



# Business Performance

January–December  
2015

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# Index

**A. Results**

**B. Business Units**

**C. Financials**

**D. Business Drivers**

# Index

**A. Results**

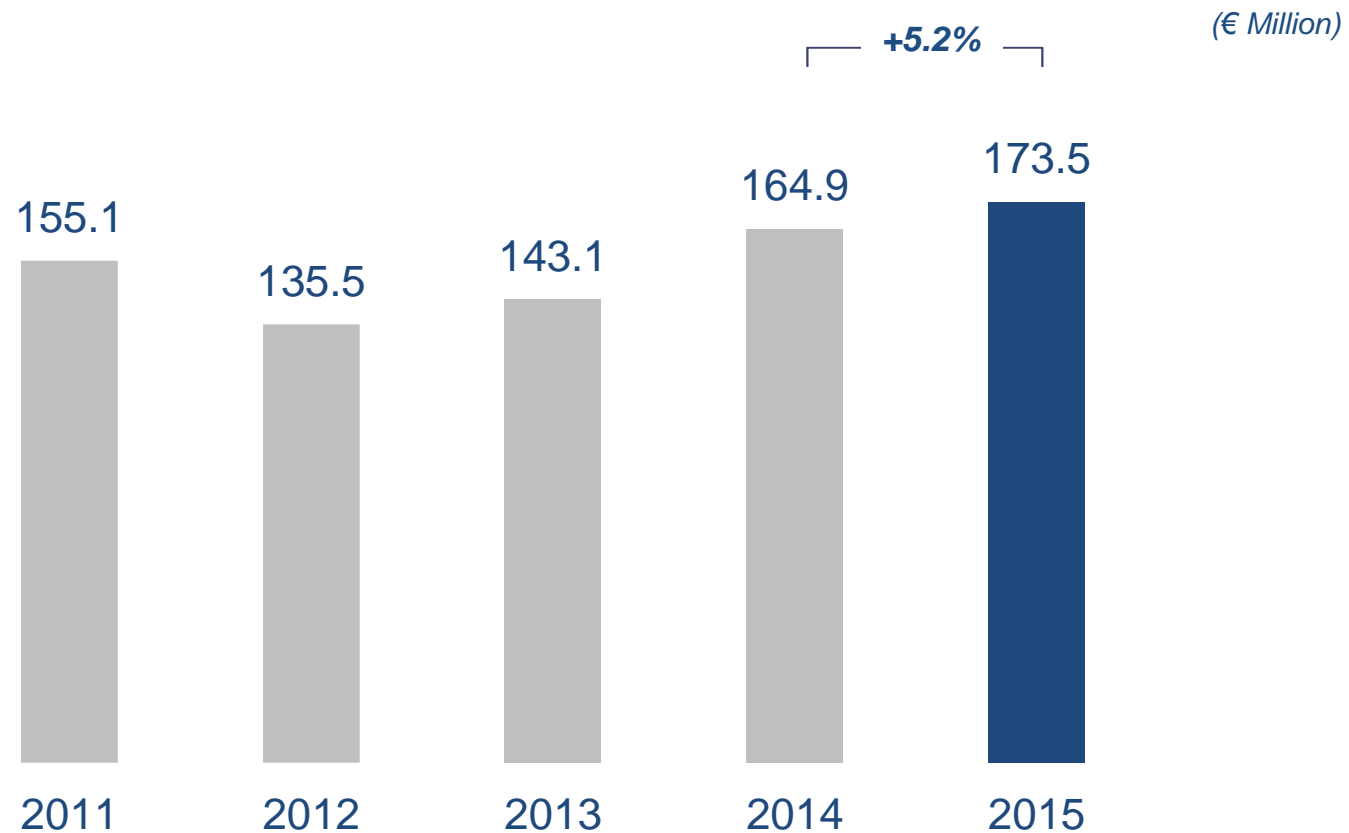
B. Business Units

C. Financials

D. Business Drivers

# Results

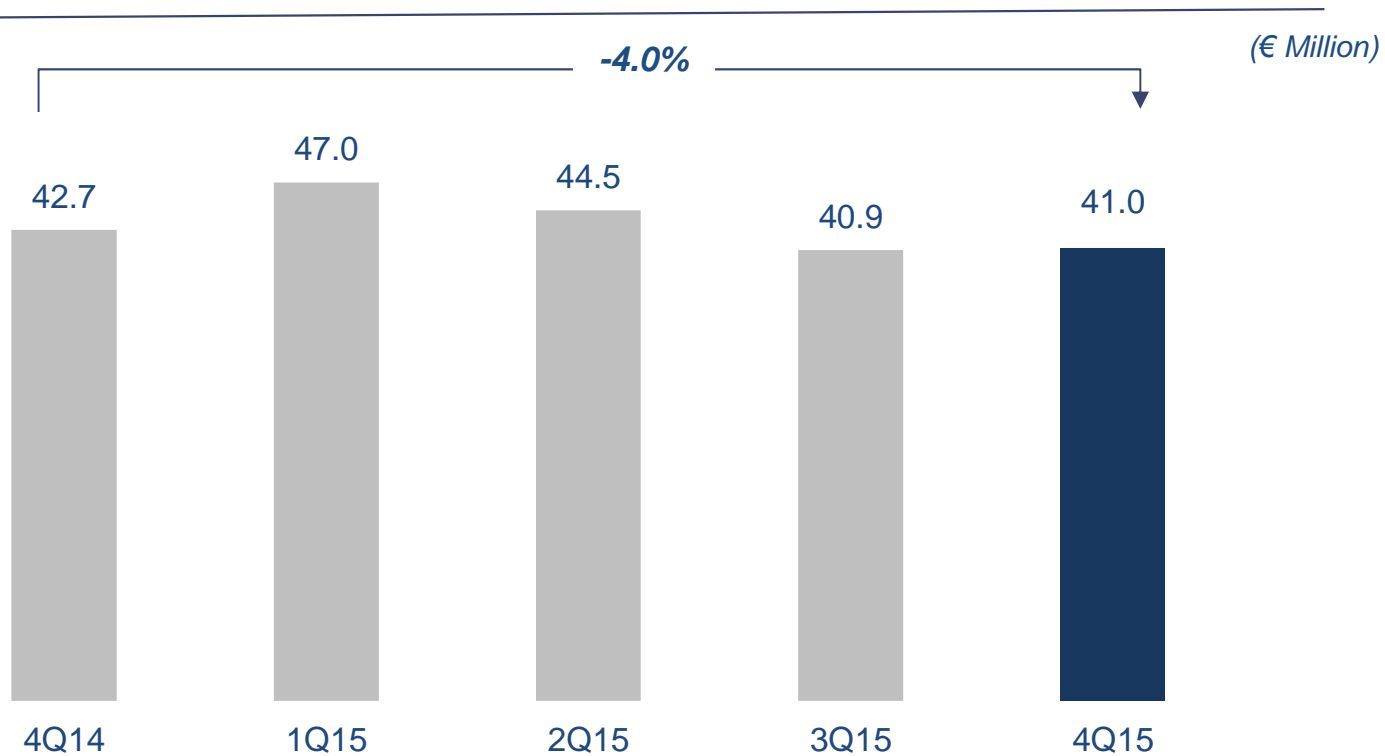
## Net profit



Best year results since 2008

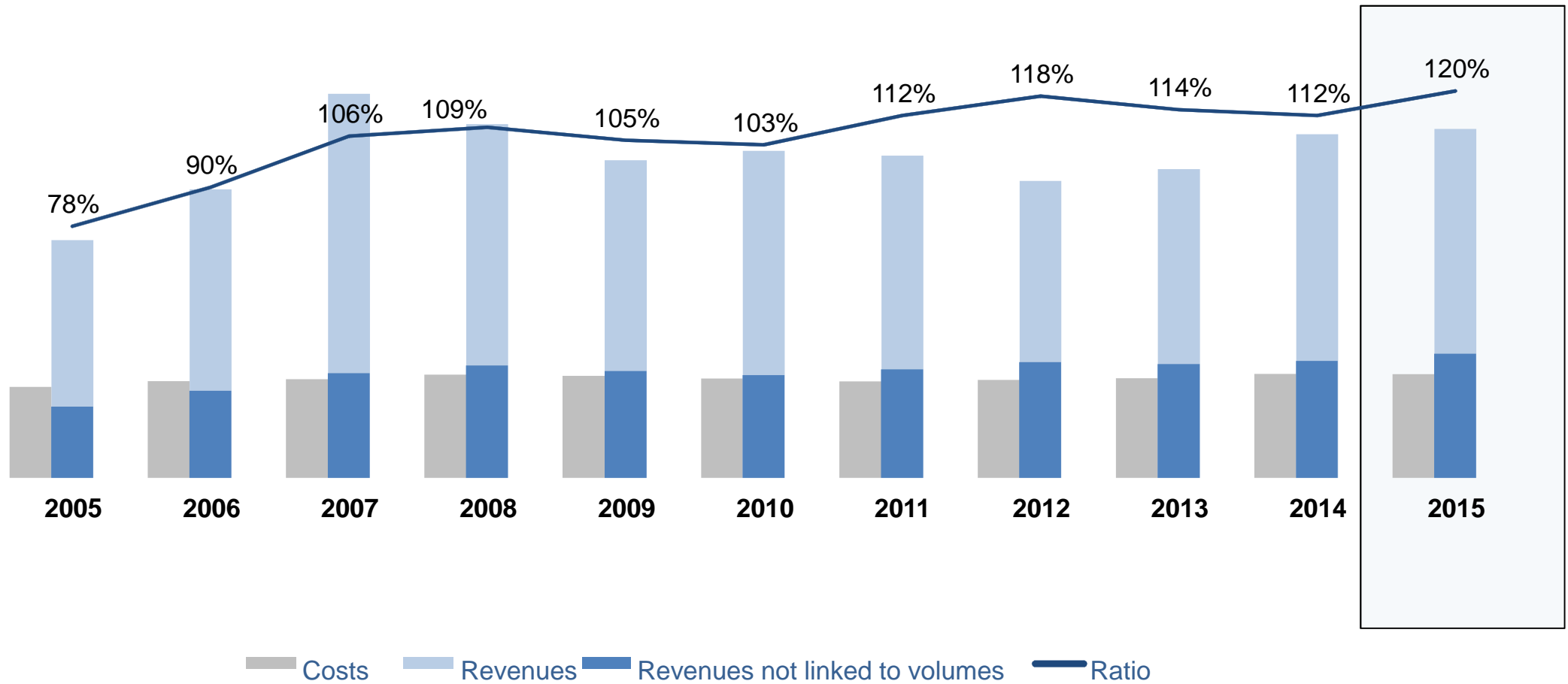
# Results

## Net profit



Net profit decrease of 4.0% compared to 4Q14

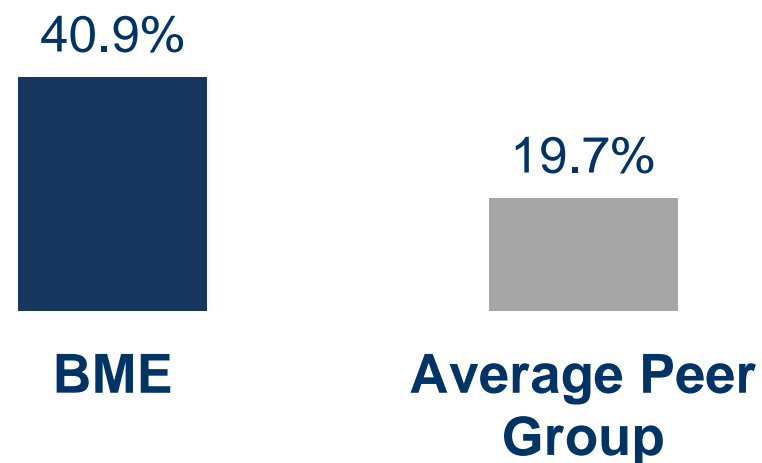
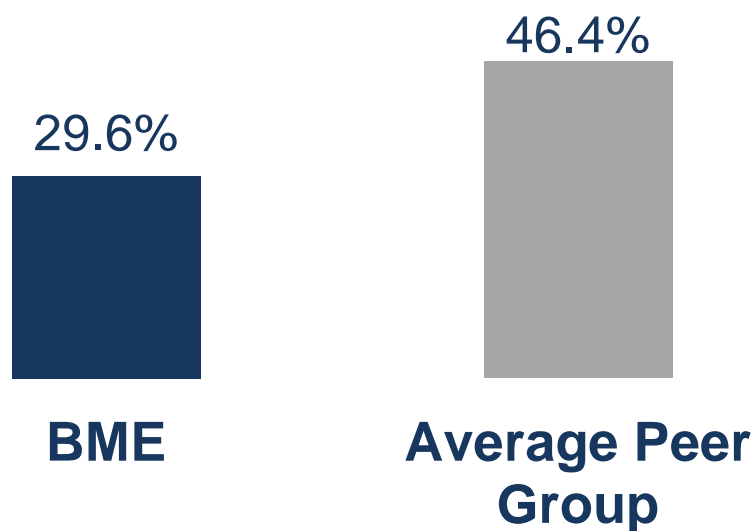
# Solid operating leverage



# Key ratios benchmarking

- Efficiency

- ROE



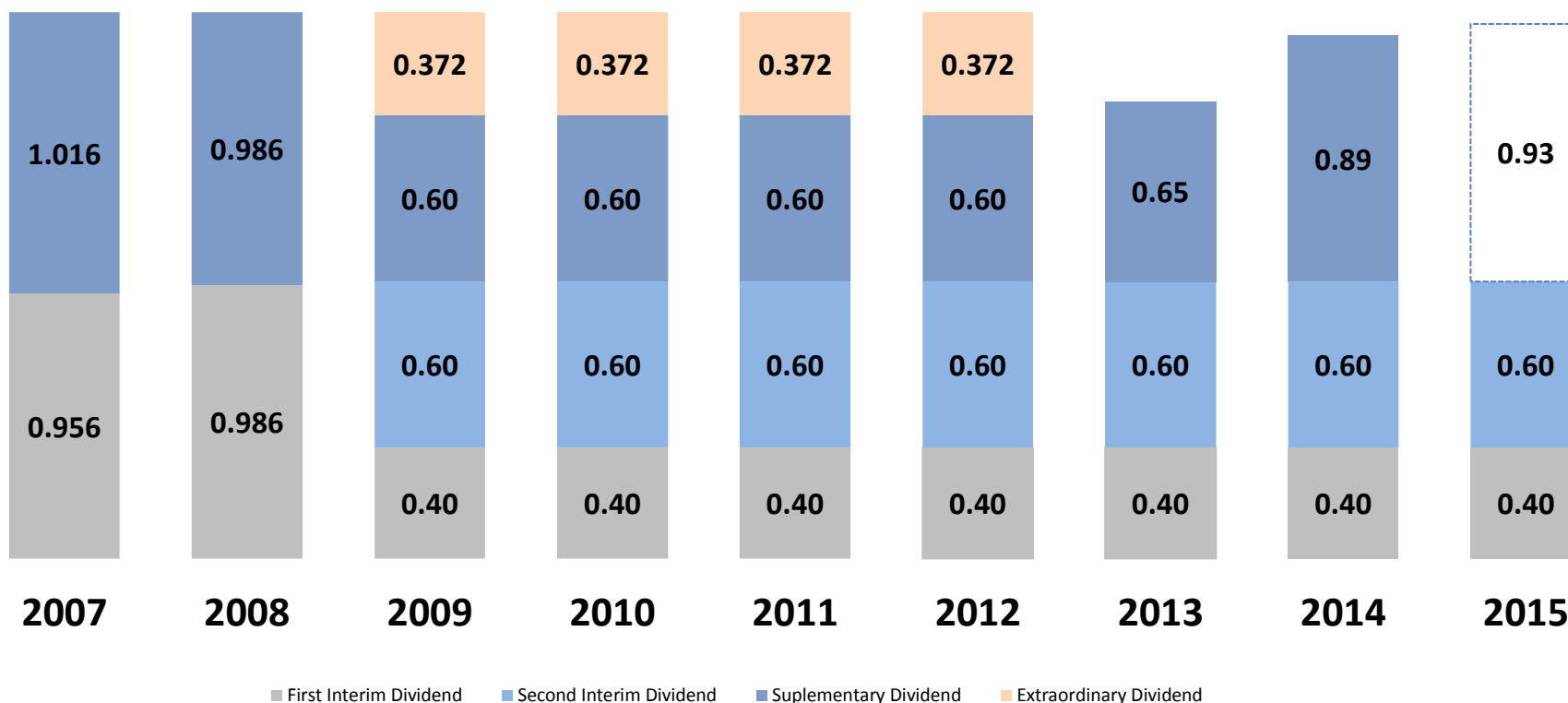
*- BME's data as of 31/12/2015*

*- Average peer Group figures are calculated using last results published and not taking account of goodwill impairment charges*



# Dividends: Maximizing shareholders' returns

Pay Out	82%	86%	89%	86%	86%	98%	96%	96%	93%
Total Dividends /Share	1.972	1.972	1.972	1.972	1.972	1.972	1.65	1.89	1.93



## Sustainability of Pay-out

Proposed supplementary dividend: €0.93 per share

Business Evolution January – December 2015

# Index

A. Results

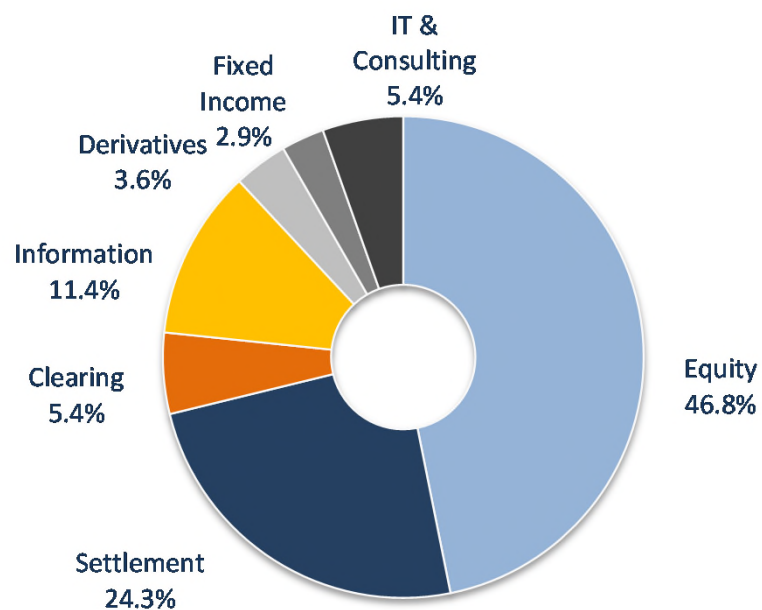
**B. Business Units**

C. Financials

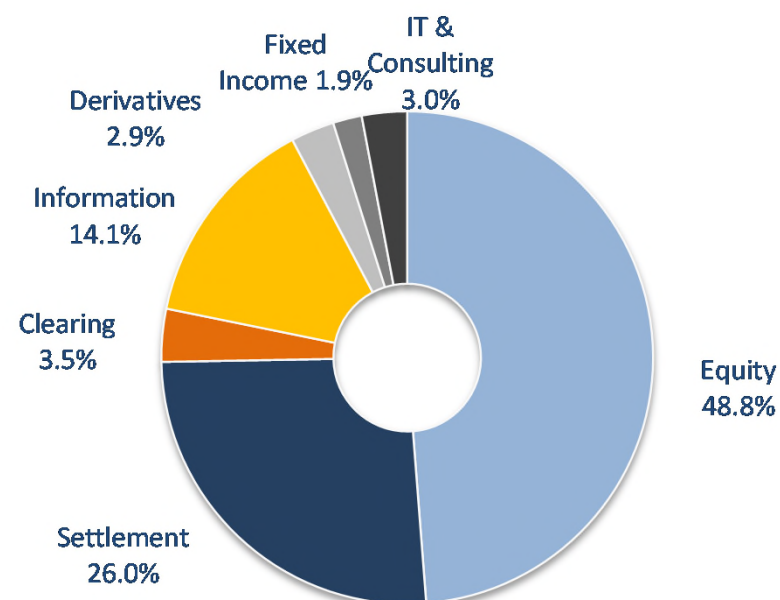
D. Business Drivers

# Business Areas

Consolidated Revenues  
FY 2015 - %



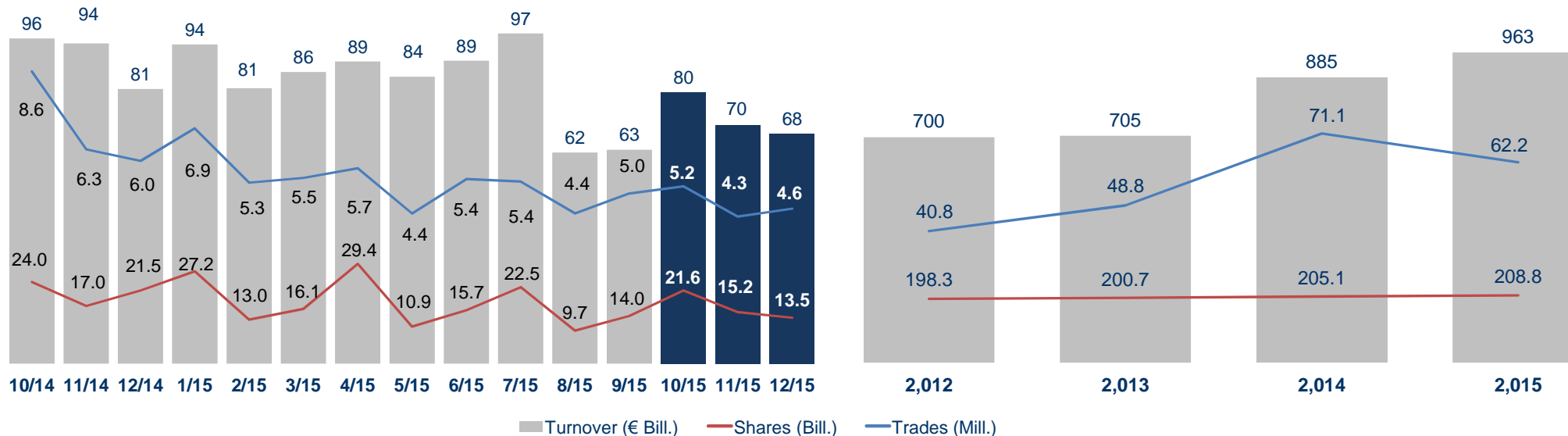
EBITDA  
FY 2015- %



# Equity Market

Thousands of €	4Q 2015	4Q 2014	%	FY 2015	FY 2014	%
<b>Revenues</b>	36,117	42,052	-14.1%	157,012	156,548	0.3%
<b>Expenses</b>	(9,684)	(9,170)	5.6%	(38,028)	(38,113)	-0.2%
<b>EBITDA</b>	<b>26,433</b>	<b>32,882</b>	<b>-19.6%</b>	<b>118,984</b>	<b>118,435</b>	<b>0.5%</b>

## Equity (Turnover, number of trades and number of shares traded)

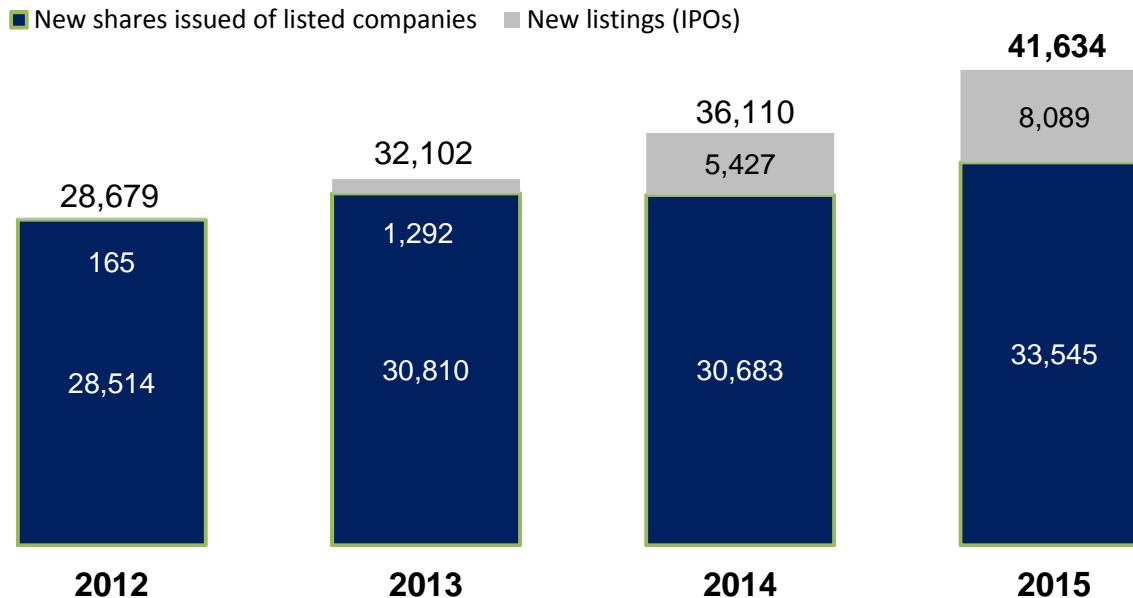


Maintaining revenue level for the year

# Equity Market

- Listing activity

## Investment flows channeled through the Exchange (€ Million)



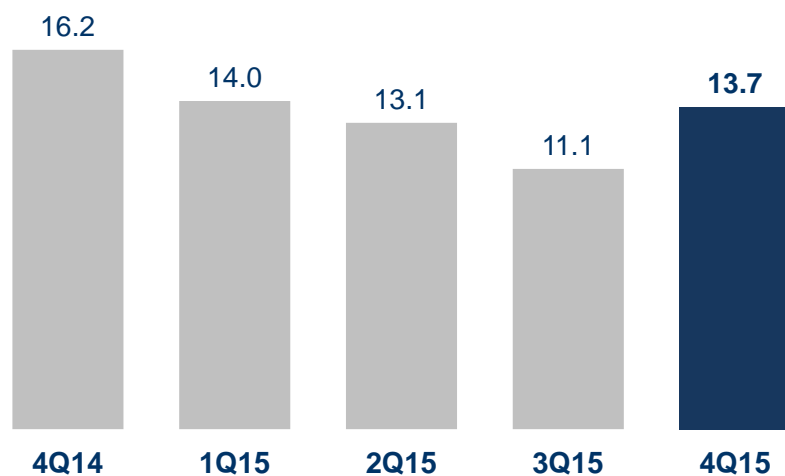
Source: FESE (Federation of European Stock Exchanges)

- €41.6 bn. 2015' new flows channelled through the Exchange (+15.3% y/y).
- €33.5 bn. in capital increases (+9.3% y/y) biggest since 2007. Scrip dividends lower contribution at €9.4 bn. (-28.2%).
- €8.1 bn. in IPOs (+49.1 % y/y), ranking 3rd in Europe. 7 IPOs in main market and 16 new companies in MAB, highest number in history.

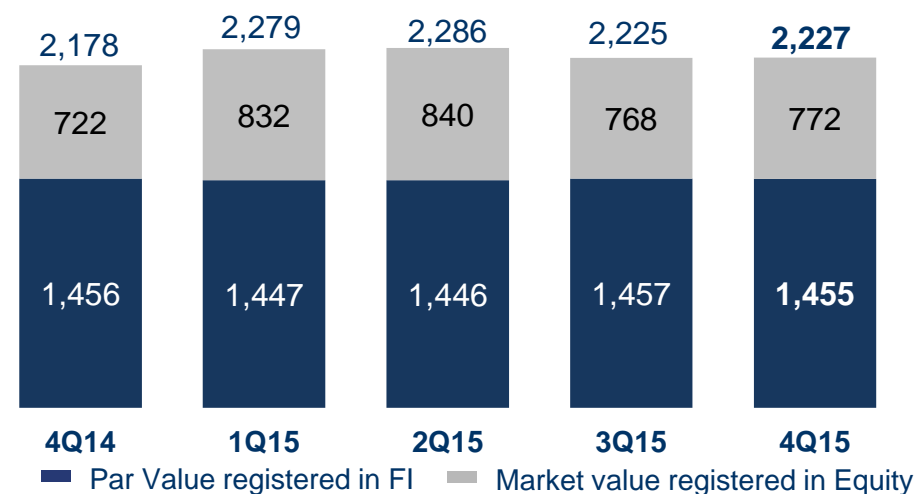
# Settlement & Registration

Thousands of €	4Q 2015	4Q 2014	%	FY 2015	FY 2014	%
<b>Revenues</b>	19,786	22,148	-10.7%	81,580	82,969	-1.7%
<b>Expenses</b>	(4,535)	(6,540)	-30.7%	(18,258)	(18,741)	-2.6%
<b>EBITDA</b>	<b>15,251</b>	<b>15,608</b>	<b>-2.3%</b>	<b>63,322</b>	<b>64,228</b>	<b>-1.4%</b>

Settlement: Number of trades settled  
(Million of trades)



Securities under custody: Volumes  
(€ Billion)

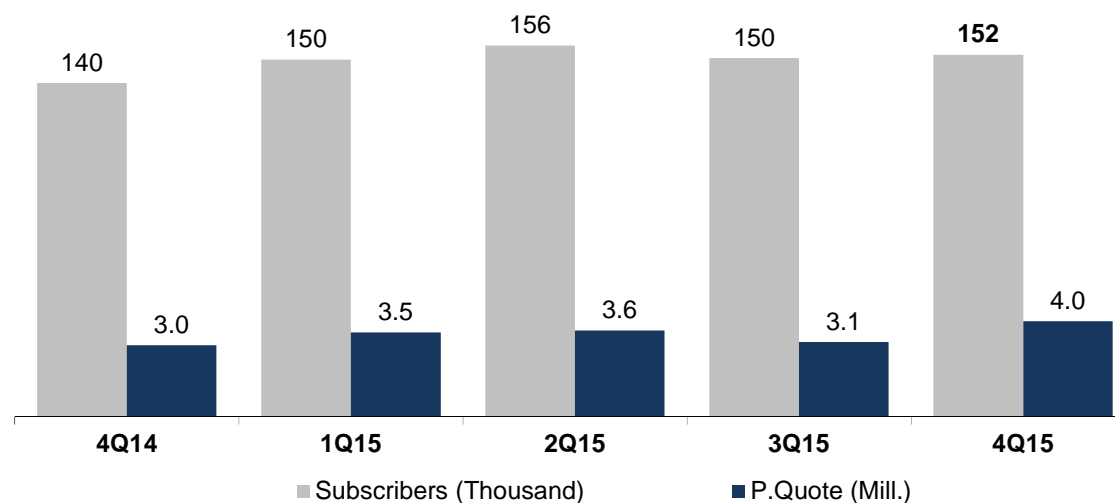


Improvement over the third quarter

# Information

Thousands of €	4Q 2015	4Q 2014	%	FY 2015	FY 2014	%
<b>Revenues</b>	9,714	9,279	4.7%	38,244	32,453	17.8%
<b>Expenses</b>	(1,064)	(851)	25.0%	(3,897)	(3,132)	24.4%
<b>EBITDA</b>	<b>8,650</b>	<b>8,428</b>	<b>2.6%</b>	<b>34,347</b>	<b>29,321</b>	<b>17.1%</b>

*Information: Subscribers to primary market sources (Average for the period in thousands of subscribers and millions of accesses per quote)*



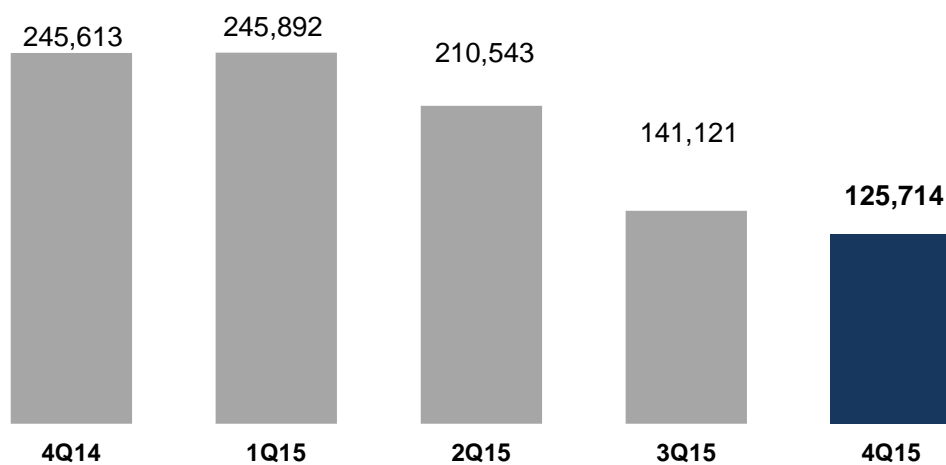
Note: It differs from the data published in 2014 by the addition of primary source subscribers of the derivatives market (MEFF)

Continued growth pattern

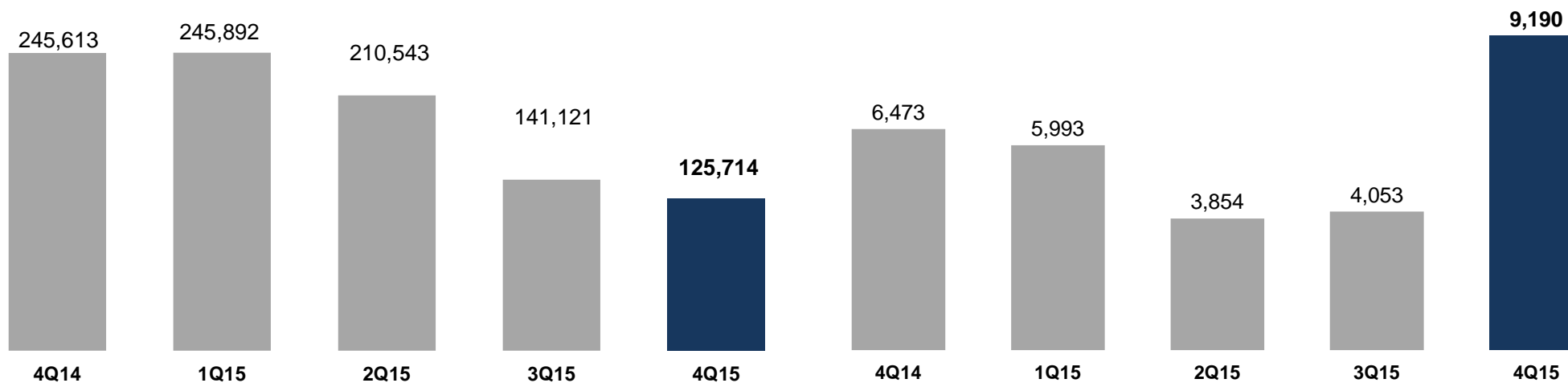
# Clearing

Thousands of €	4Q 2015	4Q 2014	%	FY 2015	FY 2014	%
Revenues	4,701	4,643	1.2%	18,237	17,703	3.0%
Expenses	(2,331)	(2,526)	-7.7%	(9,770)	(7,997)	22.2%
EBITDA	<b>2,370</b>	<b>2,117</b>	<b>12.0%</b>	<b>8,467</b>	<b>9,706</b>	<b>-12.8%</b>

Turnover BME Clearing REPO (€ Million)



Volume (Mwh) traded in Energy market (Thousand)



Lower extraordinary costs changed unit's trend

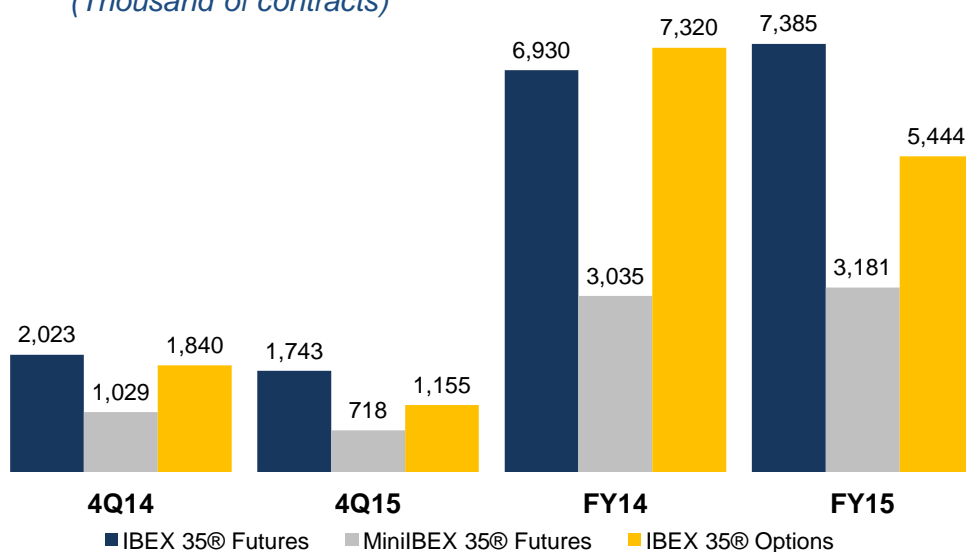


# Derivatives

Thousands of €	4Q 2015	4Q 2014	%	FY 2015	FY 2014	%
<b>Revenues</b>	2,874	3,349	-14.2%	12,169	12,409	-1.9%
<b>Expenses</b>	(1,325)	(1,322)	0.2%	(5,183)	(5,275)	-1.7%
<b>EBITDA</b>	<b>1,549</b>	<b>2,027</b>	<b>-23.6%</b>	<b>6,986</b>	<b>7,134</b>	<b>-2.1%</b>

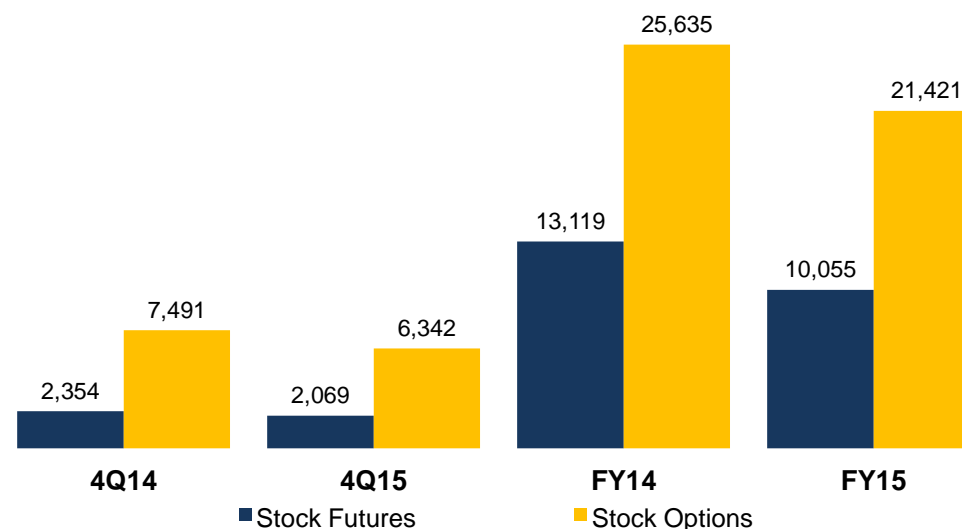
## Index derivatives contracts traded

(Thousand of contracts)



## Stock derivatives contracts traded

(Thousand of contracts)

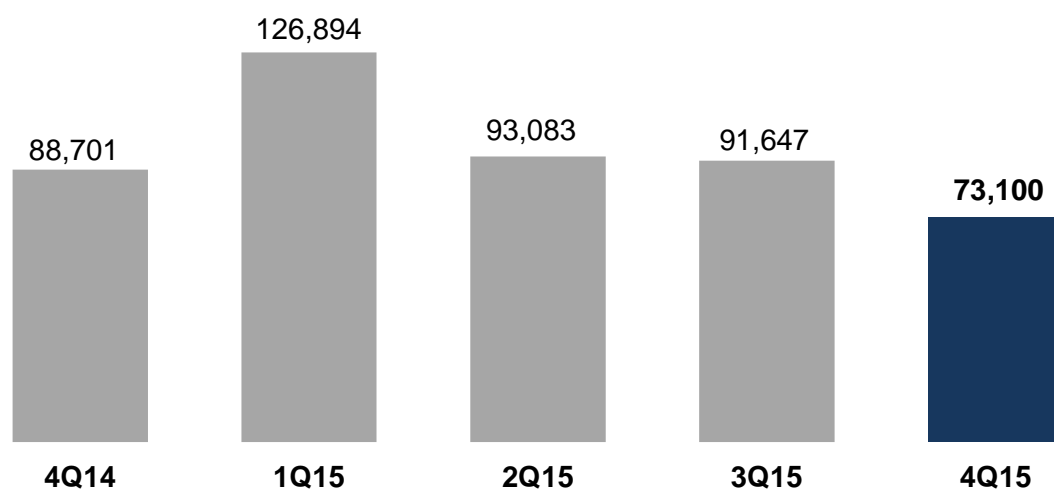


Mixed performance

# Fixed income

<i>Thousands of €</i>	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>%</b>
<b>Revenues</b>	2,294	2,919	-21.4%	9,701	11,628	-16.6%
<b>Expenses</b>	(1,210)	(1,373)	-11.9%	(5,062)	(5,168)	-2.1%
<b>EBITDA</b>	<b>1,084</b>	<b>1,546</b>	<b>-29.9%</b>	<b>4,639</b>	<b>6,460</b>	<b>-28.2%</b>

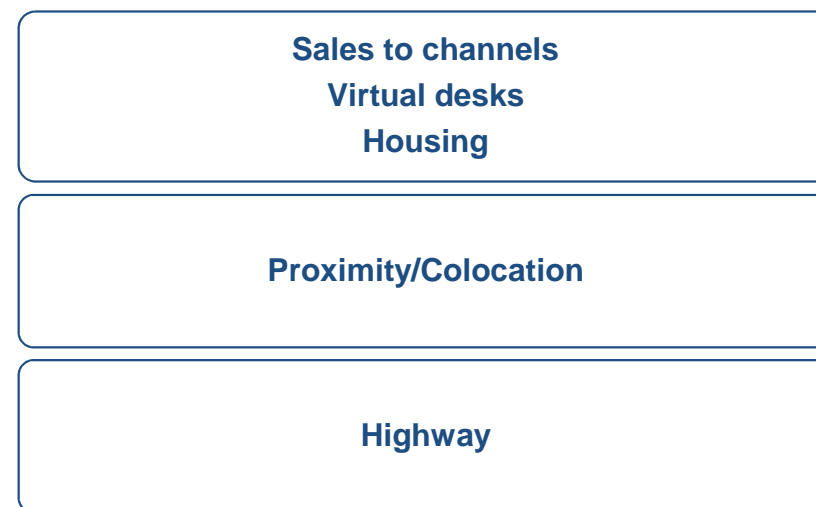
## *AIAF – Volume admitted (Million €)*



- Trading in public debt in the quarter improved 39.4% over the previous year to €34.6 billion.
- The primary fixed income market in 2015 reached €384.7 bn. (+ 8.3% y/y) with a 26.9% increase in the issuance of private fixed income.
- MARF, the alternative fixed income market, has completed its second year of operation with an issuance volume of €831 mill. (+ 69.9% y/y) and an outstanding balance of €1.0 billion (+106%)

# IT & Consulting

<i>Thousands of €</i>	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>%</b>
<b>Revenues</b>	4,756	5,048	-5.8%	18,198	18,688	-2.6%
<b>Expenses</b>	(2,915)	(2,950)	-1.2%	(10,957)	(11,041)	-0.8%
<b>EBITDA</b>	<b>1,841</b>	<b>2,098</b>	<b>-12.2%</b>	<b>7,241</b>	<b>7,647</b>	<b>-5.3%</b>



# Breakdown by business areas

## Revenues

<i>Thousands of €</i>	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>%</b>
Equity	36,117	42,052	-14.1%	157,012	156,548	0.3%
Settlement & Registration	19,786	22,148	-10.7%	81,580	82,969	-1.7%
Clearing	4,701	4,643	1.2%	18,237	17,703	3.0%
Information	9,714	9,279	4.7%	38,244	32,453	17.8%
Derivatives	2,874	3,349	-14.2%	12,169	12,409	-1.9%
Consulting & IT	4,756	5,048	-5.8%	18,198	18,688	-2.6%
Fixed income	2,294	2,919	-21.4%	9,701	11,628	-16.6%

# Breakdown by business areas

## EBITDA

<i>Thousands of €</i>	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>%</b>
Equity	26,433	32,882	-19.6%	118,984	118,435	0.5%
Settlement & Registration	15,251	15,608	-2.3%	63,322	64,228	-1.4%
Clearing	2,370	2,117	12.0%	8,467	9,706	-12.8%
Information	8,650	8,428	2.6%	34,347	29,321	17.1%
Derivatives	1,549	2,027	-23.6%	6,986	7,134	-2.1%
Consulting & IT	1,841	2,098	-12.2%	7,241	7,647	-5.3%
Fixed income	1,084	1,546	-29.9%	4,639	6,460	-28.2%

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A. Results

B. Business Units

**C. Financials**

D. Business Drivers

# Balance sheet

*as of December, 31<sup>st</sup>*  
*(Thousands of €)*

	<b>2015</b>	<b>2014</b>
<b>Goodwill</b>	80,619	80,619
<b>Other non-current assets</b>	90,584	85,258
<b>Cash and cash equivalents</b>	213,158	205,163
<b>Current financial assets</b>	109,106	84,830
<b>Non-Group current financial assets</b>	30,692,222	33,400,456
<b>Other current assets</b>	86,653	92,190
<b>Total assets</b>	<b>31,272,342</b>	<b>33,948,516</b>
<b>Owners' Equity</b>	433,082	418,931
<b>Non-current liabilities</b>	19,085	18,199
<b>Current liabilities</b>	30,820,175	33,511,386
<b>Total equity and liabilities</b>	<b>31,272,342</b>	<b>33,948,516</b>

# P/L

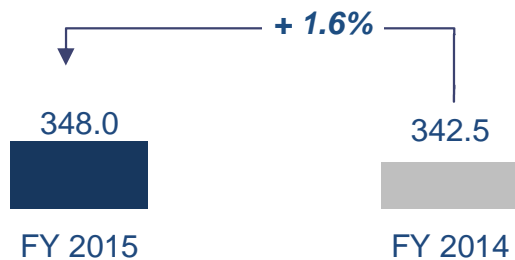
<i>Thousands of €</i>	<b>4Q 2015</b>	<b>4Q 2014</b>	<b>%</b>	<b>FY 2015</b>	<b>FY 2014</b>	<b>%</b>
<b>Revenues</b>	83,337	93,438	-10.8%	347,963	342,473	1.6%
<b>Expenses</b>	(25,029)	(29,316)	-14.6%	(103,070)	(103,511)	-0.4%
<b>EBITDA</b>	58,308	64,122	-9.1%	244,893	238,962	2.5%
<b>EBIT</b>	56,704	62,536	-9.3%	238,511	232,566	2.6%
<b>Financial results</b>	(73)	(45)	62.2%	908	1,863	-51.3%
<b>Share of profit (loss) of associates</b>	235	(465)	-150.5%	678	593	14.3%
<b>EBT</b>	56,866	62,026	-8.3%	240,097	235,022	2.2%
<b>Net Profit</b>	<b>40,995</b>	<b>42,695</b>	<b>-4.0%</b>	<b>173,463</b>	<b>164,924</b>	<b>5.2%</b>



# Comparison with FY 2014

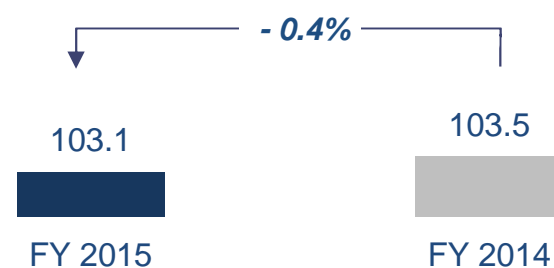
## Revenues FY 2015/2014

[€ Mill.]



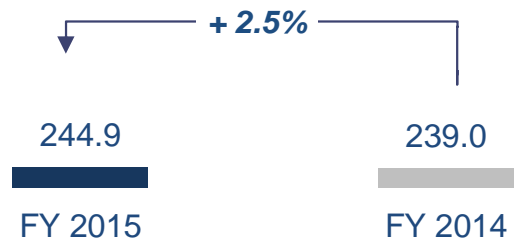
## Costs FY 2015/2014

[€ Mill.]

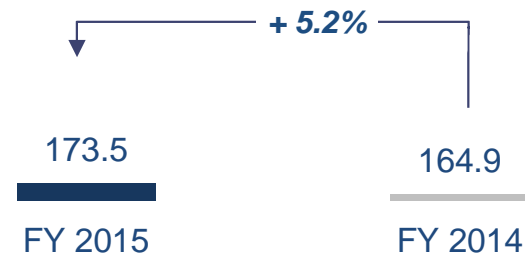


## Margins

### EBITDA FY 2015/2014 [€ Mill.]



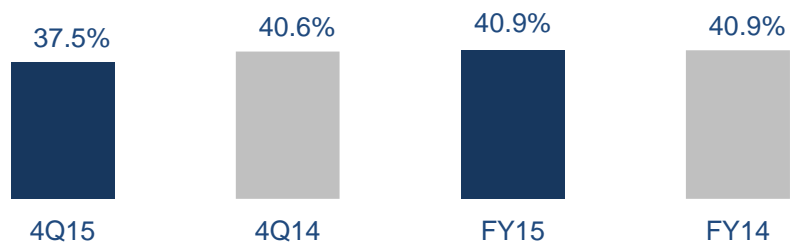
### Net Profit FY 2015/2014 [€ Mill.]



# Efficiency & Profitability

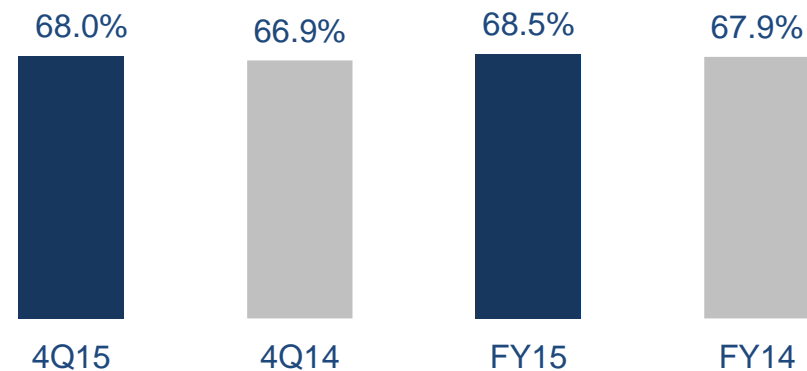
## ROE Evolution

% ROE



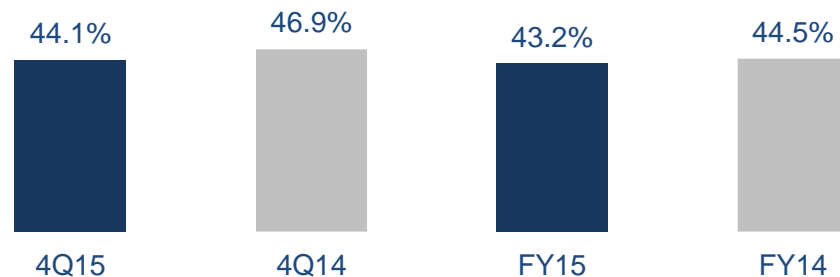
## EBIT/Revenues Ratio Evolution

% EBIT/Revenues



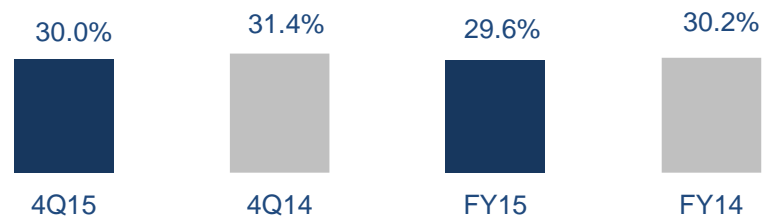
## Cost/EBIT Ratio Evolution

% Cost/EBIT



## Efficiency Ratio Evolution

% Efficiency



# Index

A. Results












B. Business Units

C. Financials

**D. Business Drivers**

# Business drivers: Highly liquid market

- Spanish blue-chips are of the most liquid stocks in the EMU

RK	Company	FY15	Daily avg. FY15	Relative weight at EuroStoxx50 (%) <sup>1)</sup>
		Turnover (€ Billion)	Turnover (€ Billion)	
1	 Grupo Santander	191.3	0.74	3.35%
2	DAIMLER	151.4	0.60	3.19%
3	INTESA  SNPAOLO	137.1	0.54	2.23%
4	 TOTAL	134.3	0.52	4.77%
5	 Telefonica	132.4	0.52	2.38%
6	 BBVA	126.0	0.49	2.34%
7	 UniCredit	122.6	0.48	1.64%
8	 Bayer	118.9	0.47	4.79%
9	VOLKSWAGEN AG 	116.2	0.45	5.13%
10	SANOFI 	115.1	0.45	0.80%
23	 INDITEX	75.1	0.29	1.55%
29	 IBERDROLA	61.9	0.24	1.71%

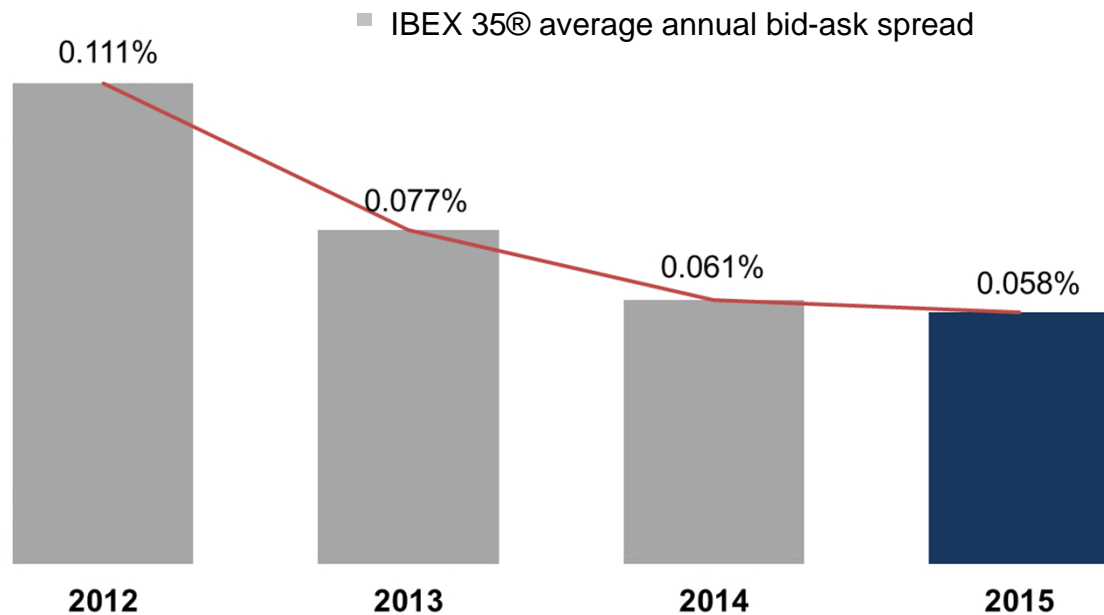
Source: Bloomberg

1) As of 31/12/15

# Business drivers: Highly liquid market

- Quality of spreads and best market impact for Spanish stocks

IBEX<sub>35</sub>

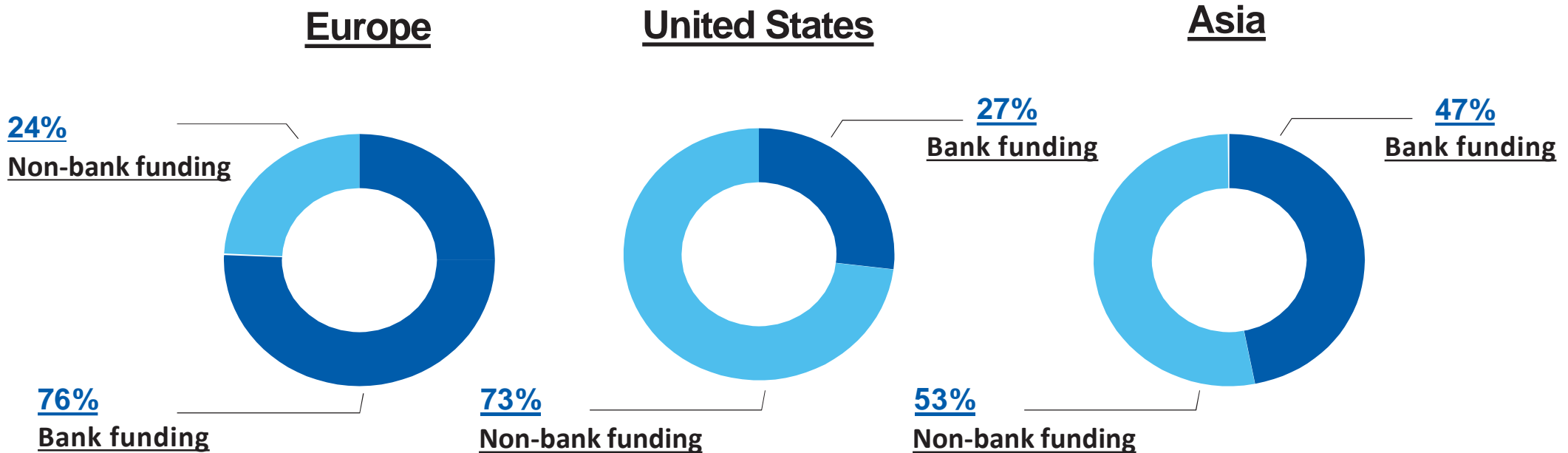


The progressive narrowing of the bid-ask spread in IBEX 35® benchmark has meant savings in transaction cost of 5.3 basis points since 2012.

Source: Market annual and monthly reports

# Structural change in funding

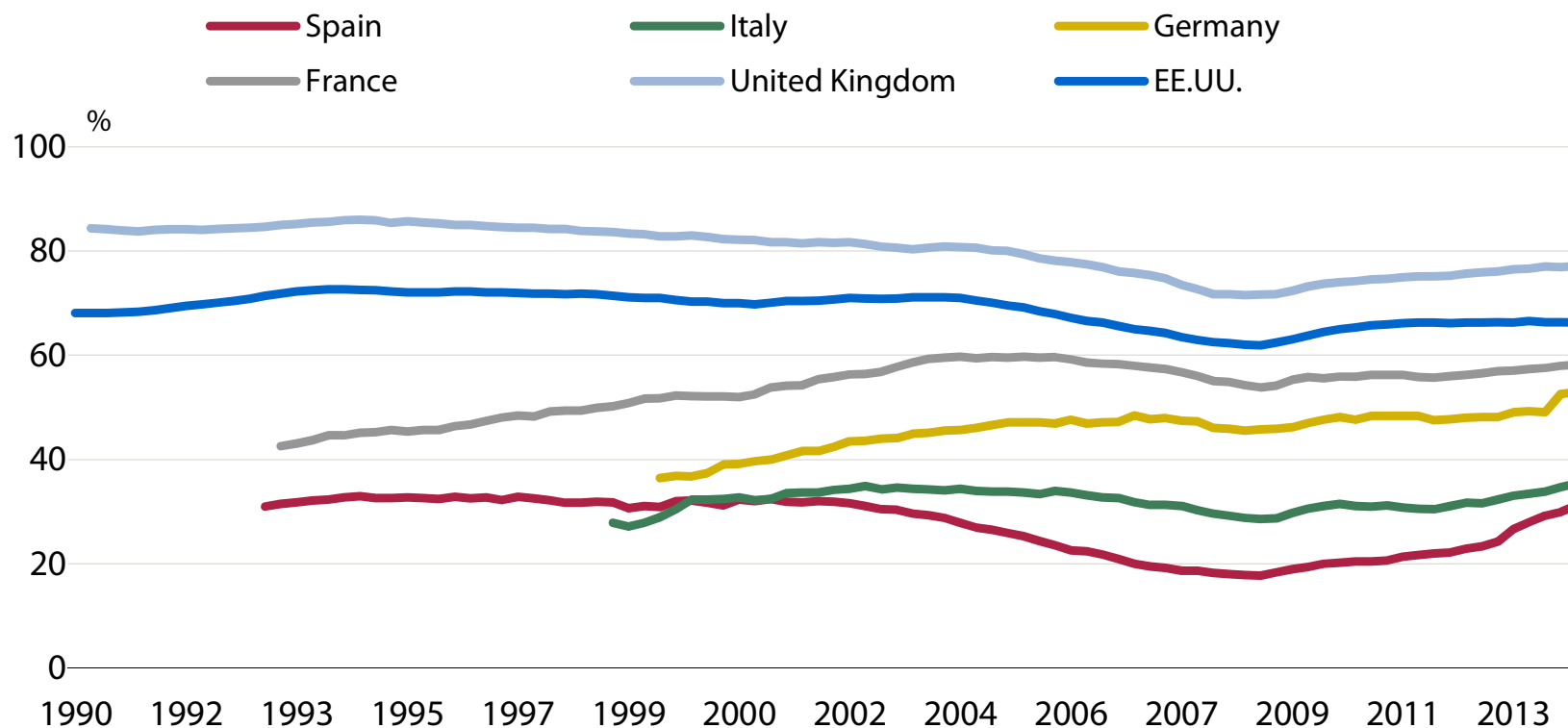
- Comparison of bank funding vs non-bank funding in Europe, the US and Asia. Prevalence of banking financing in Europe.



Source: ECB, BIS, Federal Reserve, Fung Global Institute, Oliver Wyman (latest available figures; 2013 for Europe and United States, 2012 for Asia)

# Structural change in funding

- Market financing (%) vs banking of non financial companies (1990 – 2013)

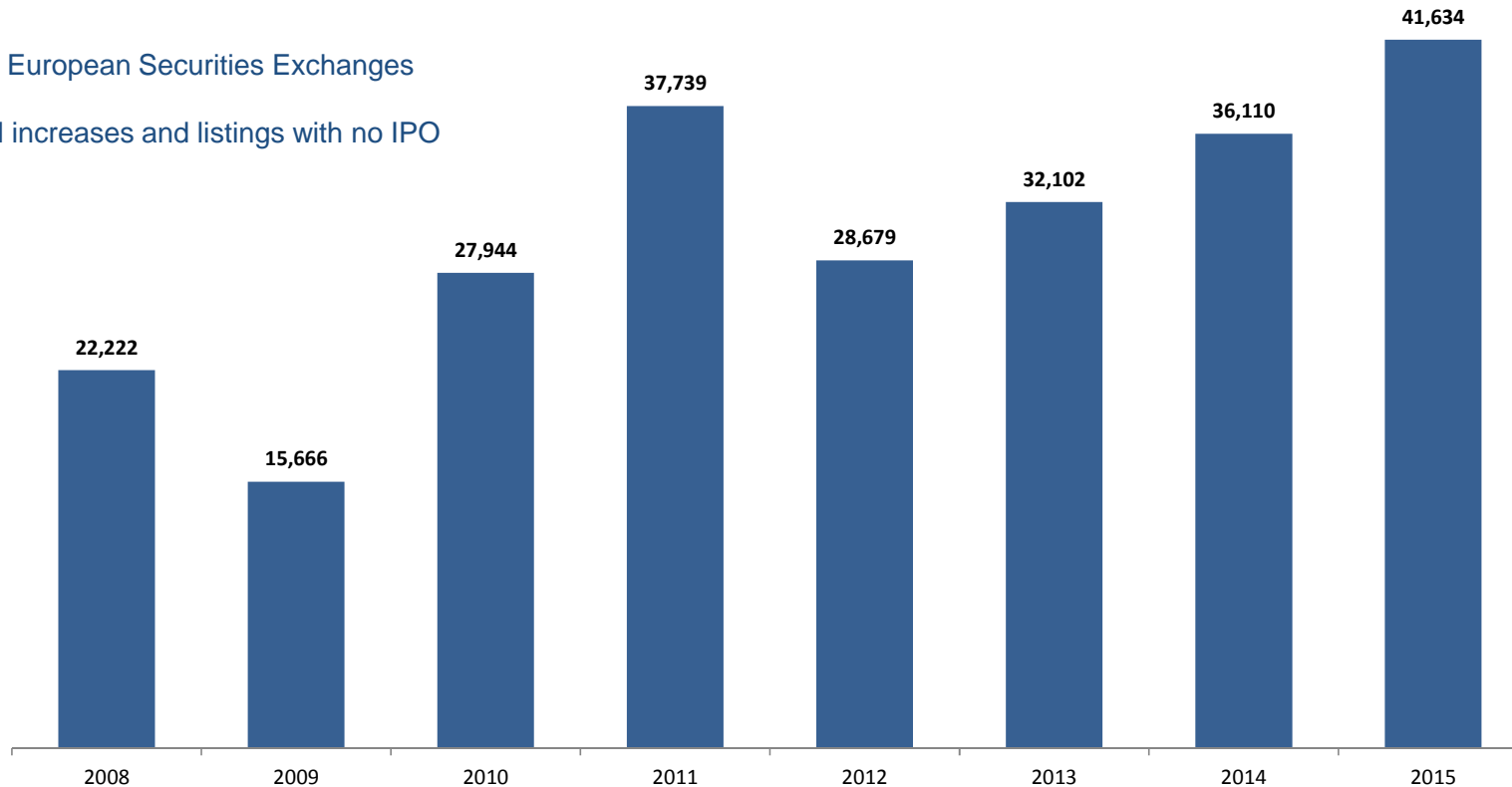


# Structural change in funding

- Investment flows through the Exchange (2008-2015)

Source: Federation of European Securities Exchanges

Includes IPOs, capital increases and listings with no IPO  
(€ Million)



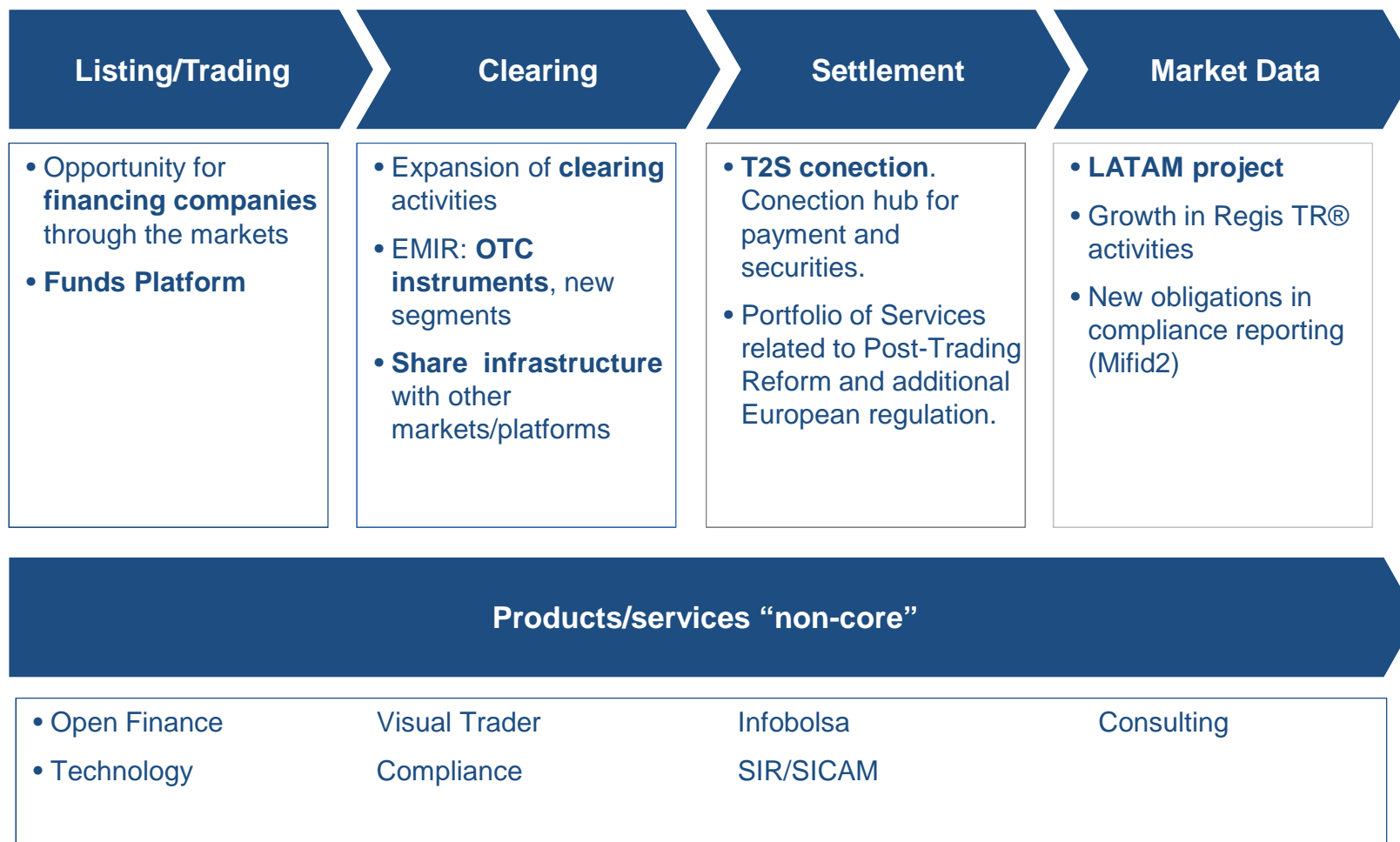
More than €242 bn. inflows since 2008

The structural change in funding has benefited flows channeled to the Exchange



# Growth projects “core” and “non-core”

- Enrichment of the value chain in all their links



# Q&A