



Corporate
Presentation
January 2021

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1. CEO's message



Dear friend:

I am pleased to introduce **BME's Corporate Presentation**, which contains the company's main figures.

We have prepared this document so that you can quickly and easily find the most relevant information about the company, with data updated to December 2020.

We begin with a brief introduction to the Group and its subsidiaries and then go on to show you the main business highlights. We then run through the different business units in which our activity is structured in greater detail, followed by the products and services we offer, as well as some information on our workforce. The presentation ends with a brief look back over the 130-year history of the stock exchange.

I hope you find this document useful.

Best regards,

Javier Hernani
CEO of BME

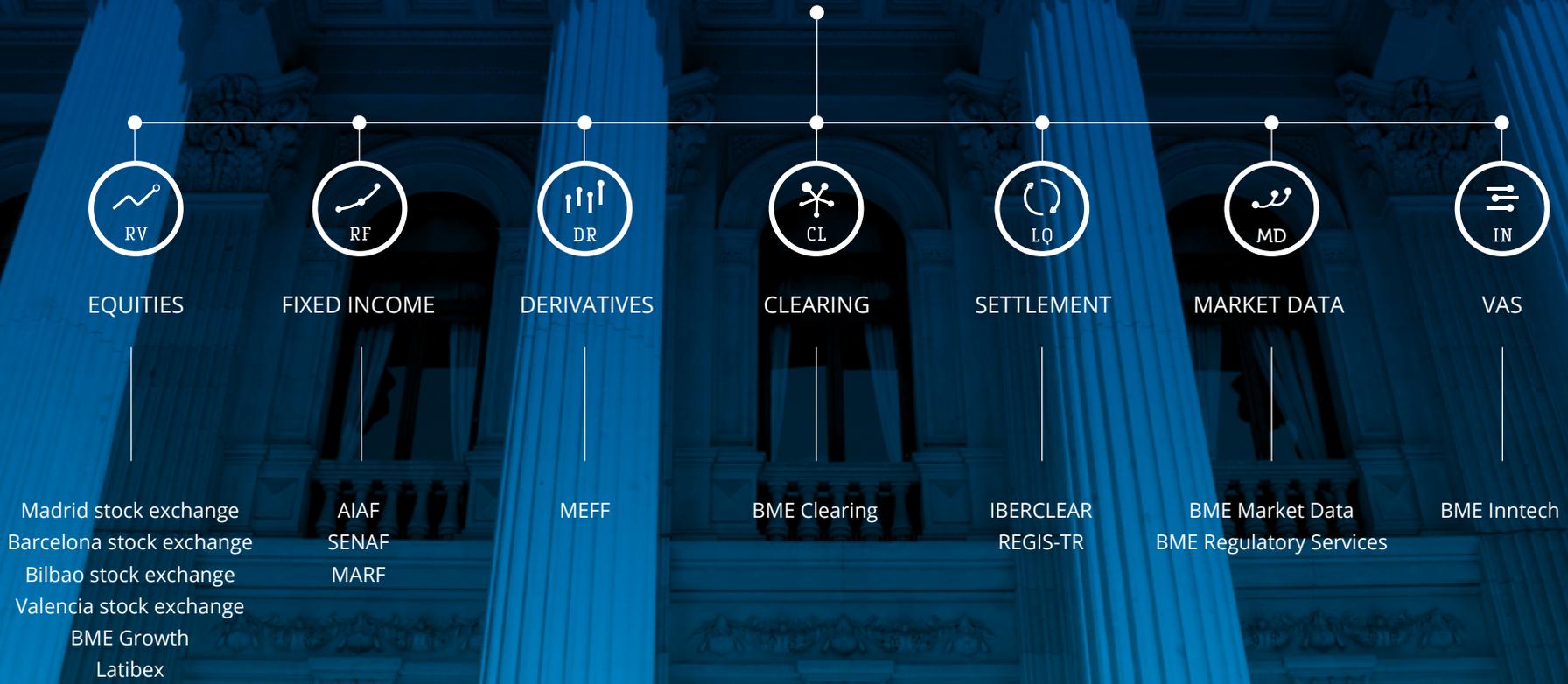
2. Presentation about BME

Bolsas y Mercados Españoles (BME), is the operator of all stock markets and financial systems in Spain. It was incorporated in 2001, and is part of SIX Group, the third largest exchange group in Europe.

The company has offices in Barcelona, Bilbao, Madrid and Valencia. Its headquarters are located at 1 Plaza de la Lealtad, in Madrid.

BME is structured into the following business units: Equities, Fixed Income, Derivatives, Clearing, Settlement, Market Data and Value Added Services.

Business Units



Our vision of management and principles

BME gears its management towards obtaining an optimal performance from all the assets at its disposal in a responsible and sustainable manner. As operator of Spain's financial markets and systems, BME provides a channel

through which savings can be used to finance companies, while endeavouring to offer maximum speed, reliability, transparency, efficiency and security to the markets and systems it manages.

Since its incorporation, BME has always been committed to being a reference for the economy and for businesses in Spain and Latin America (through Latibex). To achieve this, its actions are guided by the following principles:



1

Efficiency in service provision.

2

Market **integrity**, which allows several centres to undertake trading activity simultaneously and under identical conditions.

3

An **impartial trading** environment, achieved through strict compliance with laws and regulations governing the financial markets and systems.

4

Transparency and **fairness** in the market, by providing complete information on market performance so investors, can operate under the same conditions.

5

Innovation and cutting-edge **technology**, by providing the means necessary to help companies grow and actively participate in the creation of new financial products and the development of systems infrastructure.

6

Training, as a cornerstone for the sustainable development of a financial market.

7

Investor protection, which is crucial for creating a bond of trust between investors and the market.

Committed to our stakeholders



EMPLOYEES

13.1 hours/employee. Ratio of training hours received per employee.



SUPPLIERS

90.42% of BME's suppliers are local.



USERS

Leading **Exchange in Dividend Yield 4.5%** for listed companies in 2019 (according to MSCI's Developed Markets classification).

BME, a socially responsible company



Economic value generated:
287,106 thousand euros
(-6.91% vs 2018)



Internal energy consumption
(electricity and natural gas):
33,506.54 GJ
(2.08% vs 2018)



Indirect greenhouse gas emissions
(associated with electricity consumption,
train and airplane business trips and
employee journeys to the office in private
vehicles):
2,752.50 CO2 tons
(-12.08% vs 2018)



SOCIAL



Economic value distributed to
stakeholders:
285,008 thousand euros
(-8.67 vs 2018)



13.1 hours/employee.
Ratio of training hours
received per employee.

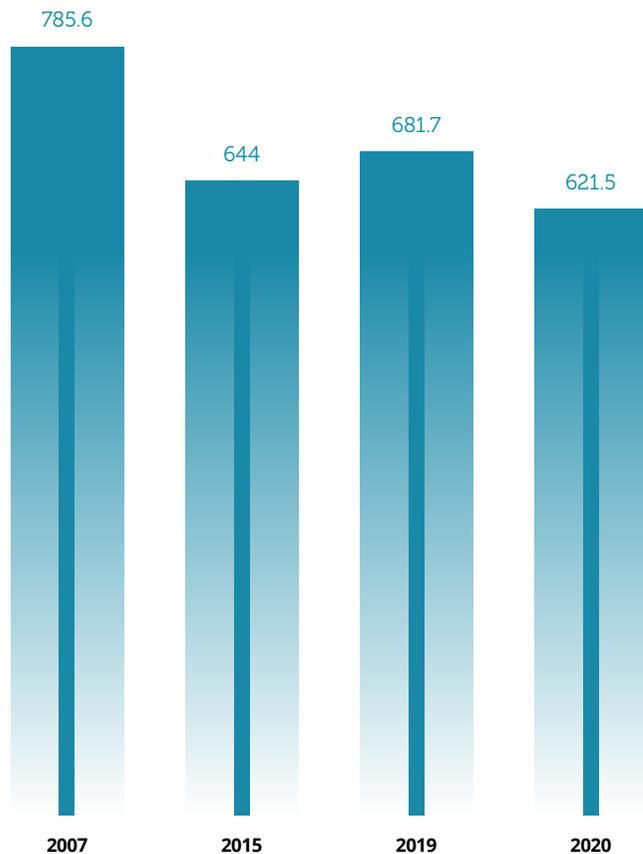
✓ Each action performed by BME contains a
commitment to the markets and to society

3. BME in figures: highlights

Equities

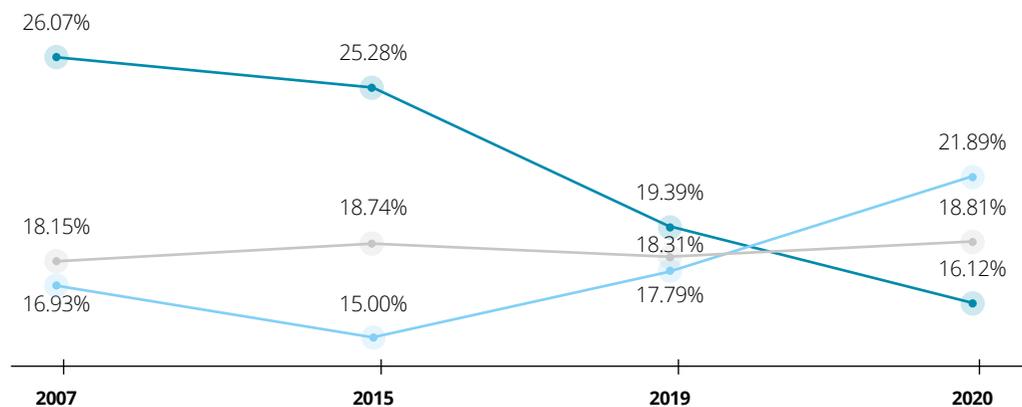
Domestic Capitalisation

(billion euros)

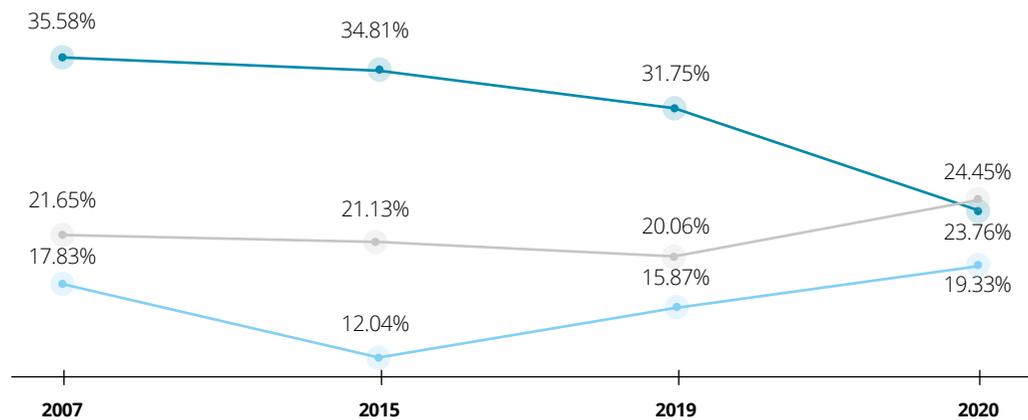


Weight by capitalisation by sector

Utilities (Electricity and Gas) Banking Technology, Media and Telecommunications (TMTs)



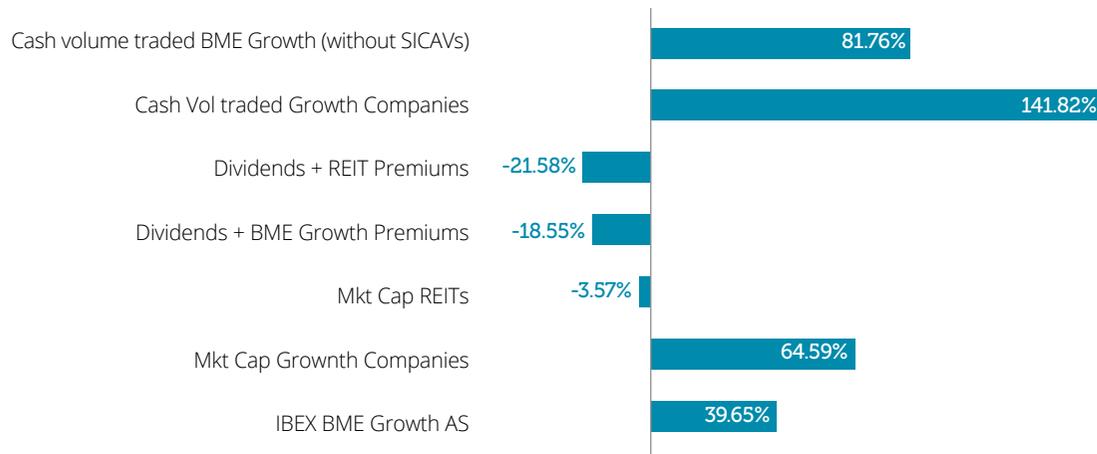
Weight by cash volume traded by sector



BME Growth: a refuge of growth in times of crises

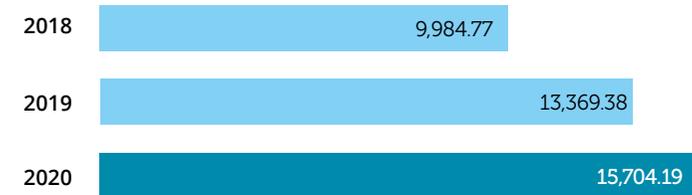
Yearly change in relation to aggregated data for Growth Companies and REITs

As at 31 Dec. 2020



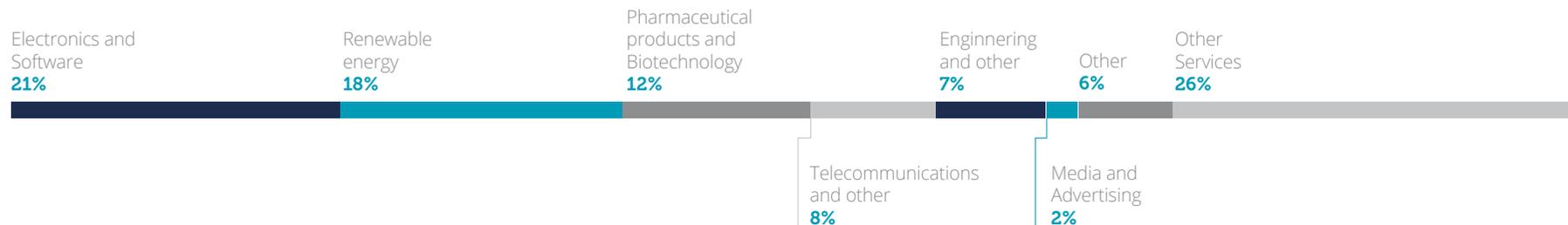
Capital increases in BME

Value in millions of €.



Sectoral composition of BME Growth

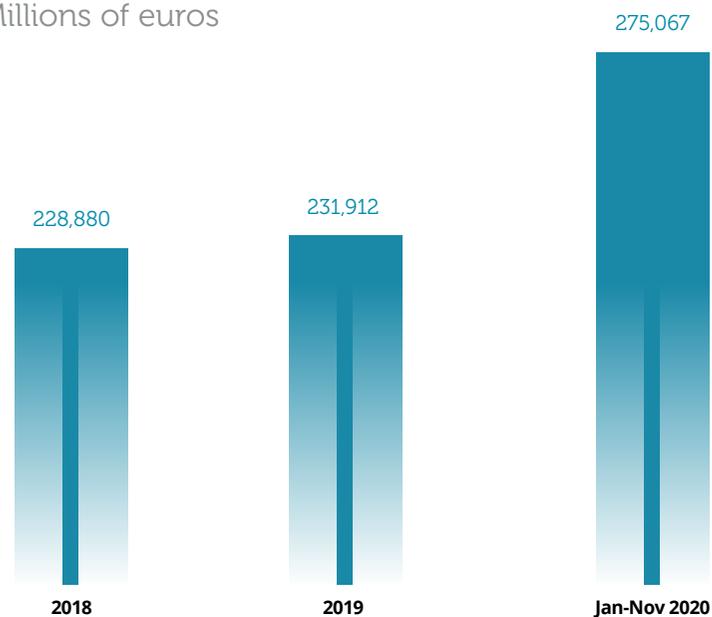
(without REITs)



FIXED INCOME:

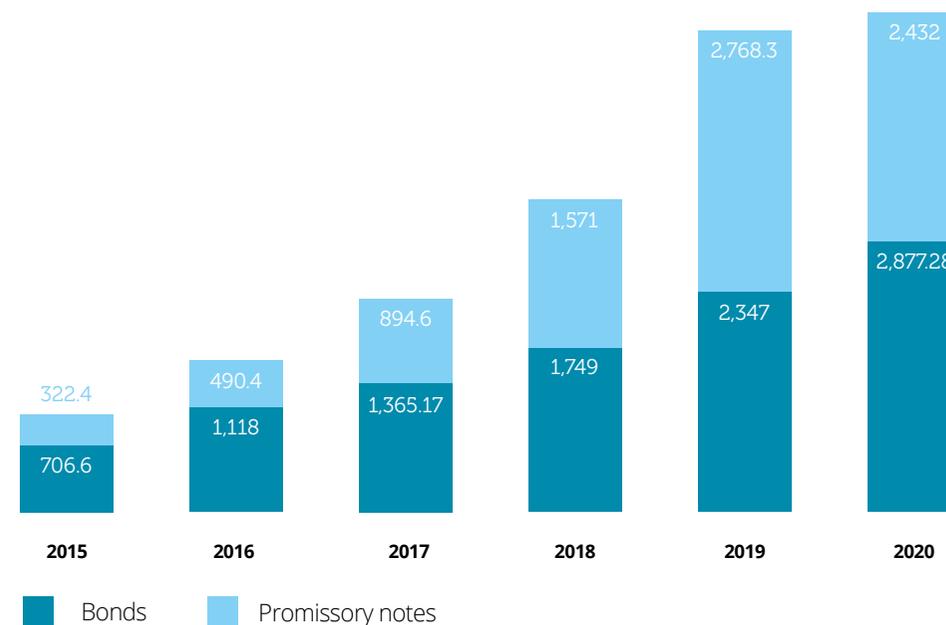
Regulated Fixed Income Market Volume issued and admitted of Spanish Public Debt (2018-2020)

Millions of euros



Alternative Fixed Income Market (MARF) Outstanding balance at end of period (2015-2020)

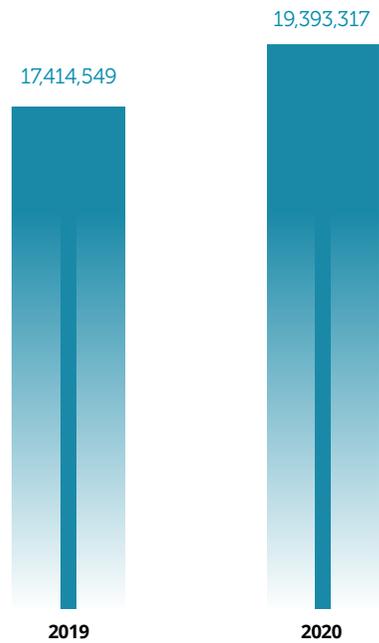
Millions of euros



DERIVATIVES:

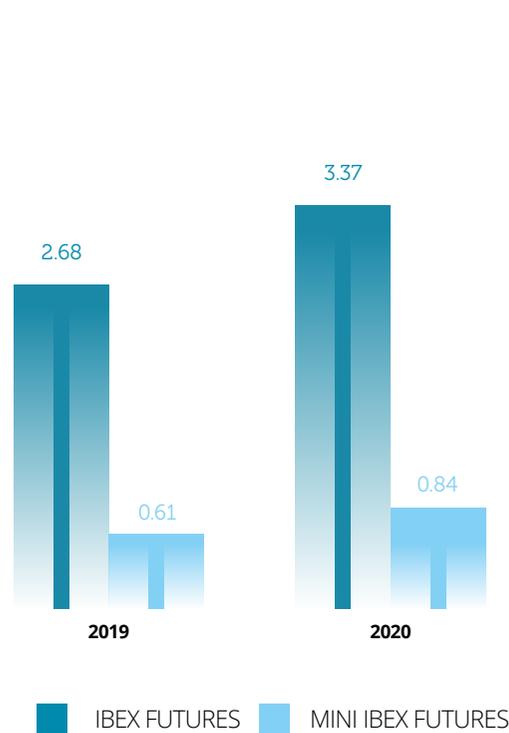
Volume traded in stock options.

Number of contracts traded on MEFF

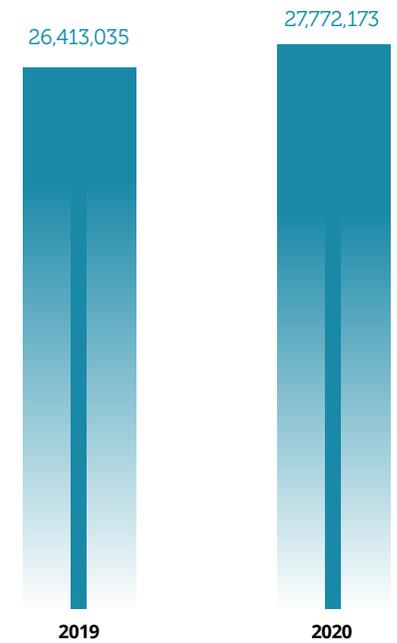


Number of trades in IBEX futures and mini futures

Figures in millions of trades



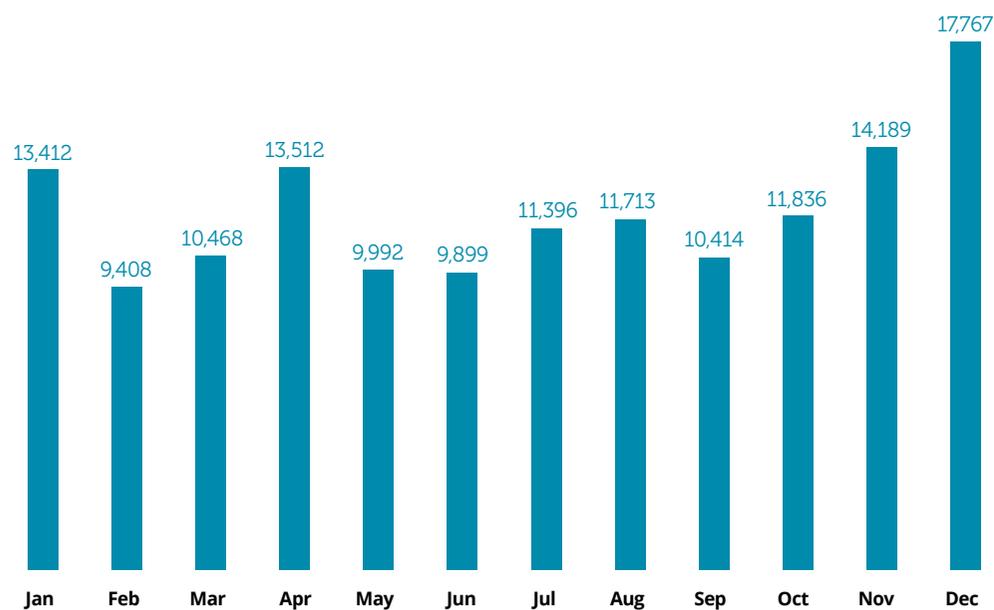
Volume in MWh of energy derivatives contracts traded



CLEARING:

Outstanding repos balance 2020

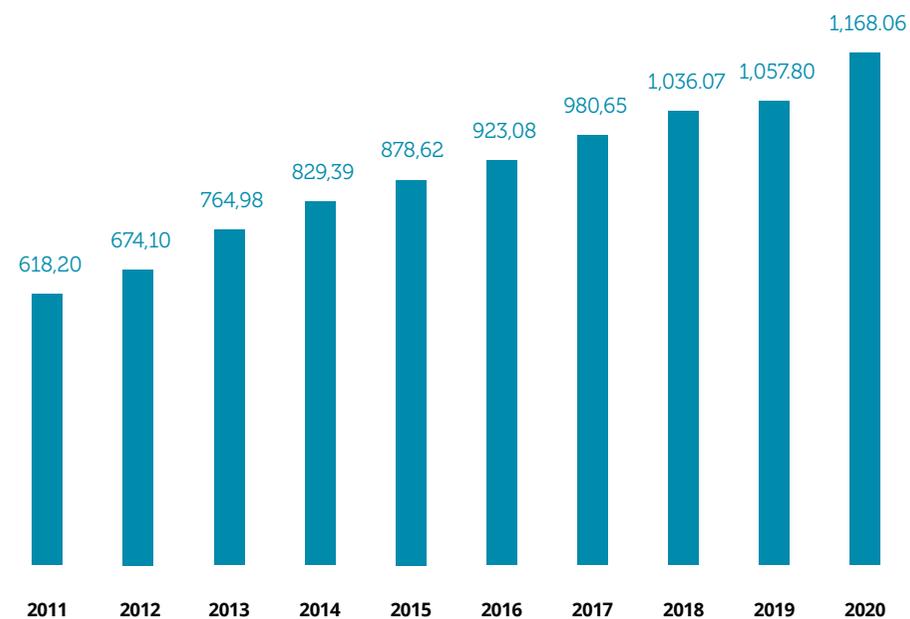
Outstanding (moving average of the last 10 days)
in millions of euros



SETTLEMENT AND REGISTRATION:

Nominal balance of Public Debt

Thousands of millions of euros



4. Business Units and subsidiaries

BME is a **highly technological company** with a **highly skilled workforce**. It has the know-how and resources necessary to offer a wide range of services, products and advanced trading and global market access systems to issuers, intermediaries and investors.

BME is the repository of a long tradition of financial culture and best practice as well as the trust placed in it by millions of Spanish and foreign investors. The Spanish stock exchanges, markets and financial systems all make a dynamic and modern company thanks to its capacity to anticipate changes, its innovation and responsibility, all of which have **strengthened its financial solvency** and allowed the company to boast a solid international presence, especially in Latin America.

The BME Group is made up of the following companies:

Stock Exchange governing companies:



Madrid

Barcelona

Bilbao

Valencia

Sociedad de Bolsas:

Which manages and operates the Spanish electronic trading platform (SIBE).

www.bolsamadrid.es

www.borsabcn.es

www.bolsabilbao.es

www.bolsavalencia.es

www.bmerv.es

The BME Group is made up of the following companies:

BME Sistemas de Negociación:

The governing company of the following multi-lateral trading systems:

BME Growth

BME Growth.

www.bmegrowth.es

The logo for LATIBEX features a stylized map of Latin America in blue and grey, with the word "LATIBEX" in a bold, sans-serif font to its right.

Latibex

www.latibex.com

MEFF

**MEFF Sociedad Rectora
del Mercado de Productos
Derivados**

www.meff.com

BME Renta Fija

AIAF Mercado de Renta Fija:
Manages the activity of buying and selling variety of existing fixed income assets due to the large number of markets and the lack of standardization in this type of products.

www.bmerf.es

The BME Group is made up of the following companies:



BME Clearing:

Which acts as the central counterparty entity for derivatives traded on the official secondary derivatives market (MEFF), public debt repos, electricity derivatives.

www.bmeclearing.es



Iberclear:

Spain's central securities depository. It also manages the National Registry of Greenhouse Gas Emission Rights (RENADE).

www.iberclear.es



REGIS-TR:

Which is 50% owned by Iberclear and Clearstream Banking Luxembourg, S.A. This company acts as a trade repository for derivatives.

www.regis-tr.com



Market Data:

Which specialises in handling, generating and selling information from the Group's various regulated markets and multilateral trading facilities (MTFs).

www.bmemarketdata.es

The BME Group is made up of the following companies:



BME Inntech:

BME Inntech provides solutions and services across the whole value chain, offering its current and future clients the best compliance and technical solutions.

www.bmeinntech.es/esp/Home



Instituto BME:

Is BME's training centre, whose activities are focussed on organising a range of educational services linked to financial markets.

www.institutobme.es



BME Regulatory Services:

BME Regulatory Services will enable a single-access point for the provision of compliance services currently offered by BME Group and those developed from the new legislation.

www.bolsasymercados.es/Regulatory-Services/esp/Home

5. Products and services

This table contains our business areas and the main products and services provided by each of them.

Users 	Products and Services 	Through: 	BME Business Areas and Training 
<ul style="list-style-type: none"> Companies, issuers. Market members (investment services companies and credit institutions) and, through them, companies and private and institutional investors. 	<ul style="list-style-type: none"> Trading in shares of Spanish, European and Latin American companies, shares and units of SICAVs, venture capital firms, hedge funds, REITs, ETFs, warrants, certificates and other products. Calculation of indices (IBEX, stock markets). 	<ul style="list-style-type: none"> Madrid, Barcelona, Bilbao and Valencia stock exchanges, Sociedad de Bolsas, BME Growth, LATIBEX, Pre-Market Environment 	Equities
<ul style="list-style-type: none"> Issuers of Fixed Income securities. Market members (investment services companies and credit institutions) and, through them, companies and private and institutional investors. 	<ul style="list-style-type: none"> Public debt (treasury bills, government bonds and debentures). Private fixed-income (commercial paper, bonds, debentures, covered and regional bonds, MBS & ABS). 	<ul style="list-style-type: none"> AIAF, SENAF, SEND, MARF 	Fixed-Income
<ul style="list-style-type: none"> Members of MEFF and, through the market members, private and institutional investors. 	<ul style="list-style-type: none"> Options and futures on stocks and indices, 10-year bonds; dividends; sector futures. Registration of electricity market derivatives. Forex (xRolling) 	<ul style="list-style-type: none"> MEFF 	Derivatives
<ul style="list-style-type: none"> Members of BME Clearing. 	<ul style="list-style-type: none"> Clearing, central counterparty activities for equities, derivatives, public debt repos, equities, interest rate derivatives and electricity derivatives. Forex (xRolling) 	<ul style="list-style-type: none"> BME Clearing 	Clearing
<ul style="list-style-type: none"> Iberclear members. RENADE participants. Companies emitting CO₂. REGIS-TR clients. 	<ul style="list-style-type: none"> Accounting and settlement of all securities admitted for trading on Spanish stock exchanges, SENAF, AIAF, MARF, BME Growth and LATIBEX. Registration of CO₂ emission allowances. Register for OTC derivative trades and Remit RRM. 	<ul style="list-style-type: none"> IBERCLEAR RENADE REGIS-TR 	Registration and Settlement

Users 	Products and Services 	Through: 	BME Business Areas and Training 
<ul style="list-style-type: none"> • Large data vendors. • Online brokers. • Specialised Internet portals (ESIs and credit entities). 	<ul style="list-style-type: none"> • Primary sources of information. • Primary data flow services. • Dissemination of material information. 	<ul style="list-style-type: none"> • BME Market Data 	Market Data
<ul style="list-style-type: none"> • Professional and private segment. 	<ul style="list-style-type: none"> • Collection and processing of primary sources of information. 	<ul style="list-style-type: none"> • BME Inntech 	
<ul style="list-style-type: none"> • Data vendors. 	<ul style="list-style-type: none"> • Index user licence. 	<ul style="list-style-type: none"> • BME Market Data 	
<ul style="list-style-type: none"> • Financial Intermediaries. 	<ul style="list-style-type: none"> • Transaction Cost Analysis (TCA). 	<ul style="list-style-type: none"> • BME Inntech 	
<ul style="list-style-type: none"> • Private and institutional investors. • Order gatherers. 	<ul style="list-style-type: none"> • Development and operation of financial market access systems. 	<ul style="list-style-type: none"> • BME Inntech 	VAS
<ul style="list-style-type: none"> • Financial markets. • Regulated government agencies and financial institutions. • Large companies, financial entities, SMEs, and users of financial entities. 	<ul style="list-style-type: none"> • Strategic advisory services for financial markets. • Technological advisory services. • Business continuity. • Financial communication. • Management software for financial institutions. • Supplier of trust services 	<ul style="list-style-type: none"> • BME Inntech 	
<ul style="list-style-type: none"> • Financial entities. 	<ul style="list-style-type: none"> • Technological solutions for financial advisory and portfolio management. 	<ul style="list-style-type: none"> • Openfinance 	
<ul style="list-style-type: none"> • Financial sector professionals and from regulatory bodies, private investors, students, etc. • The media. • Police. Judges and Magistrates. 	<ul style="list-style-type: none"> • Training programmes. • Tailored programmes. • FIA accreditation. • Cooperation with other institutions. • Training for BME shareholders. 	<ul style="list-style-type: none"> • Instituto BME • Madrid, Barcelona, Bilbao and Valencia stock exchanges 	Training

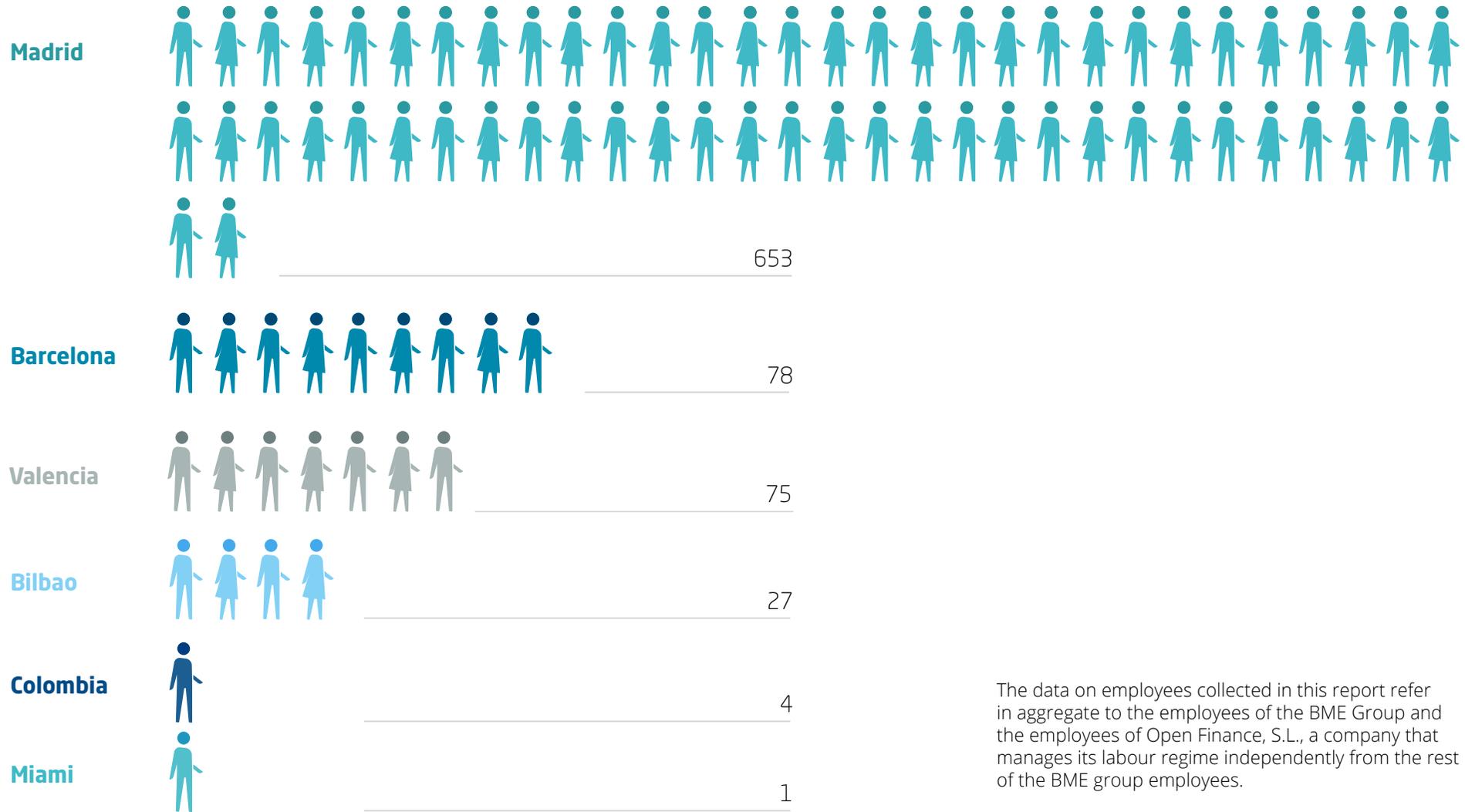
6. Staff

Data at 31 December 2020

BME's staff is made up of **838 employees**, who are the **Company's number-one asset**.

The majority of employees work in the Madrid offices, Barcelona being the office with the highest number of employees after Madrid.

Employees by geographical area



The data on employees collected in this report refer in aggregate to the employees of the BME Group and the employees of Open Finance, S.L., a company that manages its labour regime independently from the rest of the BME group employees.

7. History of The Stock Exchange

History of The Stock Exchange

FOURTEENTH CENTURY

This is the century in Spanish history that saw the construction of the Lonjas or commodity exchanges, which were meeting places where markets for grain, wool and silk were set up, a very common practice in the Mediterranean culture.

Some of the buildings housing these markets have survived, such

as those in Palma de Majorca, Zaragoza, Valencia and Barcelona.

Historically, these Lonjas are considered to be the institutions that most closely resemble **the Spanish stock exchange**, both in their essence and in their operations, although the stock exchange, strictly speaking, was born in Bruges and Amsterdam.

The first “Juros Reales” also appeared in the same century. These are considered to be the first securities. The “juros” were government bonds issued in guarantee of a debt or loan, and were usually requested by the King.

SEVENTEENTH CENTURY

1688

In 1688, the first book describing **stock transactions** is published, entitled “**Confusión de Confusiones**” [Confusion of Confusions], written by the Spaniard **José de la Vega** in Amsterdam.

According to the author, the book is about “*Curious dialogues between a shrewd philosopher,*

a cautious merchant and an erudite investor, describing the business of dealing in stocks, its origin, etymology, its reality, its game and its intricacy.”

NINETEENTH CENTURY

1809 / 1831

Spain’s first stock exchange was established in 1809. Joseph Bonaparte I created it in Madrid, in the building of the San Felipe El Real Convent and Church in the Puerta del Sol. In spite of this, a stock exchange was not to be set up at that time.

The **stock exchange** in Spain begins on **10 September 1831** with the publication

21 July is the date of the foundation of the Bolsa General de Comercio de Bilbao.

1890

of the **Law Founding the Madrid Stock Exchange** drafted by **Pedro Sáinz de Andino**.

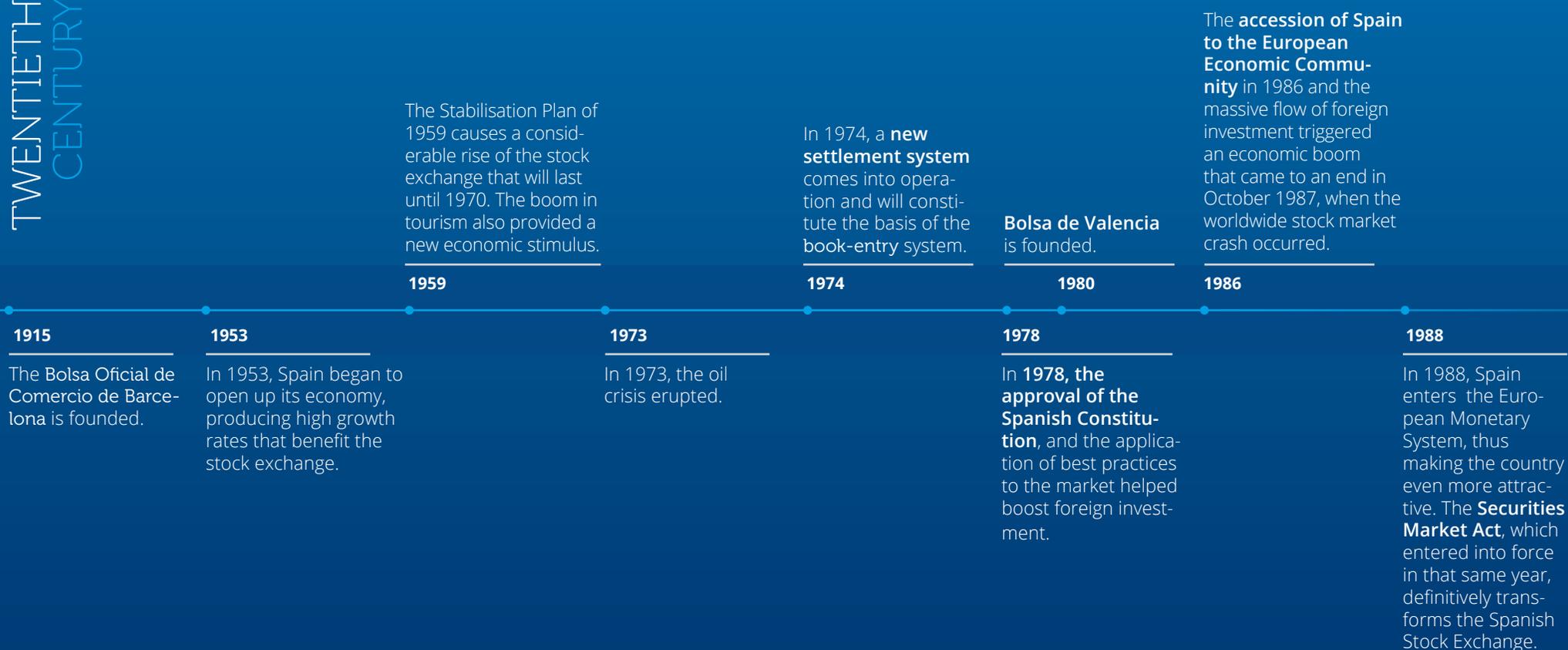
The King **Fernando VII** founded the **Madrid Stock Exchange in 1831**.

Its first trading session took place on 20 October.

The first companies to be listed were banks, railways and steel companies.

History of The Stock Exchange

TWENTIETH
CENTURY



History of The Stock Exchange

TWENTIETH
CENTURY

1989

In 1989, the **continuous market commences operations**. It is based on that of Toronto, which is called "CATS" (Toronto Computer Assisted Trading System). It started by trading seven major stocks and ended the year with 51. The following institutions were also established in that year: the **Spanish Securities Market Commission**,

better known by its Spanish acronym: CNMV, as the supervisory body of markets, the **Sociedad de Bolsas**, which is responsible for the technical management of the electronic trading system. The dealers and broker-dealers are replaced by Governing Companies that are incorporated as public limited companies.

1991

MEFF is created as an equity and fixed income derivatives market. The **Fixed Income Electronic Trading System** was implemented and the **Investor's Ombudsman of the Madrid Stock Exchange** was established.

1992

The new **Clearing and Settlement Service** commences operations in 1992. The new **book-entry settlement system** is instituted.

1995

The CATS share trading system was replaced, in 1995, by the **SIBE**. Spectacular growth is seen in trading volumes and capitalisation.

1998

Nearly 8 million Spaniards invested in the Stock Exchange in 1998. The Stock Exchange becomes a social phenomenon driven by economic growth, the process of **privatisations, initial public offerings** and the modernisation of the market.

1999

The **Latin American Securities Market in Euros (LATIBEX)** was born in 1999.

History of The Stock Exchange

TWENTY-FIRST
CENTURY

2001

Began tragically. The terrorist attacks of 11 September 2001 put to the test stock exchanges' strength. Following the shock and initial uncertainty, the recovery reveals the maturity and liquidity of the market and the confidence of investors.

The same **year of 2001** saw the creation of "**Bolsas y Mercados Españoles**", a **company that combines in a single group secondary markets and systems of registration, clearing and settlement of securities**. Its size enables it to play a key role in the configuration of the European stock exchange map.

2003

In July 2003, the **Transparency law** was approved. Aimed at strengthening the transparency of listed companies, it sets out new reporting requirements and the obligation of adopting a set of mechanisms relating to corporate governance.

2004

In **2004**, and in spite of uncertainty about the world economic recovery, the upward swing in oil prices and the weakness of the dollar against the euro, the stock exchanges regained the levels seen prior to the attacks of 11 September 2001. By the end of the year, the Spanish stock exchange trebles the rise of

European stock exchanges. The IBEX 35 went above 9,000 points. **The Spanish stock exchange becomes a European leader in terms of financing**. The new investment flows channeled by the Spanish stock exchange amounted to 39.5 billion dollars, becoming the **second ranked in the world**, behind only the New York Stock Exchange.

2006

On its **175th anniversary**, the Spanish stock exchange closed **2006** with the best and most outstanding year of its history. The IBEX 35® beats its historic high and breaks the barrier

of 14,000 points. It also set a record in corporate operations of expansion, mergers and acquisitions, takeovers, and with 10 IPOs of new companies.

The **MAB market** is created by BME to

provide a response for securities that require special treatment as small caps, SICAVs, venture capital firms and hedge funds.

JULY 2006

In July, the first **Exchange-Traded Funds (ETFs)** begin to be listed in the Spanish stock exchange with the addition of the first products on the IBEX 35, followed a few months later by ETFs on the EuroStoxx 50.

In the same month of **2006**, BME attained one of the most important objectives set out in its incorporation as an integrated group of all Spanish markets: **its IPO on the stock exchange**.

History of The Stock Exchange

TWENTY-FIRST CENTURY

2008 is the year of the crisis. The stock exchanges began to be affected ever more intensely by the effects of the financial crisis on world economic activity and on listed companies,

in particular. Falling share prices were supplemented by a massive increase in the volatility of world stock exchanges to the highest levels in twenty years.

2008

2007

In **2007, the MiFID, or the Markets in Financial Instruments Directive**, entered into force. For the Spanish securities market, the transposition of the EU Directive to Spanish law took the form of the Securities Market Reform Law, which contains significant changes in the organisation and execution of tasks associated to

each of the actors involved in the value chain of the stock exchanges and financial markets in general. The main objectives of the new law were as follows: modernisation of the securities market, strengthening of investor protection and the improvement of supervisory powers.

2009

In 2009, BME commenced securities trading with more than two decimals with the shares of Jazztel, which becomes the first company listed in the Spanish stock exchange that is traded under this modality. The reasons are based on the large number of buy and sell orders in listed

Spanish securities, which include the most highly liquid shares in Europe, and with the intention of strengthening the Spanish stock market.

BME carries out the operating initiatives in order to boost the solvency and efficiency of its trading platforms. In this regard, one

of the most significant actions in 2009 was the transfer of equities that were being traded in open outcry pits on the trading floor to a new electronic trading floor, with the aim of strengthening their liquidity, increasing their transparency and improving their accessibility.

In April of the same

year, BME expanded the series of the IBEX 35® indices and created new tradable indices, all based on the IBEX 35®. The indices, called IBEX 35® net return, IBEX 35® double short, IBEX 35® triple short, IBEX 35® double leverage and IBEX 35® triple leverage, began to be calculated and disseminated in real time.

History of The Stock Exchange

TWENTY-FIRST
CENTURY

In 2011, the stock exchange turned 180. On 20 October 1831, the first session of the stock exchange in Spain was held, making it one of the oldest and most consolidated economic institutions in the country. Its birth was

the prelude, some decades later, of a majority of today's economic and financial institutions. Over this long historical period, a market has developed that today trades, on average, more than 4 billion euros per session, and which

lists more than 3,000 securities, with a capitalisation of nearly 1 trillion euros. The Spanish stock exchange had its fourth best year in 2011 in terms of investment flows channeled by the market.

2011

2010

The harshness of the crisis moved from the financial sector to sovereign debt in 2010, and it concentrated mainly on countries with a more critical fiscal position, which destabilised the value of the euro. After Greece and Ireland, the question of confidence in Spain and the risk premium took centre stage. The stock exchange fulfilled its role in valuating and channeling funds for business projects. During that

year, initial public offerings in the stock exchange amounted to 13.7 billion euros and listed companies increased their capital by 12.5 billion, which was 27% more than in 2009.

REGIS-TR, the European Trade Repository owned by BME and Clearstream (Deutsche Börse Group) starts operations. It is the answer to demands from the regulators for more transparency in the OTC derivatives market.

2013

BME became, in 2013, the fourth-ranked stock exchange in the world in terms of investment flows.

The trading quality of Spanish securities once again received international recognition, as Santander, Telefónica and BBVA were the most highly liquid securities on the EuroStoxx 50 in 2013.

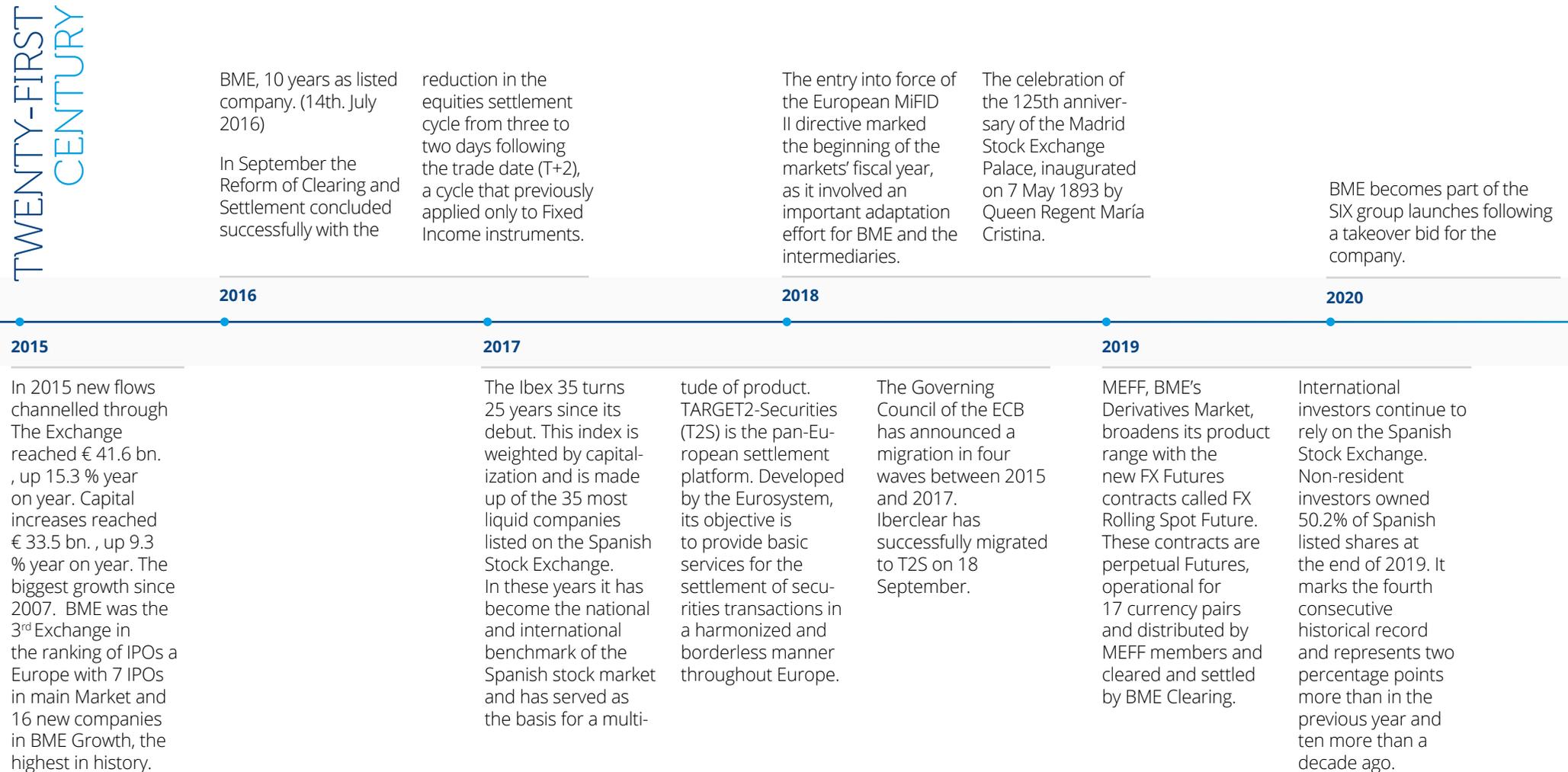
The **Mercado Alternativo de Renta Fija (MARF)** starts operations. It is an initiative aimed at channelling financial resources to a large number of solvent companies that can obtain financing using this market on the issuance of fixed-income securities

2014

The year **2014 marked a historic high in the number of trades**, with the largest number of initial offerings in the last four years. The indicators confirmed the exit from the recession, while the stock exchange achieved records in a number of areas of activity. The Spanish stock market ended 2014 among the world's largest, with a capitalisation of 1.1 trillion euros.

History of The Stock Exchange

TWENTY-FIRST
CENTURY





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