      | -49.9% |
| Already listed companies  | 3,804     | 12,118     | -68.6% | 8,499      | 29,252     | -70.9% |

## Business Units Quarter Overview

The number of trades in the third quarter was down by 15.9% on the third quarter of 2017, and by 13.5% over the first nine months of the year.

The decreases registered in the trading of equity has also been reproduced in different percentages in other equity products admitted to trading on the BME systems. The third quarter of 2018 saw a decrease in the turnover traded in warrants and certificates of 11.5% compared to the third quarter of 2017 and 10.6% for the year overall. A similar behaviour has been observed in exchange traded funds (ETFs) with a quarterly fall in the turnover traded of 34.9% and a decrease of 15.1% in the number of trades, compared to the third quarter of 2017.

The capitalisation of the companies listed for trading on the markets managed by BME as at 30 September 2018, stood at €1.09 trillion, 5.4% less than at 30 September 2017 and 0.9% less than 30 June 2018. During these same periods, the IBEX 35® lost 9.6% and 2.4% of its value, respectively.

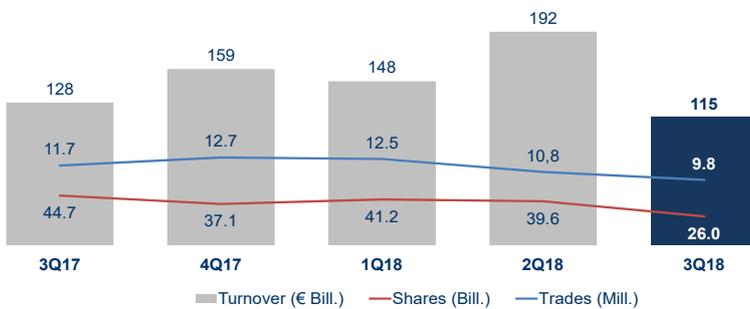
The investment funds channelled through the Stock Exchange totalled €6.3 billion for the quarter, reaching €12.0 billion for the year.

During the third quarter, 10 new REITs were admitted to trading on the Stock Exchange, all of which belong to the corresponding segment of the Alternative Securities Market (MAB). With these admissions, when added to the four admitted to trading during the first half of the year, this brings the number of REITs admitted to trading on the Spanish Stock Exchange to 65 at the close of September 2018.

The quarter also saw the admission of the company Berkeley Energía to the Stock Exchange with a capitalisation of €122.5 million and the company Alquiber Quality to the Growth Companies segment of the MAB, following which, this section of the MAB at the close of September had 42 listed issuers. In total, the number of entities admitted in the MAB as at 30 September 2018 totalled 2,856 entities, including those relating to the SICAV segment.

### Equity Business unit Activity Overview

Turnover, trades and Shares traded (Quarterly basis)



### Equity Business unit Activity Overview

Turnover, Trades and Shares (Monthly basis)



## Fixed Income

Throughout 2018, the BME Fixed Income Market has been working towards covering the widest possible range of services that will provide brokers and their clients the possibility to trade in these assets, adapted to the new regulatory requirements set forth in the MiFID II regulation and with more rigorous market rules and transparency, similar to those for the equity markets. New formats have also been included, such as the option to trade according to the signs of interest for illiquid instruments, as well as an increase in the number of issues available for trade. The outstanding volume incorporated into the electronic platform available for trading at the close of September exceeded €6.8 trillion.

Of all the issues, of particular note for the quarter has been the issue of contingent convertible bonds (CoCos) by BBVA for the amount of €1 billion, joining those already admitted issued by CaixaBank and Ibercaja.

The drive behind the trading of Fixed Income on the platform, resulting from the implementation of the MiFID II Directive, has started to make itself noticed in the unit's activity. During the third quarter of 2018, trading totalled €42.0 billion, up 69.3% on the trading recorded by the platform during the same period in 2017. The accumulated electronic trading totalled €148.8 billion, representing a growth of 38.3%. The total trading on

the platform and bilaterally is up 5.9% and 18.6% down on that traded during the third quarter and for the whole of 2017, respectively, considering that under the new legislation bilateral trades performed outside of the trading platforms are no longer considered market trades.

Within the business unit, the Alternative Fixed Income Market (MARF) deserves a special mention due to its growth and the growing relevance within the business financing alternatives in Spain. It is designed to be a multilateral trading facility to efficiently include issues by companies of varying sizes, many of which do not have a presence on the capital markets and since its launch, 45 companies have used it for financing. The MARF ended the first nine months of 2018 with an accumulated issued volume of €4.4 billion, 47.8% up on the same period of the previous year, and an outstanding balance of €3.1 billion, up 31.5% year-on-year.

The net revenue for the Fixed Income business unit corresponding to the third quarter of 2018 totalled €1,931 thousand, 2.2% less than that obtained during the same quarter of 2017. From January to September, the fall in revenue is 12.7%, standing at €5,700 thousand. The EBITDA for the third quarter stands at €777 thousand, up 2.6%, whereas for the whole of the first nine months it fell 27.9% to €2,181 thousand.

| Bolsas y Mercados Españoles<br>(Fixed Income Business Unit Income) (Th.Eur.) | 3Q18    | 3Q17    | Δ     | 9M18    | 9M17    | Δ      |
|--|---------|---------|-------|---------|---------|--------|
| Net Revenues   | 1,931   | 1,975   | -2.2% | 5,700   | 6,531   | -12.7% |
| Trading  | 1,024   | 1,091   | -6.1% | 3,255   | 3,839   | -15.2% |
| Listing  | 907     | 884     | 2.6%  | 2,445   | 2,692   | -9.2%  |
| Operating Costs  | (1,154) | (1,218) | -5.3% | (3,519) | (3,507) | 0.3%   |
| EBITDA   | 777     | 757     | 2.6%  | 2,181   | 3,024   | -27.9% |

| Bolsas y Mercados Españoles<br>(Fixed Income Business Unit Activity Overview) | 3Q18   | 3Q17    | Δ       | 9M18    | 9M17    | Δ       |
|---|--------|---------|---------|---------|---------|---------|
| TRADING (Mill. Euros)   | 42,002 | 39,666  | 5.9%    | 148,835 | 182,929 | -18.6%  |
| Platform  | 42,002 | 24,810  | 69.3%   | 148,835 | 107,607 | 38.3%   |
| Public Debt   | 41,947 | 24,708  | 69.8%   | 148,499 | 107,203 | 38.5%   |
| Private Fixed Income  | 55     | 102     | -46.1%  | 336     | 404     | -16.8%  |
| Bilateral   |        |         |         |         |         |         |
| Private Fixed Income  | 0      | 14,856  | -100.0% | 0       | 75,322  | -100.0% |
| Total Operations  |        |         |         |         |         |         |
| Platform  | 8,302  | 8,540   | -2.8%   | 35,934  | 34,434  | 4.4%    |
| Bilateral   | 0      | 4,701   | -100.0% | 0       | 24,259  | -100.0% |
| LISTING (Mill. Euros)   |        |         |         |         |         |         |
| Volume admitted (nominal)   | 69,686 | 110,319 | -36.8%  | 235,505 | 305,878 | -23.0%  |
| Public Debt   | 57,369 | 97,772  | -41.3%  | 179,364 | 220,533 | -18.7%  |
| Private Fixed Income  | 10,933 | 11,622  | -5.9%   | 51,735  | 82,363  | -37.2%  |
| MARF  | 1,384  | 925     | 49.6%   | 4,406   | 2,982   | 47.8%   |

Note: During the first nine months 2018 have been admitted to trading foreign Governments Bonds for the amount of €5.5 trillion, which have not been included in the figures corresponding to Public Debt.

## Derivatives

The net revenue from the BME derivatives business unit grew at a rate of 7.1% for the year 2018 up until September, supported by the favourable performance of the unit's main source of revenue, the IBEX 35® futures, where the volume of traded contracts increased to 6.5% for the period. The accumulated operating costs for the first nine months of the year increased by 16.7% and the EBITDA fell by 7.9%.

In a setting of very low implied volatility levels (14.4% for the year, four decimal points lower than the previous year) the total volume of financial derivatives traded stands at 31.3 million contracts for the first nine months of 2018, representing a decrease of 3.1% year-on-year. The third quarter showed a decrease compared to the previous year of 8.7%.

The open interest in index linked derivatives at the close of the third quarter was up 12.0% compared to the same date the previous year, whereas the open interest in stock options and futures on individual shares fell by 1.7% for the year to date.

Of particular note is the performance of the younger products traded on the market, related to hedge dividends. The IBEX 35® Impacto Dividendo futures increased 3.7% during the

quarter and 24% for the year, whereas dividend futures rose 17.9% for the quarter and 77.4% for the year.

Another of the benchmark products, the IBEX 35® options, maintained an annual increase of 6.6%, in spite of the fall of 2.8% in the traded volume for the third quarter.

In the trading of electrical energy derivative products, trading continued to show a downward trend in relation to the previous year, both in quarterly terms as for the year to date, of 66.8% and 48.0% respectively, in line with what happened in the national over-the-counter (OTC) spot market for electrical energy.

With the aim of increasing the range of products, work is progressing on the 2019 launch of the currency futures contracts, which shall be called FX Rolling Spot Futures, included in the 2019-2021 BME Strategic Plan with the aim of taking advantage of the opportunities provided by regulation to attract over-the-counter trades (OTC) in derivative products to the regulated markets. These will be perpetual type contracts which will be automatically renewed at the end of the day and shall be launched in 17 currencies.

| Bolsas y Mercados Españoles<br>(Derivatives Business Unit Income) (Th.Eur.) | 3Q18    | 3Q17*   | Δ      | 9M18    | 9M17*   | Δ     |
|---|---------|---------|--------|---------|---------|-------|
| Net Revenues  | 2,588   | 2,616   | -1.1%  | 8,285   | 7,735   | 7.1%  |
| Operating Costs   | (1,918) | (1,615) | 18.8%  | (5,510) | (4,723) | 16.7% |
| EBITDA  | 670     | 1,001   | -33.1% | 2,775   | 3,012   | -7.9% |

(\*) Correspond to proforma data as indicated on page 12.

| Bolsas y Mercados Españoles<br>(Derivatives Business Unit Activity Overview) | 3Q18      | 3Q17      | Δ      | 9M18       | 9M17       | Δ      |
|--|-----------|-----------|--------|------------|------------|--------|
| Financial Derivatives (number of contracts)                                  | 9,115,778 | 9,983,113 | -8.7%  | 31,345,812 | 32,350,378 | -3.1%  |
| Index Derivatives (number of contracts)                                      |           |           |        |            |            |        |
| IBEX 35® Index Futures   | 1,430,789 | 1,441,668 | -0.8%  | 4,730,675  | 4,441,737  | 6.5%   |
| Mini IBEX 35® Index Futures  | 305,559   | 348,633   | -12.4% | 1,128,485  | 1,130,142  | -0.1%  |
| IBEX 35® Div Impact Futures  | 7,218     | 6,963     | 3.7%   | 36,053     | 29,075     | 24.0%  |
| IBEX® Sectorial Futures  | 690       | 1,530     | -54.9% | 2,255      | 4,125      | -45.3% |
| IBEX 35® Index Options   | 829,446   | 853,293   | -2.8%  | 2,677,261  | 2,510,500  | 6.6%   |
| Open Interest  |           |           |        | 1,211,682  | 1,081,657  | 12.0%  |
| Total notional value (Mill.Euros)  | 147,627   | 162,854   | -9.4%  | 501,004    | 491,777    | 1.9%   |
| Equity Derivatives (number of contracts)                                     |           |           |        |            |            |        |
| Equity Futures   | 2,015,974 | 2,695,822 | -25.2% | 8,019,256  | 9,146,334  | -12.3% |
| Equity dividend Futures  | 58,563    | 49,689    | 17.9%  | 344,006    | 193,879    | 77.4%  |
| Equity Options   | 4,467,539 | 4,585,515 | -2.6%  | 14,407,821 | 14,894,586 | -3.3%  |
| Open Interest  |           |           |        | 9,177,470  | 9,336,729  | -1.7%  |
| Total notional value (Mill.Euros)  | 4,388     | 5,473     | -19.8% | 15,278     | 17,916     | -14.7% |
| Energy Derivatives (MWh)   | 1,854,178 | 5,581,301 | -66.8% | 7,776,309  | 14,967,522 | -48.0% |
| Number of Trades   | 827,383   | 759,907   | 8.9%   | 2,722,434  | 2,462,655  | 10.5%  |

## Clearing

The activity of the BME Clearing unit includes an extensive and growing variety of activities ranging from the clearing of equity cash transactions traded on the systems, the clearing and settlement of all financial and electricity derivatives, and the natural gas derivatives admitted in June this year, the clearing of fixed income securities repo trades (Spanish Public Debt reverse repos) and the clearing and settlement of over-the-counter (OTC) interest rate derivatives.

The Clearing transactions taken as a whole generated a revenue of €19,613 thousand during the first nine months 2018, practically the same as that of the same period of the previous year. The EBITDA of the unit decreased 3.2% to stand at €12,025 thousand.

The good performance in the trading of IBEX® linked derivatives has driven the clearing of these instruments, which grew by 5.7% to reach 8.6 million trades during the period January-September 2018. Whereas the trading in individual equities derivatives fell 6.0% during the same period to 22.8 million trades. The overall open position of all financial derivatives traded and cleared in the Spanish market at the end of the third quarter was 10.4 million trades, practically the same as a year ago.

In the equities segment, 66.4 million trades were processed during the first nine months of 2018, 13.5% less than in the same period of the previous year, with €872.1 billion turnover.

Turning to energy derivatives, the cleared volume during the first nine months of 2018 was 9.1 TWh, down 39.1% year-on-year. The open interest at the end of the quarter was 6.1 TWh, 39.2% less than a year before. As of June both the volume traded as well as the open interest include, in addition to electricity derivatives, the new natural gas derivatives (a volume of 1.3 TWh and an open interest of 1.2 TWh).

A total of 1,609 transactions involving fixed-income securities (repos) were cleared in the first nine months of 2018, down 53.6% year-on-year, for a value of €117.0 billion, a 48.6% decrease on the same period in 2017. July saw the announcement of the agreement between BME Clearing and NEX Markets, the operator of the main trading platform for Spanish debt repos, to make possible for BME Clearing to clear all trades executed via the platform, in which the Spanish banks have a prominent role.

Trades in interest rate derivatives in the first nine months of 2018 had a notional value of €65 million, with the open interest at the end of September of €503 million.

| Bolsas y Mercados Españoles<br>(Clearing Business Unit Income) (Th.Eur.) | 3Q18    | 3Q17*   | Δ      | 9M18    | 9M17*   | Δ     |
|--|---------|---------|--------|---------|---------|-------|
| Net Revenues   | 5,861   | 6,319   | -7.2%  | 19,613  | 19,685  | -0.4% |
| Operating Costs  | (2,552) | (2,584) | -1.2%  | (7,588) | (7,261) | 4.5%  |
| EBITDA   | 3,309   | 3,735   | -11.4% | 12,025  | 12,424  | -3.2% |

(\*) Correspond to proforma data as indicated on page 12.

| Bolsas y Mercados Españoles<br>(Clearing Business Unit Activity Overview) | 3Q18       | 3Q17       | Δ      | 9M18       | 9M17       | Δ      |
|---|------------|------------|--------|------------|------------|--------|
| <b>Financial Derivatives</b>  |            |            |        |            |            |        |
| Index Derivatives (number of contracts)                                   | 2,573,702  | 2,652,087  | -3.0%  | 8,574,729  | 8,115,579  | 5.7%   |
| Equity Derivatives (number of contracts)                                  | 6,542,076  | 7,331,026  | -10.8% | 22,771,083 | 24,234,799 | -6.0%  |
| Open Interest (number of contracts)                                       |            |            |        | 10,389,152 | 10,418,386 | -0.3%  |
| <b>Energy Derivatives</b>   |            |            |        |            |            |        |
| Volume (MWh)  | 3,187,501  | 5,581,301  | -42.9% | 9,112,732  | 14,967,522 | -39.1% |
| Open Interest (MWh)   |            |            |        | 6,090,601  | 10,017,238 | -39.2% |
| <b>Repo</b>   |            |            |        |            |            |        |
| Turnover (€ Mill.)  | 40,048     | 62,603     | -36.0% | 117,029    | 227,538    | -48.6% |
| Number of Operations  | 537        | 1,136      | -52.7% | 1,609      | 3,469      | -53.6% |
| <b>Interest Rates Derivatives</b>   |            |            |        |            |            |        |
| Notional value registered (€ Mill.)                                       | 5          | 231        | -97.8% | 65         | 654        | -90.1% |
| Open Interest (€ Mill.)   |            |            |        | 503        | 1,249      | -59.7% |
| <b>Equity</b>   |            |            |        |            |            |        |
| Number of transactions cleared  | 19,646,966 | 23,348,582 | -15.9% | 66,356,536 | 76,682,850 | -13.5% |
| Equity turnover cleared (€ Mill.)   | 226,885    | 256,190    | -11.4% | 872,144    | 979,486    | -11.0% |

## Settlement & Registration

The third quarter of 2018 saw the first anniversary of the Settlement and Registration Unit completing the migration of the settlement business to Target2-Securities, thus representing the completion of the Reform of the Securities Clearing, Settlement and Registry System.

At the close of September 2018, the net revenue for the Settlement and Registration unit totalled €44,492 thousand for the current year, 9.3% down year-on-year. Of this amount, 62.1% derives from the Registration services which up until September yielded 10.8% more than in 2017. The revenue from the Settlement activities represents 16.5% and was down up until September by 47.1% compared to 2017. The remaining revenue corresponding to Other services reached €9,508 thousand for the first nine months of the year representing a decrease of 7.0% year-on-year.

During the third quarter the net revenue of the unit totalled €14,544 thousand, down 10.3% on the third quarter of 2017. The relatively better performance of the quarter is related to the Registration revenue with an increase of 6.5% to reach €9,217 thousand. Whereas the revenue for Settlement and Other services registered falls compared to the third quarter of 2017 of 45.1% and 10.1%, respectively.

The costs incurred by the unit fell compared to those of the year before both in quarterly terms, with a decrease of 8.7%, and for the year-to-date, with a fall of 2.1%.

The volume registered at the end of the third quarter of 2018 totalled €2.33 trillion, compared to the €2.29 trillion registered for the same quarter of the previous year, representing an increase of 1.5%. Of the previous volume, the volume registered in Fixed Income showed an increase of 5.7% compared to the nominal values registered a year before and the volume corresponding to Equities showed a year-on-year decrease of 5.5%, standing at €818 billion at the close of the third quarter of 2018.

In total, 6.9 million trades were settled up until September, 19.3% less than those settled at the end of the same period of the previous year. Of this figure, 2.2 million trades were settled during the third quarter of 2018. The average daily cash volume settled up until September corresponding to these operations reached €78.4 billion.

The result of this combination of revenue and expense is an EBITDA of €10,759 thousand for the unit during the third quarter of 2018, increasing the total for the nine months of the year to date to €32,912 thousand. These figures represent a fall of 10.9% and 11.6% respectively for the same periods of 2017.

| Bolsas y Mercados Españoles<br>(Settlement Business Unit Income) (Th.Eur.) | 3Q18    | 3Q17    | Δ      | 9M18     | 9M17     | Δ      |
|--|---------|---------|--------|----------|----------|--------|
| Net Revenues   | 14,544  | 16,217  | -10.3% | 44,492   | 49,062   | -9.3%  |
| Settlement   | 2,307   | 4,206   | -45.1% | 7,357    | 13,902   | -47.1% |
| Registration   | 9,217   | 8,653   | 6.5%   | 27,627   | 24,935   | 10.8%  |
| Other services   | 3,020   | 3,358   | -10.1% | 9,508    | 10,225   | -7.0%  |
| Operating Costs  | (3,785) | (4,146) | -8.7%  | (11,580) | (11,823) | -2.1%  |
| EBITDA   | 10,759  | 12,071  | -10.9% | 32,912   | 37,239   | -11.6% |

| Bolsas y Mercados Españoles<br>(Settlement Business Unit Activity Overview) | 3Q18      | 3Q17      | Δ      | 9M18      | 9M17      | Δ      |
|---|-----------|-----------|--------|-----------|-----------|--------|
| Operations settled  | 2,219,130 | 2,692,305 | -17.6% | 6,870,462 | 8,515,794 | -19.3% |
| Turnover settled (€ Billion daily avg.)                                     |           |           |        | 78.4      | 172.4     | -54.5% |
| Volume registered - end of period- (€ Billion)                              |           |           |        | 2,329.7   | 2,294.8   | 1.5%   |
| Nominal Registered in Fixed Income  |           |           |        | 1,511.7   | 1,429.6   | 5.7%   |
| Market Cap registered in Equity   |           |           |        | 818.0     | 865.2     | -5.5%  |

## Market Data & VAS

The growth in revenue from Value Added Services and the growing performance of the services provided by the unit internationally, are two of the main characteristics that define the performance of the services provided by BME in this area of the business during the third quarter of 2018, and practically during the whole year up until September.

The total net revenues of the unit reached €49,662 thousand and €16,702 thousand for the year to date and the third quarter of 2018, respectively. These figures represent increases of 6.2% and 8.1% respectively compared to the same period in 2017.

In terms of EBITDA, the unit has recorded a growth of 8.0% for the quarter, to stand at €10,763 thousand and 5.7% for the year to September, totalling €31,748 thousand.

The Value Added Services segment has gained prominence within the unit, reaching a relative weight of 39.8% at the close of September 2018, up four points year-on-year. The net revenue corresponding to the provision of these services has increased 22.3% during the quarter compared to that of 2017, and by 18.6% for the year up until September.

Turning to the scope of Value Added Services, of particular note during the quarter has been the positive performance of trading terminals as a result of the acquisition of the algorithmic trading module. Similarly, the number of order and execution feeds (FOE) resulting from the nanodriver application (ultra-low latency direct market access) and the international routing have increased compared to the same period in 2017.

Turning to the Transaction Cost Analysis (TCA) services for the preparation of reports analysing the destination and quality of the execution of orders by brokers, in compliance with the provisions set forth in the MiFID regulation, these are registering a positive acceptance in the subscription by new clients.

During the third quarter of 2018, the Colombian Stock Exchange launched the trading and order management platform (OMS) by BME Inntech for the authorisation and implementation of trading strategies on the Colombian fixed income securities market, as part of the project for the implementation of a comprehensive routing and order management solution.

With regard to the IRS Colombia project, the implementation works continue so that the Colombian Central Counterparty Clearinghouse can clear and settle instruments such as IRS (Interest Rate Swaps) and CCS (Cross Currency Swaps).

In information services and the range of real-time products, the total number of end users at the close of the third quarter fell by 2.9% compared to September 2017. During the quarter, the client base grew for both "Real-Time" products and those defined as "End of Day".

With regard to End of Day, the third quarter saw the completion of the works to launch the extended version of the Public Debt daily bulletin, which includes the price and IRR of the debt issues of the State and of the Autonomous Communities. This bulletin is now available in production for BME Market Data clients that request it.

| Bolsas y Mercados Españoles<br>(Information Business Unit Income) (Th.Eur.) | 3Q18    | 3Q17*   | Δ     | 9M18     | 9M17*    | Δ     |
|---|---------|---------|-------|----------|----------|-------|
| Net Revenues  | 16,702  | 15,451  | 8.1%  | 49,662   | 46,749   | 6.2%  |
| Primary Source information services   | 9,938   | 9,919   | 0.2%  | 29,899   | 30,087   | -0.6% |
| Value Added services  | 6,764   | 5,532   | 22.3% | 19,763   | 16,662   | 18.6% |
| Operating Costs   | (5,939) | (5,488) | 8.2%  | (17,914) | (16,700) | 7.3%  |
| EBITDA  | 10,763  | 9,963   | 8.0%  | 31,748   | 30,049   | 5.7%  |

(\*) Correspond to proforma data as indicated on page 12.