

A 3D grid of blue cubes, with a diagonal path of white cubes starting from the top-left and moving towards the bottom-right. The cubes are arranged in a staggered pattern, creating a sense of depth and perspective. The lighting is soft, highlighting the edges and surfaces of the cubes.

04

*BUSINESS  
AREAS*

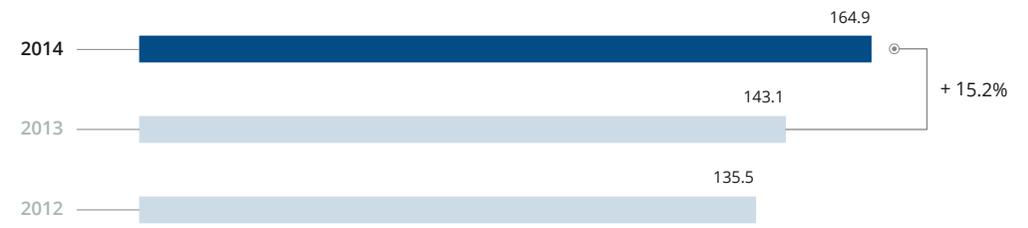


*The Spanish securities markets performed positively in 2014, with record highs in trading, liquidity and financing. The markets proved that they could attract financing and have the necessary experience and technology to meet the growing trading volumes.*

The trend that began in the second half of 2013, when equities started to soar in investors' portfolio, was consolidated in 2014. During the year, BME continued with its business diversification strategy, by taking advantage of the opportunities from the new market regulations, and with its cost adjustment efforts.

In 2014, the BME group obtained a net profit of €164.9 million, which is 15.2% higher than in 2013 and the best result since 2008.

**Net profit in 2014** (Millions of euros)





The 2014 earnings continue to show the company's constant evolution and adaptation to the new circumstances, implementing improvements throughout the Group companies.

As a result of seeking business diversification, the cost coverage ratio with revenue not linked to volumes for 2014 stood at 112% of BME's cost base, evidencing the company's strategy, which always focuses on reinforcing alternative revenue sources with the aim of protecting itself from adverse market circumstances and obtaining maximum profitability in favourable situations.

One of the basic features is the company's prudent resource management, which can be seen in the efficiency ratio that measures the percentage of costs incurred by each revenue unit, which stood at 40.9% at 2014 year-end, i.e. 17.9 percentage points below the worldwide average for the sector.

The Group's ROE (return on equity) continued to perform favourably: it reached 30.2% in 2014, i.e. 17 points higher than the worldwide average for the sector.

In 2014, BME continued with its commitment to different initiatives that will enable the Spanish stock exchange to contribute to the development of the securities markets and provide access to financing. During the year, the company expanded the range of services to clients, such as co-location, e-data and customised feeds, it implemented BME Clearing and it created new products indexed to IBEX®, such as leveraged and inverse products, with dividends and net dividends. Moreover, in the fourth quarter of 2014, REGIS-TR® requested authorisation from the EU Agency for the Cooperation of Energy Regulators to operate as a Registered Reporting Mechanism.

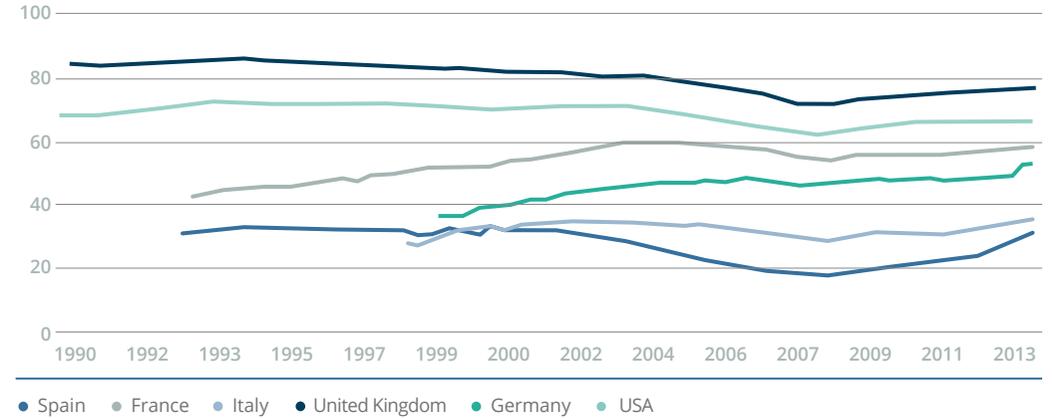
Products and services implemented (2013-2014)	Projects underway (2015-2016)
<ul style="list-style-type: none"><li>• Regis TR®</li><li>• Placement services</li><li>• BME Clearing</li><li>• E-data services and customised feeds</li><li>• Public debt through the SEND platform</li><li>• REITs</li><li>• MARF (alternative fixed income market)</li><li>• Products indexed to IBEX®: leveraged and inverse products, capped, with dividends and net dividends</li></ul>	<ul style="list-style-type: none"><li>• Equities clearing</li><li>• BME Securities Solutions</li><li>• Collateral management</li><li>• Interest rate swaps clearing</li><li>• Fund platform</li><li>• Relevant Facts feed</li></ul>



**BME: Positive drivers for a favourable business environment**



**BME: Positive drivers – Structural change in financing**



Market (M) financing vs. bank (B) financing from non-financial institutions (1990 - 2013).

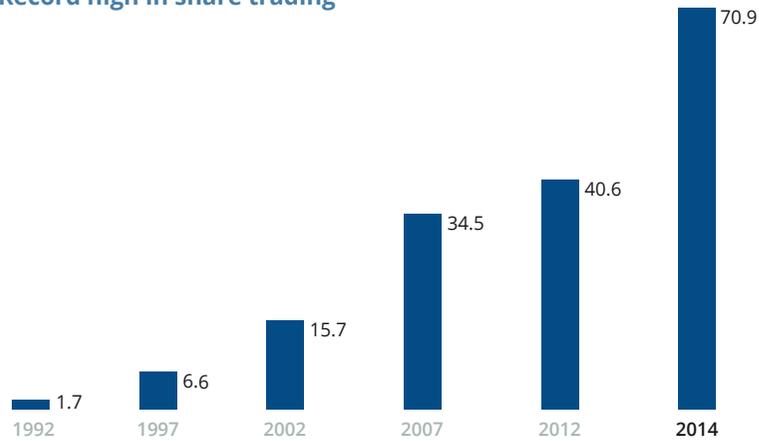


## Equities

The Equities business showed a clear recovery in volumes in 2014 with respect to previous years. The cash amount traded was 25.6% higher than in 2013.

The number of trades reached a record high in 2014, with 71.1 million, i.e. a 45.8% increase on the previous record set in 2013, confirming the interest shown by large investors and algorithmic traders in the Spanish market.

### Record high in share trading



● Transactions (in millions)

This business accounted for 46.3% of the total group revenue and 48.7% of its EBITDA. The profit increase was due to 18.3% growth in funds and a 0.7% decrease in costs. EBITDA finally amounted to €118.44 million (+26.2%) as a result of the difference between the €156.55 million earned and the €38.1 million spent.

RK	Company	12M/14 Cash amount (billions of euros)	Daily average for 12M/14 Cash amount (billions of euros)	Relative weighting in the Euro Stoxx50 (%) <sup>1)</sup>
1	Santander	163.6	0.64	4.460%
2	UniCredit	138.1	0.55	1.660%
3	BBVA	129.4	0.51	2.720%
4	INTESA SANPAOLO	123.1	0.49	1.560%
5	Telefonica	116.6	0.46	2.470%
6	Eni	100.3	0.40	2.650%
7	TOTAL	100.1	0.39	6.220%
8	BNP PARIBAS	92.1	0.36	2.770%
9	SANOFI	92.0	0.36	4.640%
10	DAIMLER	89.7	0.36	3.330%
20	REPSOL YPF	63.9	0.25	0.900%
21	IBERDROLA	63.6	0.25	1.470%
27	INDITEX	53.6	0.21	1.180%

Source: Bloomberg.

1) Data at 31/12/14.

The Spanish blue chips are among the most liquid in the EMU



The IBEX 35 index rose for the second year running, by nearly 4% in 2014 and by 75% since the recession low thirty months ago. These profitability data have been considerably improved as a result of including the dividends in the index. Volatility remains low and capitalisation is approximately €1.1 trillion. The companies listed in Spain increased their value by €324 billion since mid-2012.

In general, the Spanish stock market activity in 2014 was characterised by stable share prices in a context of increased trading and financing, with low volatility.

There were two differentiated market price trends during the year. The indices soared in the first half but then started falling in the summer due mainly to the doubts about the economic and political situation worldwide. The IBEX 35 index rose by 12.82% in the first half and fell slightly below the 2013 year-end in mid-October, closing 2014 with an increase of nearly 4%.

The shares, which had soared in 2013, extended the increase in the first fortnight of January but then corrected suddenly in the second fortnight and closed the first quarter with an accumulated increase of 4.3%. The instability in some emerging economies and the uncertainty due to the political tensions between Russia and Ukraine heavily influenced the first quarter.

Nevertheless, as in the second half of 2013, the first quarter of 2014 was characterised by domestic equities markets dominated by the intense share buying, boosted by high market liquidity, investors' appetite for risk and the improved outlook for the Spanish economy. These positive factors continued in the second quarter, when the IBEX 35 reached its year peak: 11,187.80 points on 19 June, exceeding its previous high of over 11,000 points on 17 February 2011. The second quarter closed with a 5.6% increase.

In the third quarter, the markets had a differing performance due mainly to several events that had opposing effects. As a result of the euro zone's weak macroeconomic data and the geopolitical instability, share prices fell; conversely, because of the European Central Bank's further quantitative easing measures and the improved Spanish domestic economic indicators, the Spanish credit spread narrowed, thus boosting the share prices. Therefore, there were sudden increases and decreases, with a predominance of the latter. The IBEX 35 index fell 5% in the period to nearly 10,280 points, after reaching the year low of 9,669 points on 16 October.

## Financing

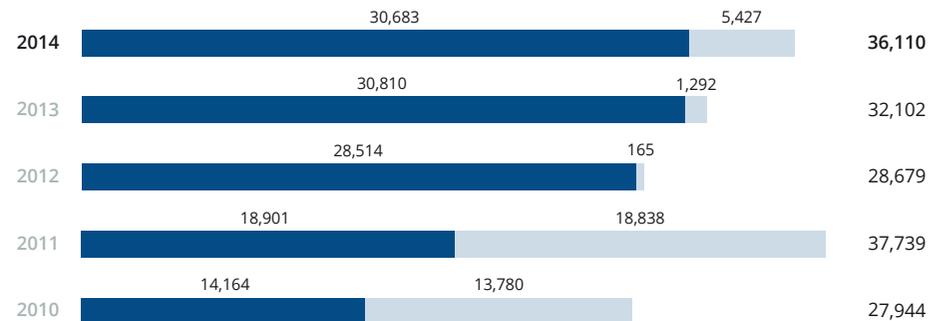
The Spanish stock exchange returned to a noteworthy position in the international scene due to the new financing flow towards companies, with €36.11 billion in 2014, maintaining a leading position in Europe. The public offerings were gradually reactivated in Spain and throughout the world. The volume and number of capital increases reached very high levels once again. The financing options for SMEs also increased and improved.

## Investment flows channelled by the stock markets: 2014 Ranking

		Billions of dollars
1	NYSE	178.37
2	Hong Kong Exchanges	120.68
3	London SE Group	71.73
4	Shenzhen SE	68.03
5	Shanghai SE	64.22
6	TMX Group	48.26
7	Australian SE	47.83
8	<b>BME Spanish Exchanges</b>	<b>47.37</b>
9	Euronext	46.61
10	Japan Exchange Group - Tokyo	26.25
11	NASDAQ OMX	22.80
12	Johannesburg SE	17.21

Source: WFE (World Federation of Exchanges).  
 Data at 23 January 2015

## Investment flows channelled through the stock market (Millions of euros)



● Capital Increases ● Listings

Source: FESE (Federation of European Stock Exchanges)



In 2014, the number of IPOs accelerated notably, with an intensity not seen in the last few years. The revitalisation of the initial and secondary public offerings taking place at worldwide level in the last year is also happening in Spain. The number of transactions in Spain in 2014 was equivalent to nearly all the operations made in the previous three years.

Regarding the flow, the market value of the new companies was equivalent to 68% of the total of the companies listed in the previous three years. The public offering of Merlín Properties, a Spanish REIT, was one of the biggest in the European real estate sector. The company raised €1.25 billion. According to the quarterly reports drafted periodically by Ernst & Young, in the first nine months of 2014 there were 851 public offerings worldwide, 49% more than in the same period of the previous year. These transactions amounted to \$186.6 billion, i.e. 94% higher. That report ranked the Spanish stock market as the third most active in Europe in terms of the value of public offerings carried out in the first three quarters of 2014.

Using all the capital provision mechanisms provided in the securities markets, in 2014 the Spanish stock exchange received new financing flows worth €36.11

billion (\$47.37 billion), making it the second-largest recipient in Europe and the seventh-biggest in the world, according to the data from the World Federation of Exchanges (WFE).

In 2014, thirteen new companies were listed. Seven entered the main market segment: Hispania Activos Inmobiliarios, Edreams Odigeo, Applus Service, Logista and the following REITs: Lar España Real Estate, Merlin Properties and Axia Real Estate. The other six entered the Alternative Equity Market (MAB): five in the growth companies segment (Npg Technology, Facephi Biometria, Only Apartments, Euroconsult Group and Home Meal Replacements) and one in the REIT segment (Mercal Inmuebles).

In total, fourteen M&A transactions were made in the securities market which were either initial or secondary public offerings or both. The first ones were four transactions (two with simultaneous IPOs), one of which was carried out by the listed company Endesa within the framework of the reorganisation of the ENEL group. The second ones were ten transactions plus the two secondary public offerings (Edreams and Applus). In total, the companies raised €7.95 billion in these transactions.



Logista Opening Ceremony Bell



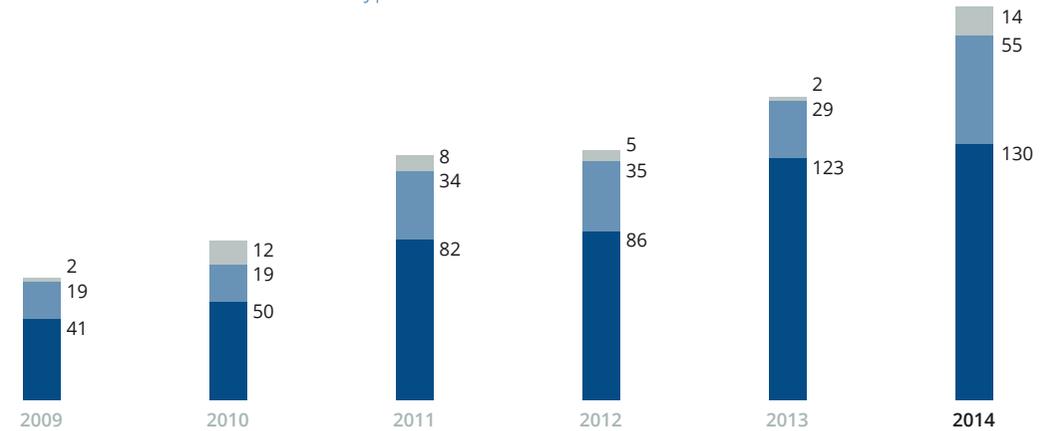
Euroconsult Opening Ceremony Bell

Regarding capital increases, in 2014 the market provided financing worth €28.88 billion to the listed companies in 185 transactions (the highest annual value in the historical series). In the main market segment, there were 130 operations equivalent to €25.20 billion in monetary terms. In the MAB market, 55 transactions were made, through which the companies raised €748 million; 16 of them were carried out by those listed in the growth companies segment. The other €2.92 billion correspond to the funds raised by new companies which, as a prior step before listing, made an IPO.

By analysing the data for a long period, we can see that the securities markets increase their power as vehicles to channel financing towards the companies. In the last five years, the companies listed in the Spanish stock exchange have raised an average of €24.9 billion per year using all types of capital increases not linked to exchanging shares, compared with the average of €7.6 billion in the ten years before 2010.

### FINANCING WITH SHARES IN THE SPANISH MARKET

Number of trades made in each type



- No. of initial and secondary public offerings
- Capital increases in the main market
- Capital increases in the MAB market (growth companies and SICAVs)



## ETFs

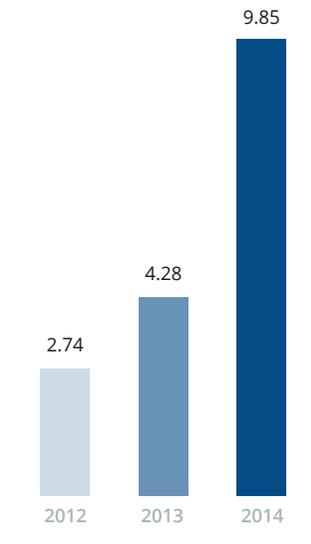
In 2014, the ETFs grew fastest in the Spanish stock exchange, especially those indexed to the IBEX 35, whose assets under management increased 1.6-fold in the year to over €2 billion.

At 2014 year-end, there were 70 ETFs listed on the Spanish stock exchange, which traded a cash amount of €9.85 billion in the year. The 2013 figures were beaten month by month so, apart from exceeding the total exchanged in 2013 (+130%), a new record was

set by beating the 2008 amount which, with a trading volume of €6.94 billion, had been the highest in this segment since the start.

The number of trades also set a record. The year began with a good pace: the record monthly figure was beaten, with 12,805 transactions, anticipating the good performance of the rest of the year, where 115,090 trades were made in the full year, setting a new record high.

## Amounts traded in ETFs (Billion of euros)



## Warrants, certificates and other traded products

The market for these products in 2014 was characterised generally by an increase in trading. The volume of warrants and other traded products in the year totalled €2.69 billion, with a cash amount of €189 million, i.e. 8.72% more than in 2013. A total of 90% of the trading was made on warrants and turbo warrants, with a volume of €736 million, where the former rose by 3% and the latter by 90% with respect to 2013. In this area, the in-line warrants, with a trading volume of €4.4 million, soared 84% on 2013.

The issue volume of warrants, certificates and other products listed on the Spanish stock exchange in 2014 amounted to 8,310, i.e. 15% lower than in 2013. At 30 December 2014, there were 3,986 outstanding issues in the market.



## MAB

The activity in the Alternative Equity Market (MAB) in 2014 continued to be positive in terms of both financing and trading, despite doubts about some of the accounts of these listed companies. At year-end, the capitalisation of these 26 listed companies totalled nearly €1.8 billion.

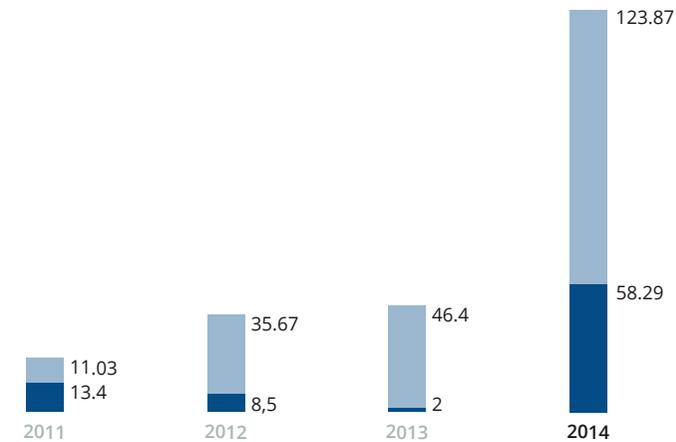
In 2014, five firms entered the growth companies segment (MAB EE) and one was included in the REIT segment. These new companies raised a total of €58.3 million in IPOs, of which €32.88 million were obtained by five of the MAB EE companies and the other €25.4 million by the REIT, Mercal Inmuebles. The companies also raised funds through capital increases. In 2014, a total of 55 transactions were made in the MAB market, raising €748 million. In the

growth companies segment, the firms raised €123.87 million through 16 capital increase transactions. The open-ended collective investment schemes (SICAVs) and, to a lesser extent, the free investment companies (SILs), with specific segments in the MAB, made a total of 39 capital increases with a market value of €624 million in 2014.

Clearly as a result of this good performance of the main function of this market (provide alternative financing for SMEs), the trading of the companies listed in the growth companies segment of the MAB totalled €1.68 billion in 2014, six times the 2013 volume. The trading volume of the SICAVs amounted to €5.94 billion in 2014 (+9% on 2003).

## Financing raised by the growth companies and REITs in the MAB market

(Millions of euros)



● Secondary public offerings ● Capital Increases



## **Fixed income**

In 2014, the corporate debt market continued to relax and return to normal, in parallel with the strength of the sovereign debt market. As a result of the sharp reduction in the Spanish credit spreads, nearly all the tensions have disappeared and wide windows of opportunity have appeared for issuers.

The decrease in interest rates and the ECB's actions have increased the appeal for the corporate debt market and encouraged several companies to issue in those markets, coinciding with a certain boost in the Spanish economy and in new business projects.

Despite everything, the volume admitted to trading in the BME markets has decreased in line with the last few years, with new issues amounting to €115.1 billion in 2014, i.e. down 11.9% on 2013. This reduction is due to the delocalisation process of the number of issuances in Spain.

This delocalisation towards other markets is causing a serious deterioration in the Spanish private debt market. That is why it is necessary to provide information about the in-depth regulatory changes that have taken place in the Spanish market access conditions, especially in the last 18 months, providing it with a speedier process, lower costs and standardisation with respect to any other foreign market.

Trading in the corporate debt market stood at €1.1 trillion in 2014. This was down 14.5% on the previous year, although trading-to-maturity volumes rose by 42.3%.

A buoyant public debt market greatly helped SENAF, the wholesale public debt trading platform, which saw the strong rise in trading through this platform that began in 2013.

Trading-to-maturity volumes surged 41.8% during 2014 to €403.47 billion. Repo and reverse repo trading volumes receded by 30.5% to €696.09 billion. Despite this, public debt trading went up 68.8% versus 2013 to €112.83 billion.

Trading on SEND, the electronic fixed-income trading platform for individuals, reached €2.21 billion in the year, down 18.7% on 2013. Trading in public debt saw the highest increase in its first full year as part of SEND, with €274 million, up 68.4% on 2013.



### Alternative Fixed Income Market (MARF)

In the first full year of the MARF market, the issuers increased their activity in the last few months and made twelve issues, seven of which had a maturity of 5, 6, 7 and 10 years with a volume of €308 million and five were short term (commercial papers), with a maximum balance of €420 million. Securitised bonds worth €20 million were also issued, with a maximum balance of €420 million.

These data enable us to state that the Alternative Fixed Income Market is satisfactorily meeting its objectives: contribute to the financing of Spanish companies as a source of alternative financing to complement bank loans.

The MARF market has proven that it is a meeting point between investors and issuers and a private placement mechanism for customised issues with small and medium volumes. It is also useful for companies since it provides the possibility of making issues at different points on the term curve, including medium- and long-term issues as well as short ones through commercial papers.

It has also contributed major innovations by providing new options for the issues that have been and will be made by the companies. Securitised bonds were issued for the first time by the Auriga Pymes I Fund, coordinated by Auriga, with Intermoney as the fund manager. Securitised bond issues are a major potential source of funding for small companies in this market since they can do this with smaller amounts than those required for other unique issues made directly and individually by the issuer.

The second innovation implemented by the MARF was the project bond issue launched by Viario A31, which provides a new source of financing for companies so that they can set up or develop a specific project.

As a result of MARF's performance in its first year, the issuers are reacting favourably; this is the case of Copasa, which launched its first bond issue and repeated this a year later with short-term commercial paper programme. In 2014, its managers stated that they were satisfied with the results of the first issue in terms of diversification of the financing sources and visibility with respect to the investors and the market in general.

### MARF Issues in 2014

Issuer	Amount	Asset	Maturity Date	Interest Rate	Sector
Tecnocom	€ 35 million	Bonds	5 years	6.5%	Technology
Elecnor	€ 100 million (*)	Commercial papers			Infrastructures - Energy
Tubacex	€ 29 million (*)	Commercial papers			Basic materials- Steel
Europac	€ 50 million (*)	Commercial papers		7%	Basic materials, paper & cardboard
Ortiz	€ 50 million	Bonds	5 years	6.875%	Infrastructure construction & services
Eysa	€ 75 million	Bonds	7 years	5.750%	Vehicle parking
Audax	€ 21 million	Bonds	5 years		Electric
Barceló	€ 50 million (*)	Commercial papers		4% + variable	Tourism
Copasa	€ 20 million (*)	Commercial papers		5%	Infrastructure construction
Auriga Pymes I	€ 10 million (**)	Securitization	10 years		Receivables of a wide variety of companies.
Elecnor	€ 100 million (*)	Increase of existing Commercial papers			Infrastructures - Energy
					Execution of the concession agreement for operation & conservation of Bonete-Alicante-highway A31
Viario A 31	€ 47 million	Project Bonds	10 years		

(\*) Programme maximum amount.

(\*\*) Open structure in assets/liabilities that allows the successive issuance of Securitization Bonds for a maximum amount of €500 million.



## Derivatives

Since volatility was contained during the year, with rebounds in October and December, the general volume increased slightly, boosted by trading in IBEX futures (+24%) and options (+42%). The nominal value of the derivatives traded in the worldwide organised markets grew by 15%.

The Derivatives Unit's volume increased by 2.9% on 2013 to over 56 million contracts.

Trading in IBEX 35 futures and options represented the bulk of the volume traded in 2014. It is a sign of the improving economy and of the Spanish stock markets, which recovered their appeal for both Spanish and foreign investors. In line with the main international derivatives markets, the growing popularity in ETF-backed passive portfolio management on the Spanish index also helped to improve the trading volume of index-based contracts.

Trading in IBEX 35 futures grew by 24% on 2013 and the mini-contracts on the IBEX soared by 53%. Trading in IBEX 35 options surged by 42% on 2013, consolidating the product's recovery after three straight years of solid improvements.

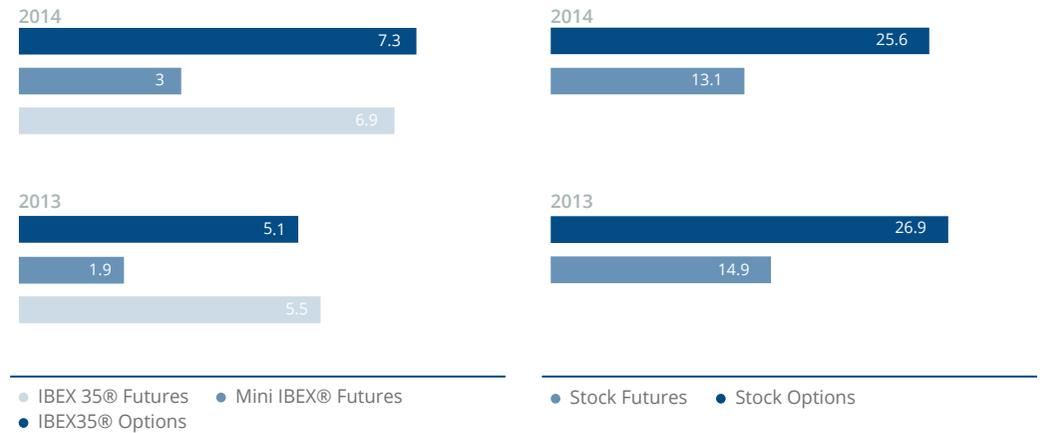
Volatility remained stable in general with respect to 2013, thus determining the activity in the options and futures markets. The average embedded volatility of the IBEX 35 options was 19.4%, i.e. 1.5 percentage points lower than in 2013 and over 10 points lower than the average for 2012, when the European sovereign debt was in the midst of the crisis. In the last months of 2014, especially October and December, volatility rebounded strongly to nearly 30% due to the tensions in the international financial markets as a result of the cooling of the main European economies, the fear of a long stagnation period and very low inflation, and the political instability in Greece.

The lowest volatility in the year was in the second fortnight of June, when it was lower than 15%, after the ECB announced its quantitative easing measures.

Unlike the increased activity in the index-based products but in line with the other European deriv-

atives markets, the volume of activity in the equity derivatives fell. Trading in equity futures decreased by 12% and in equity options by 5% on 2013. In the benchmark European markets such as Eurex, the trading volume fell until November by 31% and by 15%, respectively.

### Derivatives: Contracts linked to IBEX 35® keep growing (Millions of contracts)





## Clearing

BME CLEARING is authorised by ESMA to act as a central counterparty in Spain. It currently operates for derivatives but it is planned to start operating with spot transactions in less than a year.

It was the first full year in which BME CLEARING acted as the central counterparty (CCP) separately from the market activity, once MEFF was divided in September 2013 into two institutions: the derivatives market governing company (MEFF) and the central counterparty (BME CLEARING).

During the year, the Spanish and European authorities processed the request from BME CLEARING to perform central counterparty activities in accordance with the

European Market Infrastructure Regulation (EMIR). In September, BME CLEARING was authorised, acknowledging that its operating model, organisation, corporate governance, technology, risk management system and capital levels met all the EMIR requirements.

BME CLEARING provides clearing services in three segments: the derivatives traded on MEFF, the electricity derivatives recorded in MEFF (BME Clearing) and the public debt repos (BME Clearing REPO).

It also continues to provide the central counterparty services in the equity spot market segment within the framework of the reform of clearing and settlement in Spain.

## BME Clearing Repo

The repo segment consists of the central counterparty service for Spanish public debt repos, thus eliminating the counterparty risk for the members.

In 2014, the monthly average was nearly €93 billion in 881 transactions. Therefore, BME CLEARING'S repo central counterparty proved that Spanish companies could continue trading in repos in the midst of the economic tensions.

It currently has 27 members: 25 are Spanish and 2 are foreign. Although the financed open interest, i.e. the average outstanding balance of unmatured transactions, equivalent to the financing provided, decreased by €5.8 billion on 2013 (from €30.69 billion to €24.86

billion), the level of 2012 (€24.67 billion) was maintained and even exceeded, evidencing a continuity in repo trading even during difficult financial situations.



### Settlement and registration

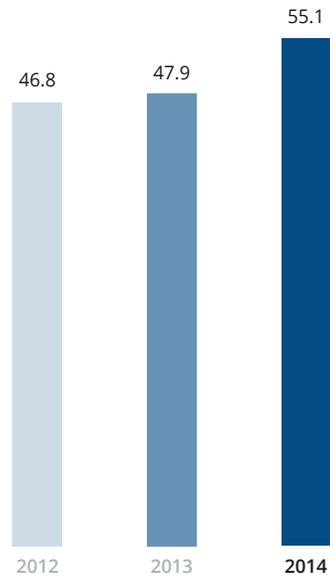
In 2014, the number of settled market transactions grew by an average of 21.8%, with an effective volume equivalent to a daily average value of €4.13 billion. Within the reform process of post-trading in the EU, Regulation 909/2014, on improving securities settlement in the European Union and on central securities depositories, entered into force in September.

The number of transactions settled at Iberclear in 2014 increased by an average of 21.80% on 2013 to an average monthly of 3.9 million. The cash volume settled for them increased by 38.2% since €4.13 billion was settled on an average daily basis, compared with €2.99 billion in 2013.

The nominal balances recorded at year-end decreased by 15.53% in the securities listed on the AIAF fixed-income market and increased by 6.85% in the public debt market. Equities grew by 6.77% at market prices.

The settlements of trades on the various markets managed by BME had the best performance in the year. They accounted for 46.6% of the unit's revenues in 2014.

**Settlement:** Settled transactions (in Millions)



BME staff at SIBOS, the main annual gathering in the post-trade sector.



### **REGIS-TR**

Once the obligation to report derivatives transactions to a trade repository under the EMIR entered into force, REGIS-TR, the trade repository owned by Iberclear and Clearstream, came into operation during the year.

The service was warmly welcomed in most EU countries and it had more than 800 clients at the start of the reporting obligation. More than 40% of the clients are non-financial institutions, which are also obligated to report such transactions. Most of the financial institutions are banks and fund managers, and there are also financial service providers, platforms and central counterparties.

In Spain, most of the financial and non-financial institutions chose to use REGIS-TR as the repository.

Since the service is provided through Iberclear's infrastructure, this guarantees its quality, which is why REGIS-TR has become the benchmark repository.

In Europe, REGIS-TR is present mainly in France, Germany, Italy, Netherlands, Sweden, Denmark and even in the UK, where there are UK-based repositories and a large number of REGIS-TR clients.

In the coming months, REGIS-TR is planning to become the benchmark infrastructure for reporting any type of financial transaction under the forthcoming European regulations, which will bring new reporting obligations to its clients. This includes the Regulation on Energy Market Integrity and Transparency (REMIT) and the Markets in Financial Instruments Directive (MiFIR), which will enter into force.



## Information

This business unit consolidates and manages the information generated by the BME group. Market Data provides real-time information of over 86,000 equities, fixed-income, derivatives, ETF and warrants instruments and of 164 indices calculated by the BME group.

Infobolsa will soon be the developer and supplier of mobile services for the Mexican and Colombian stock markets and Euronext. In Spain, it has one of the top ten financial apps and has been acknowledged for their excellence.

Total subscribers to the various types of information sources rose 9.8% on 2013.

## BME Market Data

In 2014, BME Market Data continued to include new content to its offering while consolidating the availability to any potential clients of direct real time information reception (BME Data Feed and BME Gate Server).

BME Market Data launched a new information product to meet users' requests for real time financial information. This promotes the 10 best buy/sell positions arranged by price. This level of content is now predominating in international markets and is taking over from investor interest in the top 5 buy/sell positions, which had been reference to date.

The company also made sure that the information about all the indices calculated within the BME group should be disseminated through a consolidated package of index-specific information products. BME Market Data applied this consolidated model to the information of the BME's various Fixed Income trading platforms.

BME Market Data expanded its commercial offering by including the BME Data Feed of the content of Relevant Facts published by the main companies listed on BME's markets.

At present, BME Market Data provides over 1,500 data files per day, meeting the specific needs of over 100 clients.

BME Market Data continues to provide the Operation Information System to the investment service companies and credit institutions that have to notify the CNMV of the transactions made in the non-BME markets or systems. In a typical year, this service notifies the supervisor of over 1,600,000 transactions.



*FIA Certification presentation*



### **Infobolsa: looking towards Latin America**

In 2014, Infobolsa maintained its position as Spain's leading supplier of financial information services. It also expanded the service range provided in Latin America, consolidating its presence in Mexico and starting commercial activities in other countries in the region.

In 2014, it arranged a contract with the Colombian stock exchange to supply its information screens and develop native iOS apps so that its services are available in multiple channels.

In 2014, Infobolsa implemented the first online broker fully designed and developed under the "Responsive Web Design" standards at a foreign institution operating in Spain, enabling over 300,000 clients to access the financial information tools from PCs, tablets and smartphones. It also developed and implemented the online mobile broker for other institutions and set up new information websites in Andorra.

Openfinance, the subsidiary which develops, implements and maintains innovative technological solutions for financial advice and portfolio management, maintained its leading position in the Spanish market in 2014, increasing its client base and its presence where it already existed.

In 2014, Openfinance validated the suitability of its technological solution for the Chilean, Mexican and Colombian markets since it was purchased by four major financial institutions in those countries, increasing its client numbers to six in Latin America and providing a promising outlook for 2015.

As a result of its performance in 2014, Openworkplace is now used by more than 70 clients and 60,000 financial advisory users which, together with the projections for the coming years, has led to the opening of new Openfinance headquarters in the financial centre of Valencia.

## **IT & Consulting**

### **VISUAL TRADER**

It expanded its service range to enable clients to meet the ESMA regulations and is, therefore, integrating the BME group's routing and post-trading services.

In 2014, Visual Trader continued growing in terms of users, terminals and revenues. In the second quarter, it approved an app to meet the ESMA regulations regarding the market access control systems, providing access to the SIBE Smart platform so that members can use VT's ultra low-latency connection (nanoDriver) and configure the mandatory filters and a number of additional filters for the orders received from their clients.

Another new feature was the Application Programming Interface (API) so that members can automatically control the filters from their own risk control system. In 2014, Visual Trader launched a new version of the VisualRisk system, enabling users to establish risk management policies based on the composition of their portfolio and the cash each client holds in their account.

Visual Trader unifies the group's routing systems and integrates them with BME's post-trading services to provide members, settlement entities and custodians an integrated package of market access, back office and depository services. These apps will be connected to the new clearing management service called BME Securities Solutions in October 2015 as a result of the entry into force of the Registration, Clearing and Settlement System Reform.

With the objective of meeting the growing demand for a special type of transaction whose purpose is to obtain the maximum priority of the orders sent to the market in the opening auction, Visual Trader implemented in the first quarter of 2014 the Fast Open service, which automatically enters the orders when the opening auction starts so that they are placed with the maximum possible priority in the securities' order book.

Visual Trader is finalising the work to connect the SIBE Smart from London, which should be implemented at the end of January 2015, with the opening of a third BME access hub. The new hub, located at Equinix's facilities in the City, will reduce the London-Madrid latency by 20% and provide greater speed, quality and access to the Spanish spot and derivatives markets, thus increasing their liquidity and bringing London's financial institutions even closer to BME.

Visual Trader continues to focus on innovative technology since it implemented the maXCloud platform, whose first product was a terminal to access the Order Management System based on HTML5, the new Internet browser standard, which will connect new users to the system and significantly reduce installation and maintenance costs.



## BME INNOVA

Further stimulus was given to innovation, international markets, improved tools to monitor market abuse and regulatory reporting.

In line with the trend to internationalise the Spanish economy, BME Innova developed several market consultancy projects, namely:

- In Algeria: a strategic and technology consultancy project which consists of designing, developing and implementing an e-trading platform for Algerian public debt. This platform was completed in December 2014.
- In Peru: a diagnosis of the current situation of the market operating system infrastructure for Peru's public debt securities and an identification of the opportunities for regulatory and technology improvements in this system based on international models, standards, procedures and best practices.
- In Bolivia: the design, development and implementation of a fixed income and equities trading platform.

BME Innova also consolidated its Regulatory Compliance service range and expanded the international base of its financial communication service: HighWay.

- It made the new version of its Service Against Market Abuse (SICAM) system available to clients, fully meeting the requirements of the current regulations and of those expected in the coming years, such as the entry into force of the Market Abuse Regulation (MAR).
- It also continued to develop the regulatory reporting platform (SIR), in line with its permanent commitment to the regulations, which are currently evolving rapidly.
- BME HighWay, its financial communication service, continued to expand its bank map by including institutions from Europe and countries as diverse as the United States, Canada, Peru, Chile, South Africa, Namibia, Nigeria, the Arab Emirates and Singapore, with the possibility of including any of the over 8,000 financial institutions.

## Focuses on geographical diversification: technology, regulation and cooperation, i.e. the basic cornerstones for BME business development

