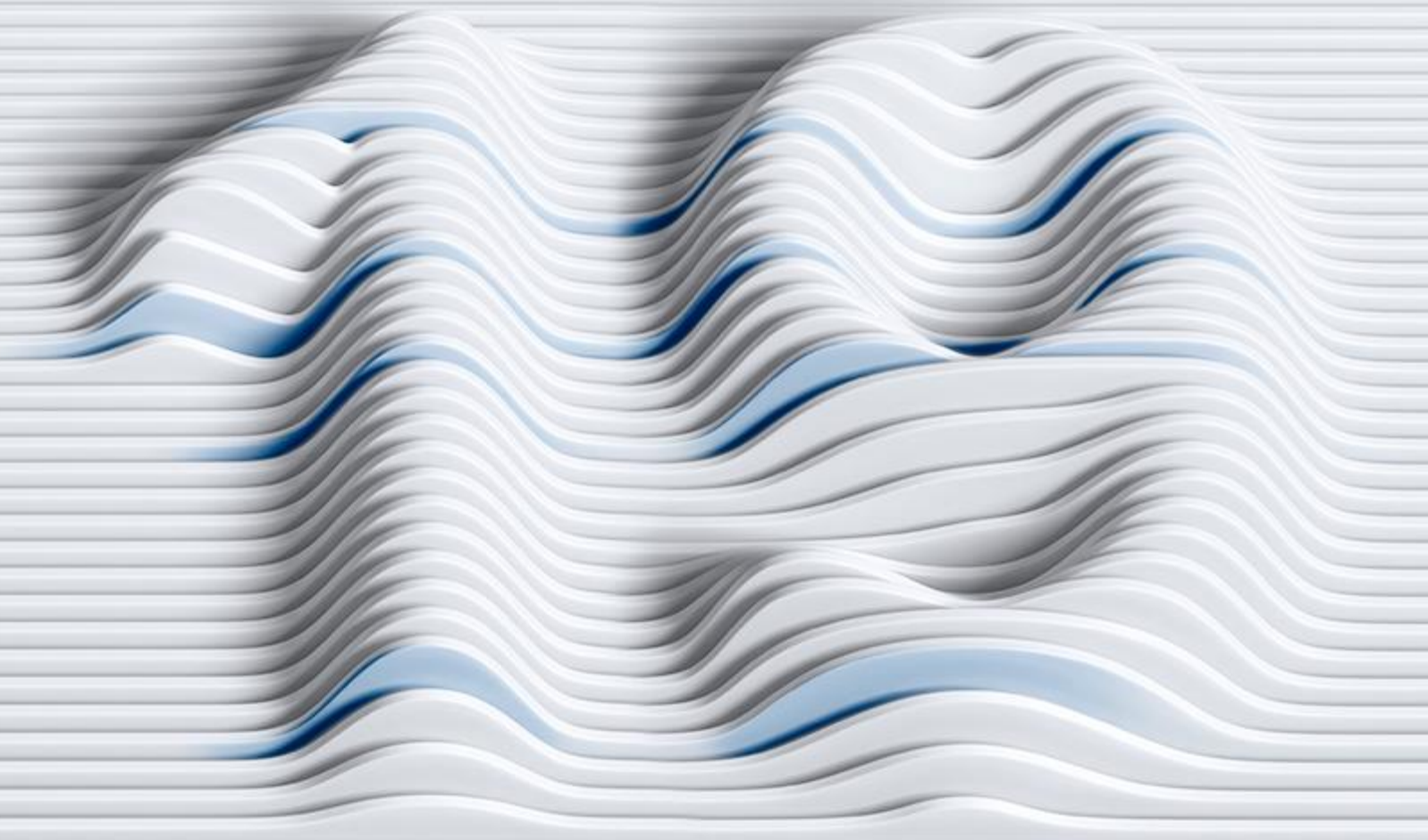

BUSINESS PERFORMANCE

First half 2019



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Results

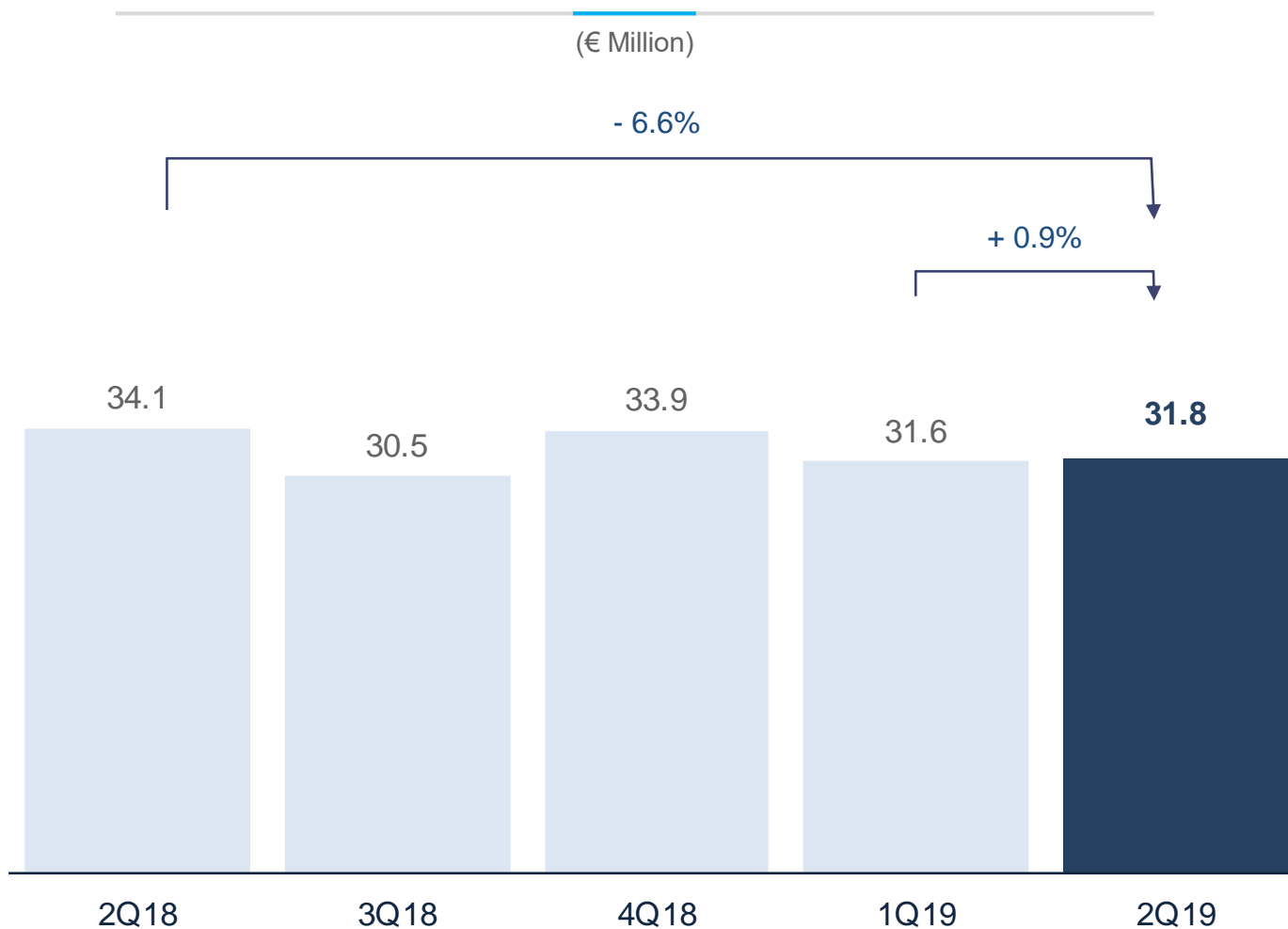
Business units

Financials

Business drivers

RESULTS

Net profit

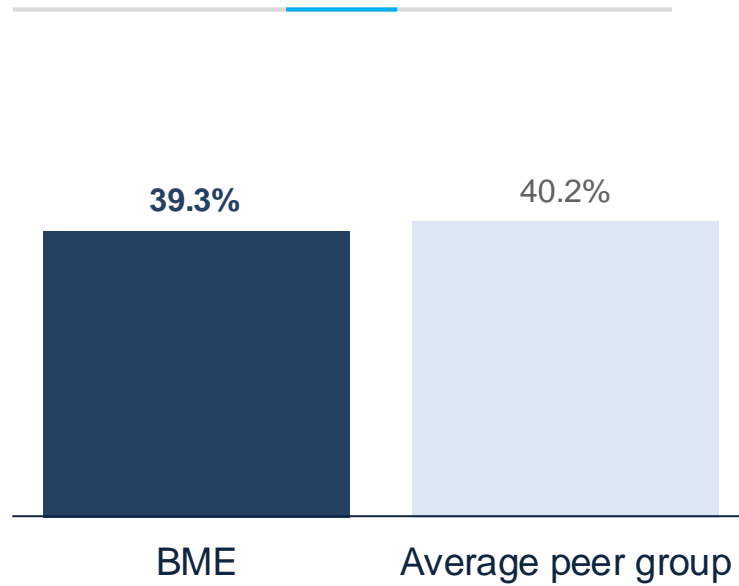


Quarterly data for 2018 has been restated to include the impact of IFRS 15.

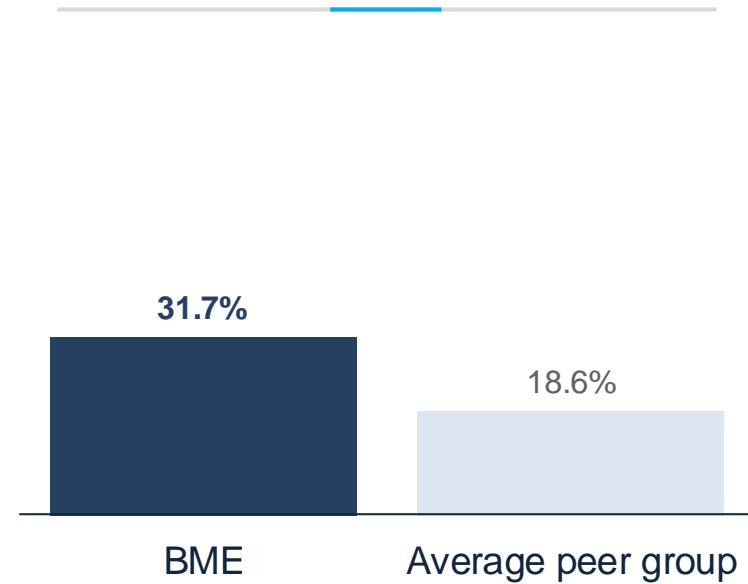
RESULTS

Key ratios vs. benchmark

Efficiency



ROE

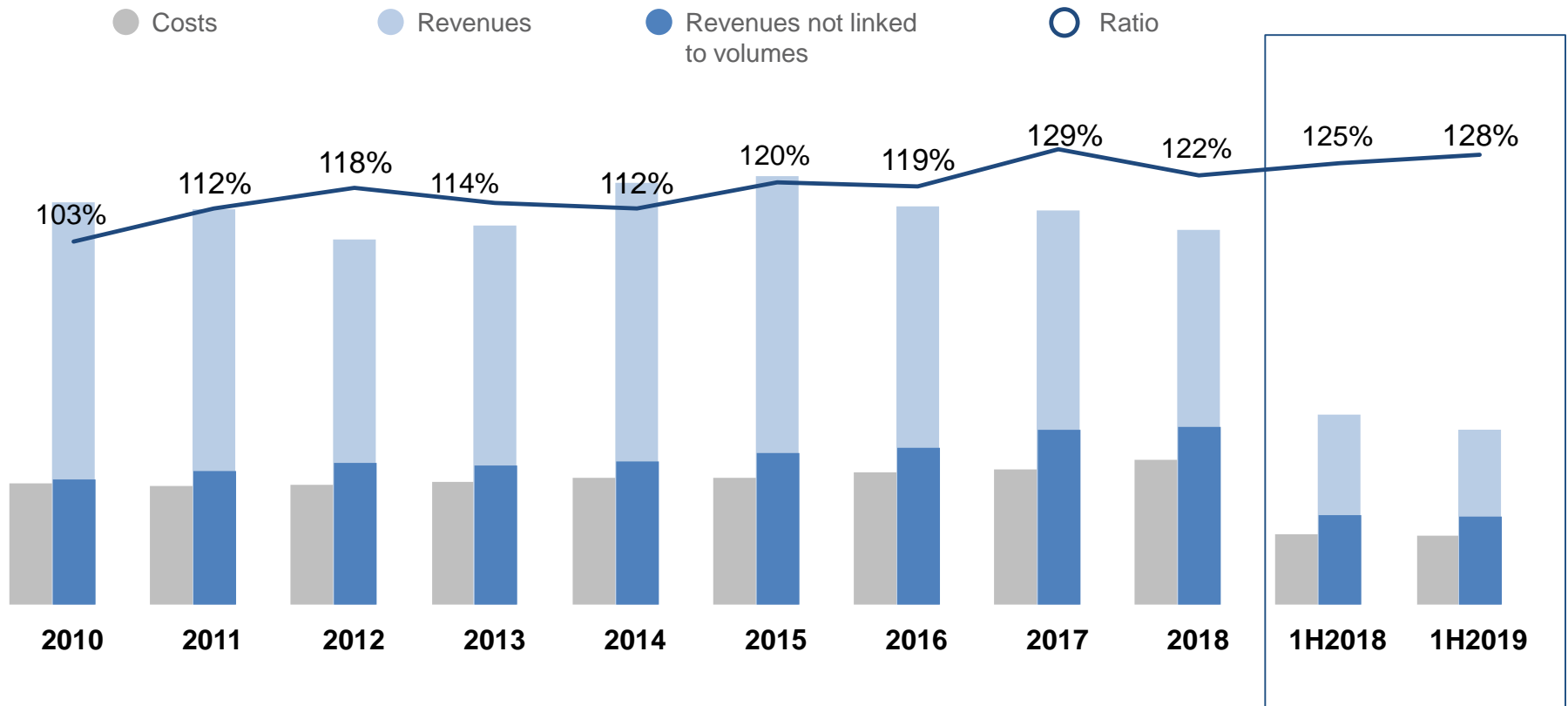


BME's data corresponding to the first half of 2019

Average peer Group has been calculated using latest results published and do not take into account goodwill impairment charges

RESULTS

Solid operating leverage



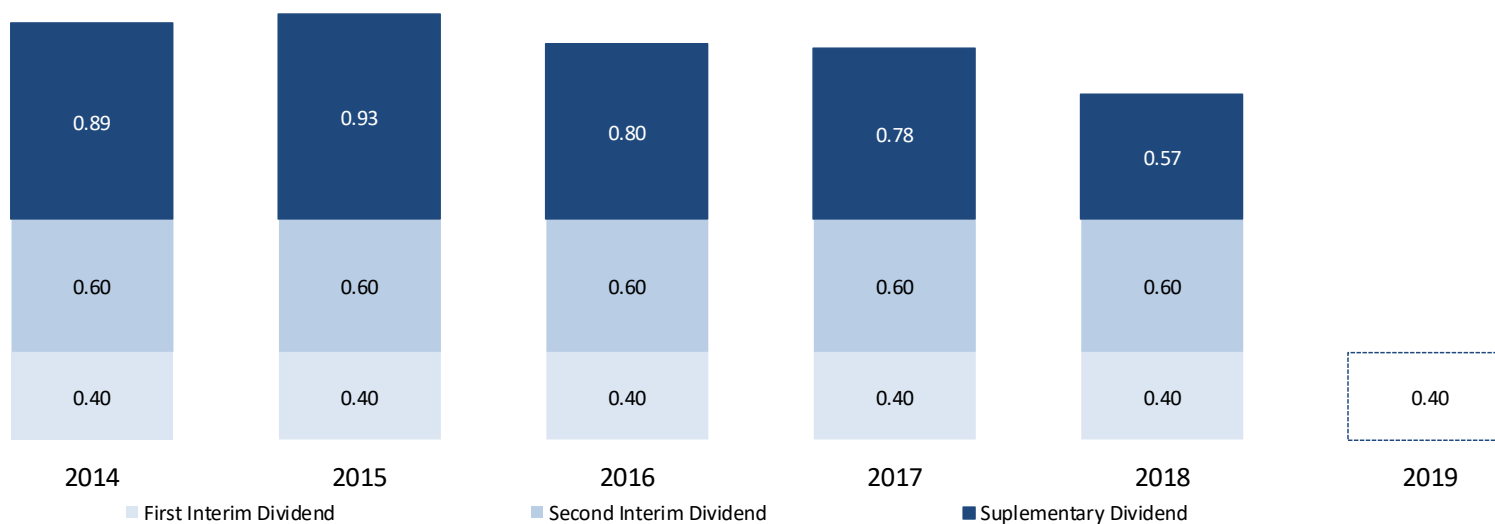
2018 data has been restated to include the impact of IFRS 15.



RESULTS

Dividends: Maximizing shareholders' returns

Payout ratio	96%	93%	93%	96%	96%
DPS (€/share)	1.89	1.93	1.80	1.78	1.57



Sustainability of payout ratio

Interim dividend proposal: 0.40 €/share (13 September 2019)

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Results

Business units

Financials

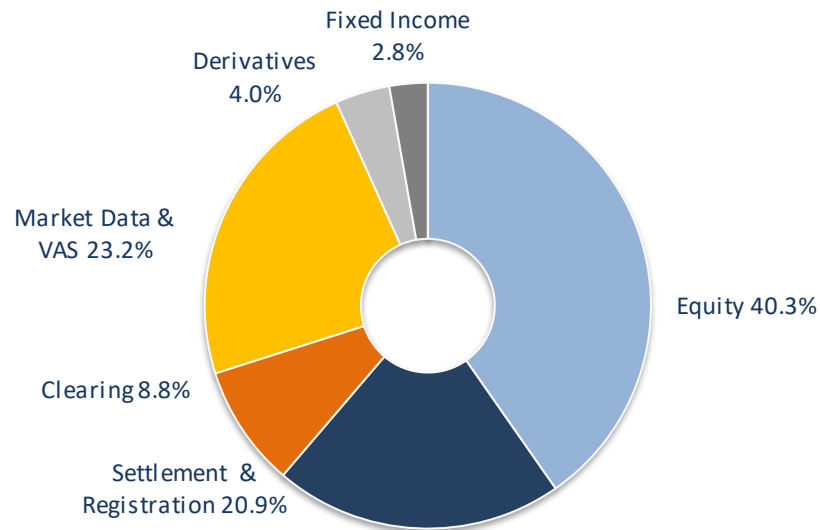
Business drivers

BUSINESS UNITS EVOLUTION

Business units

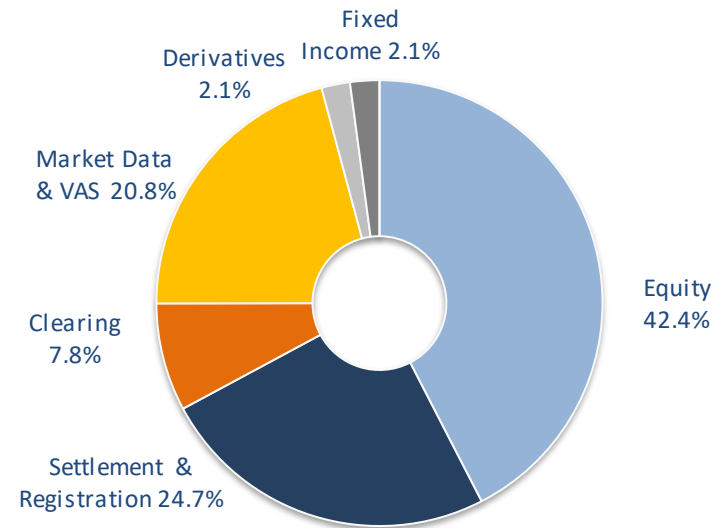
Consolidated net revenues

1H 2019 - %



EBITDA

1H 2019 - %



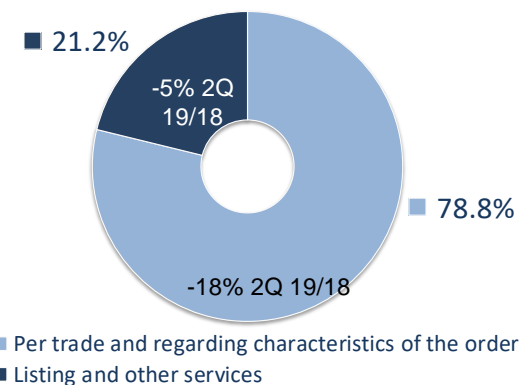


BUSINESS UNITS EVOLUTION

Equity Market

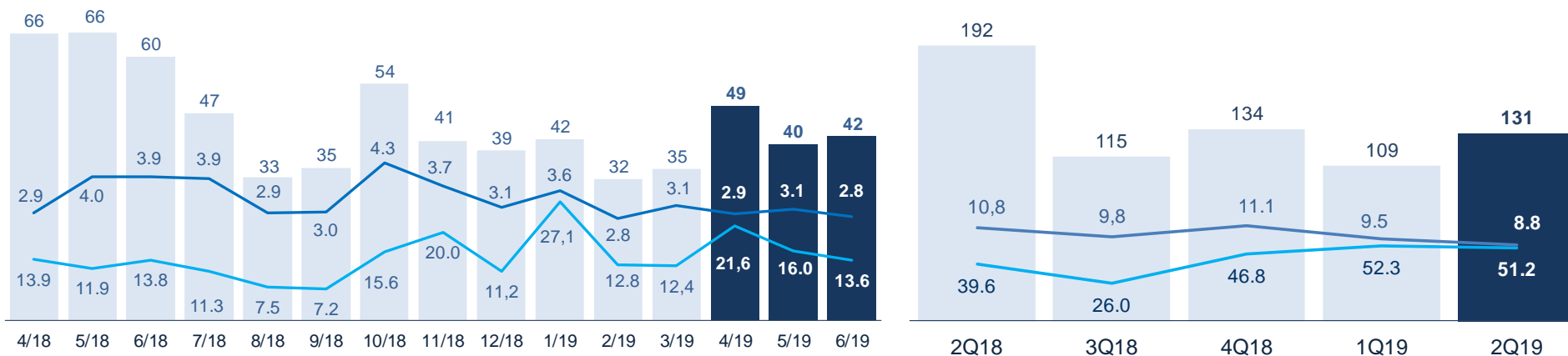
Thousand €	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Net Revenue	27,835	32,878	-15.3%	56,920	68,320	-16.7%
Operating Costs	(9,201)	(10,063)	-8.6%	(18,593)	(20,156)	-7.8%
EBITDA	18,634	22,815	-18.3%	38,327	48,164	-20.4%

Net revenues



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

● Turnover (€ Billion) ○ Shares (Billion) ○ Trades (Million)

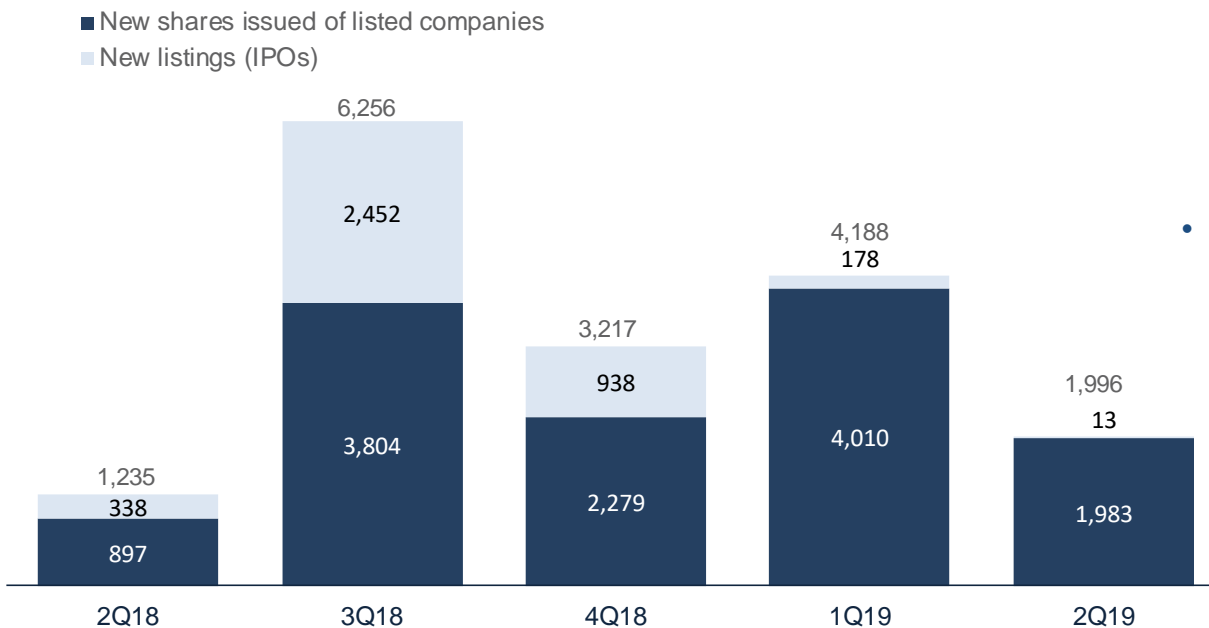


2018 data has been restated to include the impact of IFRS 15.

BUSINESS UNITS EVOLUTION

Equity Market

Listing activity



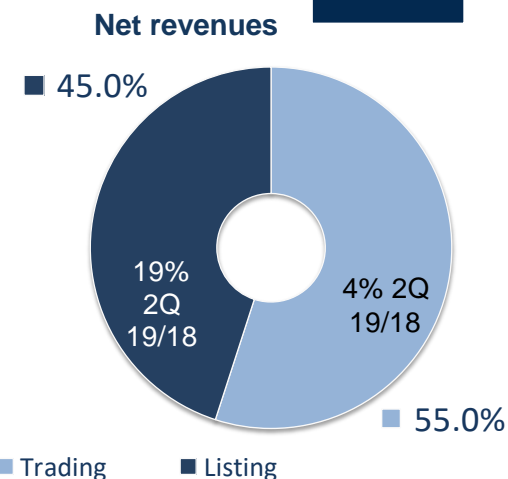
- Investment flows channelled to the Exchange in shares already listed during the first half of 2019 amounted to €5,993 million, representing an increase of 27.6% compared to 2018.
- Nine new companies have been admitted to trading in different segments of the MAB. The REITs, with 4 additions, continue to be the most relevant segment in admissions.

Source: FESE (Federation of European Stock Exchanges)

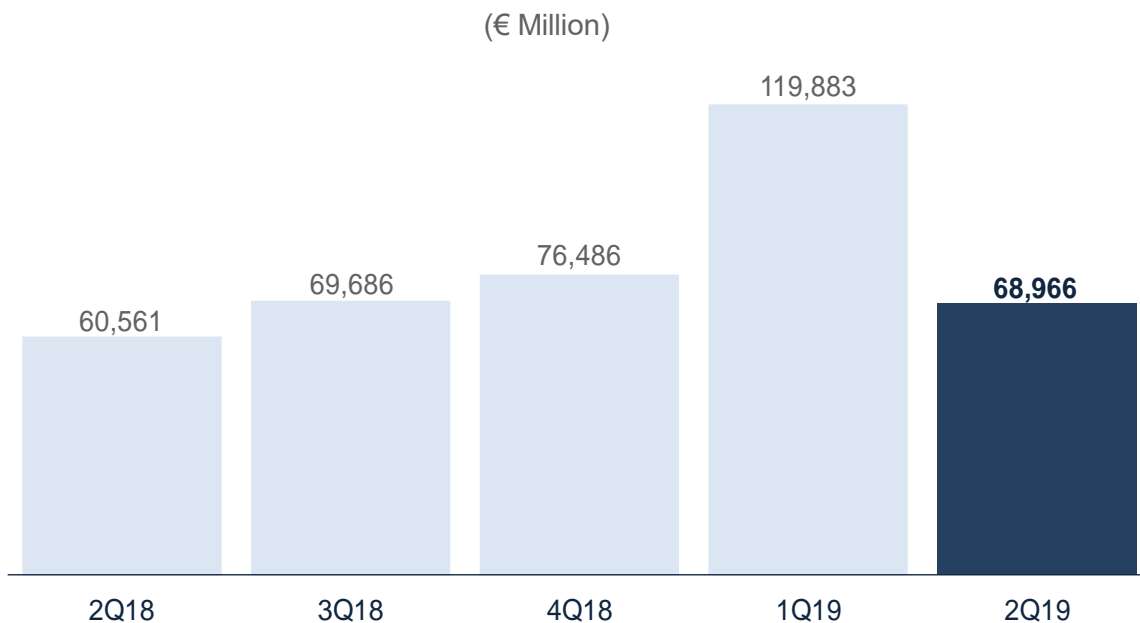
BUSINESS UNITS EVOLUTION

Fixed Income

Thousand €	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Net Revenue	1,995	1,812	10.1%	3,911	3,823	2.3%
Operating Costs	(954)	(1,164)	-18.0%	(1,998)	(2,365)	-15.5%
EBITDA	1,041	648	60.6%	1,913	1,458	31.2%



AIAF. Volume admitted



- Admissions to trading in Private Fixed Income grew in H1 by 63.7% in the regulated market to €66.8 billion and 49.0% in the Alternative Fixed Income Market (MARF) to €4.5 billion.
- Trading in fixed income increased by 74.5% to €186.4 billion in H1.
- Sustainability and the fight against climate change are gaining prominence in the markets managed by BME. In the first half, €2.6 billion ESG bonds have been admitted to trading. Spain is seventh in the world ranking of green bonds.

2018 data has been restated to include the impact of IFRS 15.

BUSINESS UNITS EVOLUTION

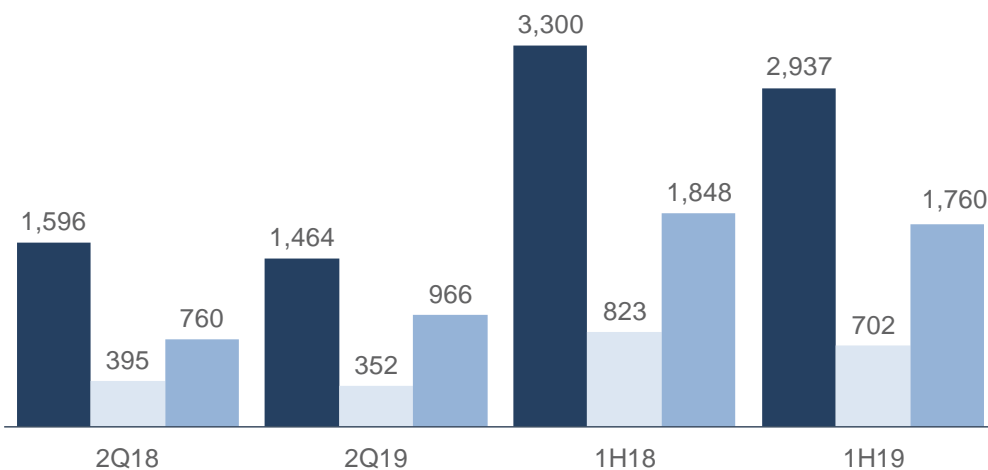
Derivatives

<i>Thousand €</i>	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Net Revenue	2,809	2,772	1.3%	5,580	5,697	-2.1%
Operating Costs	(1,837)	(1,818)	1.0%	(3,715)	(3,592)	3.4%
EBITDA	972	954	1.9%	1,865	2,105	-11.4%

Index derivatives contracts traded

(Thousand contracts)

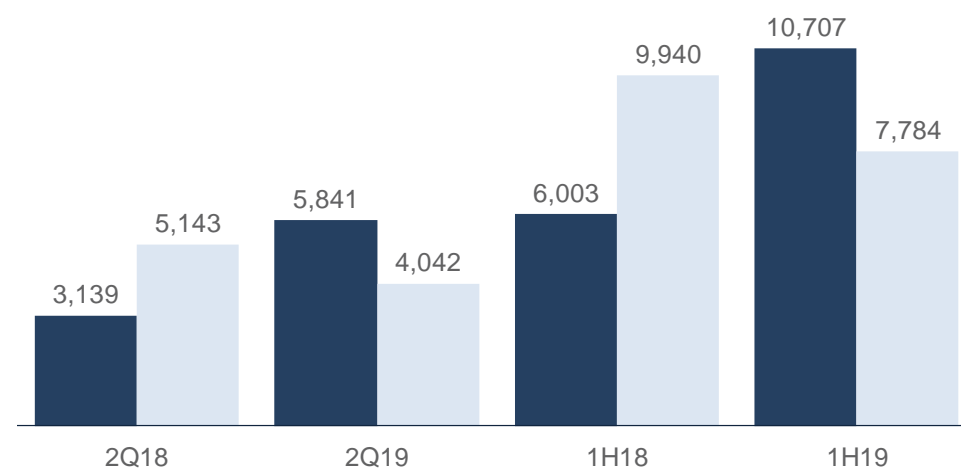
● Futures IBEX 35® ● Futures Mini and Micro IBEX® ● Options IBEX 35®



Stock derivatives contracts traded

(Thousand contracts)

● Stock Futures ● Stock Options



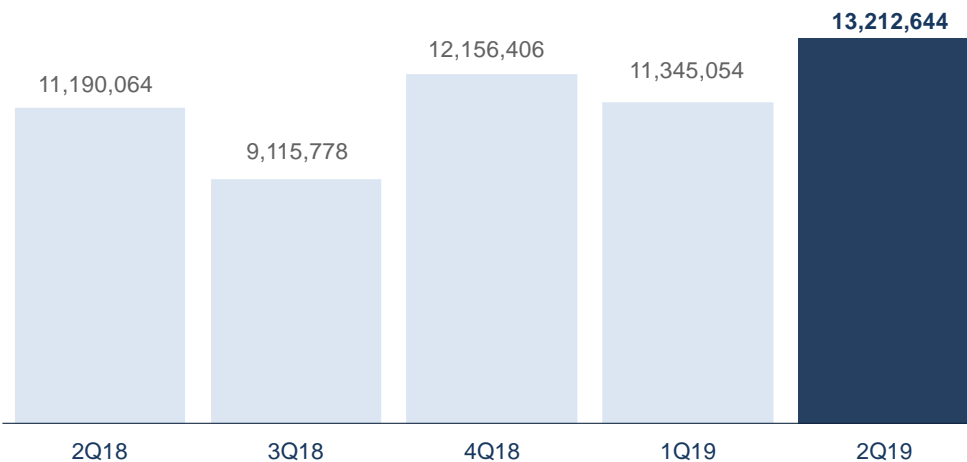
BUSINESS UNITS EVOLUTION

Clearing

<i>Thousand €</i>	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Net Revenue	6,478	6,316	2.6%	12,493	13,752	-9.2%
Operating Costs	(2,719)	(2,512)	8.2%	(5,419)	(5,036)	7.6%
EBITDA	3,759	3,804	-1.2%	7,074	8,716	-18.8%

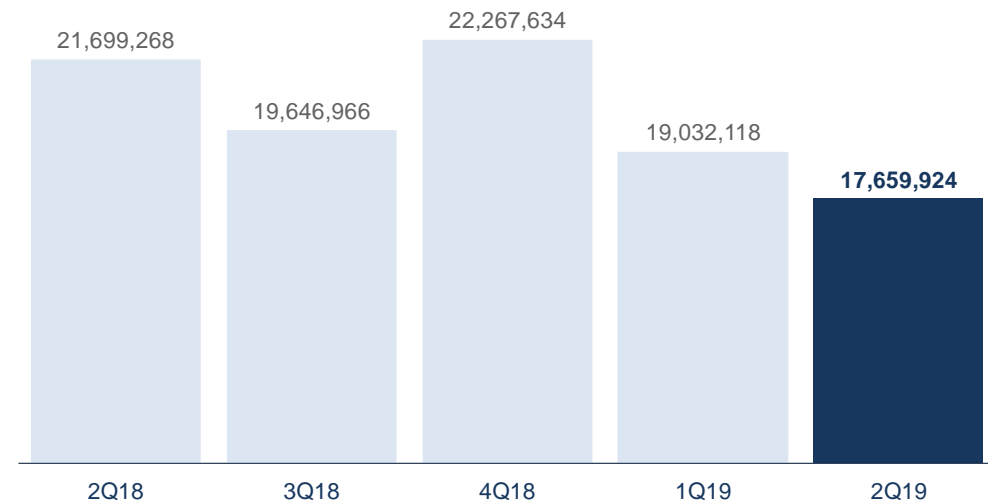
Financial Derivatives

(Number of contracts)



Number of equity transactions cleared

(Number of transactions)

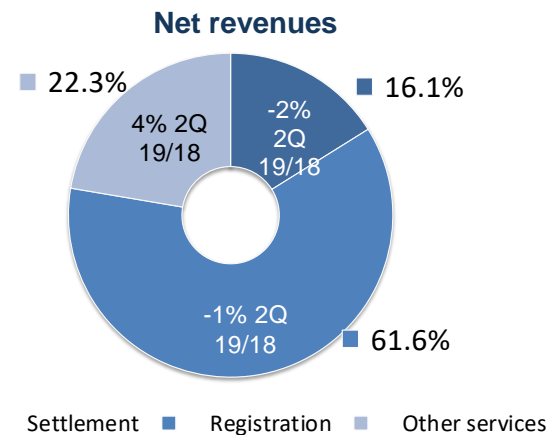




BUSINESS UNITS EVOLUTION

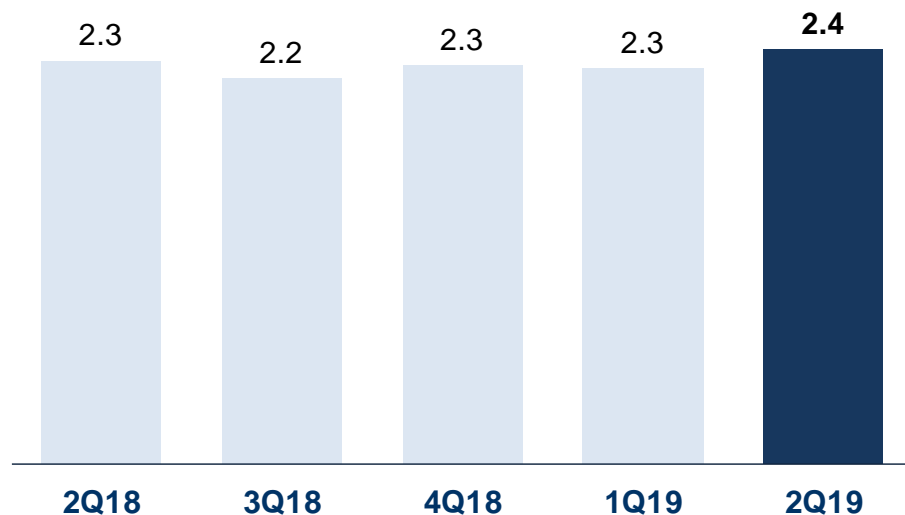
Settlement & Registration

Thousand €	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Net Revenue	14,859	14,877	-0.1%	29,574	29,948	-1.2%
Operating Costs	(3,479)	(4,060)	-14.3%	(7,254)	(7,795)	-6.9%
EBITDA	11,380	10,817	5.2%	22,320	22,153	0.8%



Settlement: Number of trades settled

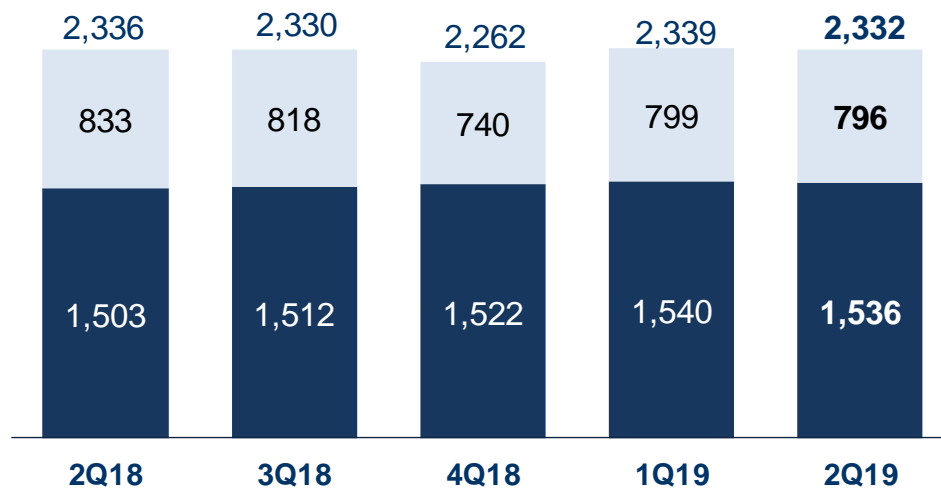
(Million of trades)



Securities under custody: Volume registered

(€ Billion)

● Par Value registered in FI ● Market value registered in Equity



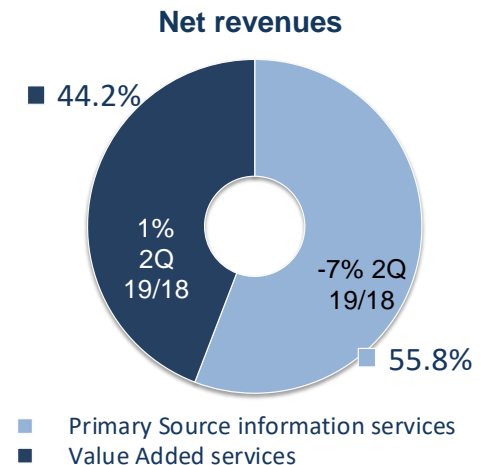
BUSINESS UNITS EVOLUTION

Market Data & VAS

<i>Thousand €</i>	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Net Revenue	16,558	17,099	-3.2%	32,753	32,960	-0.6%
Primary source information services	9,245	9,892	-6.5%	18,521	19,961	-7.2%
Value added services	7,313	7,207	1.5%	14,232	12,999	9.5%
Operating Costs	(6,750)	(6,189)	9.1%	(13,929)	(11,975)	16.3%
EBITDA	9,808	10,910	-10.1%	18,824	20,985	-10.3%

Market Data

- 3.9% decrease in the number of end users
- 2.3% increase in the number of clients
- Dissemination of information generated via xRolling



BUSINESS UNITS EVOLUTION

Market Data & VAS

Value Added Services

- Strategic refocus aligned with client needs
- Efficiency plan based on digital transformation
- Committed to innovation: DLT/ Analytics/ IA...



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Net revenues

<i>Thousands of €</i>	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Equity	27,835	32,878	-15.3%	56,920	68,320	-16.7%
Fixed income	1,995	1,812	10.1%	3,911	3,823	2.3%
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FINANCIALS

EBITDA

<i>Thousands of €</i>	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Equity	18,634	22,815	-18.3%	38,327	48,164	-20.4%
Fixed income	1,041	648	60.6%	1,913	1,458	31.2%
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Market Data & VAS	9,808	10,910	-10.1%	18,824	20,985	-10.3%

FINANCIALS

Balance sheet

<i>Thousands of €</i>	30-jun-19	30-jun-18
Goodwill	87,725	88,718
Other non-current assets	112,978	90,368
Cash and cash equivalents	293,992	308,153
Current financial assets	8,338	7,815
Non-Group current financial assets	12,958,500	15,044,240
Other current assets	90,691	100,072
Total assets	13,552,224	15,639,366
Owners' Equity	406,595	419,300
External Partners	300	77
Non-current liabilities	66,723	39,813
Current liabilities	13,078,606	15,180,176
Total equity and liabilities	13,552,224	15,639,366

FINANCIALS

P&L

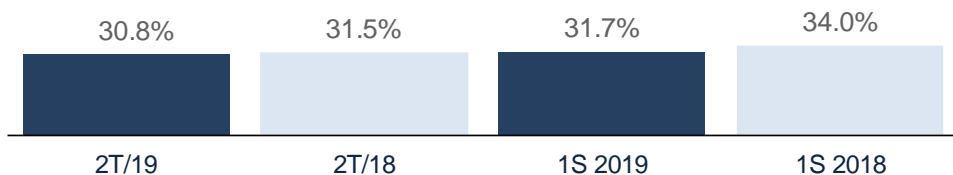
<i>Thousands of €</i>	2Q 2019	2Q 2018	%	1H 2019	1H 2018	%
Net Revenue	70,971	75,805	-6.4%	142,505	154,687	-7.9%
Expenses	(27,508)	(29,348)	-6.3%	(56,034)	(57,696)	-2.9%
EBITDA	43,463	46,457	-6.4%	86,471	96,991	-10.8%
EBIT	41,113	44,444	-7.5%	81,781	93,046	-12.1%
Financial results	398	473	-15.9%	134	494	-72.9%
Share of profit (loss) of associates	752	373	101.6%	1,902	1,655	14.9%
EBT	42,263	45,290	-6.7%	83,817	95,195	-12.0%
Net Profit	31,848	34,104	-6.6%	63,400	71,902	-11.8%

FINANCIALS

Efficiency & profitability

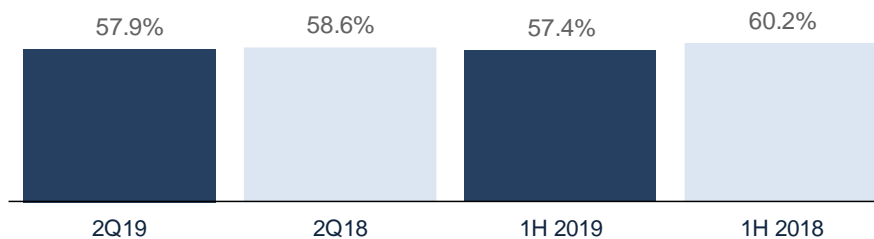
ROE evolution

(% ROE)



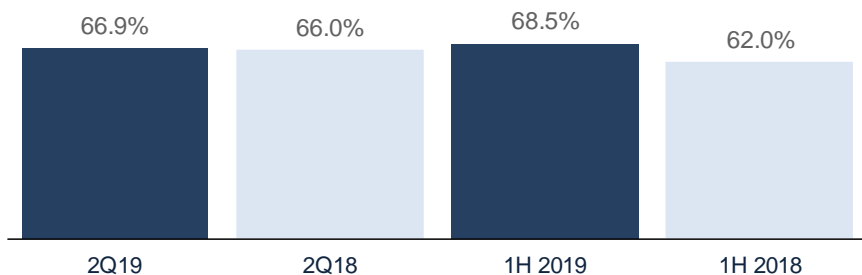
EBIT/ Net revenues ratio evolution

(% EBIT/ Net revenues)



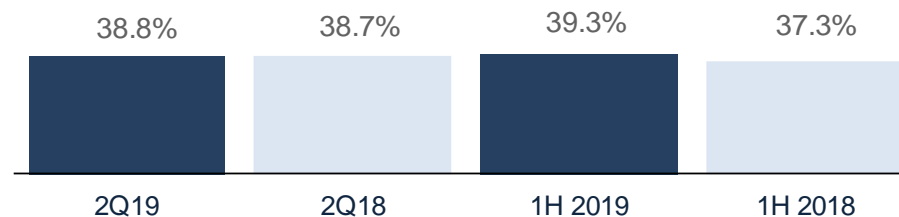
Cost/ EBIT ratio evolution

(% Cost/ EBIT)



Efficiency ratio evolution

(% Efficiency)



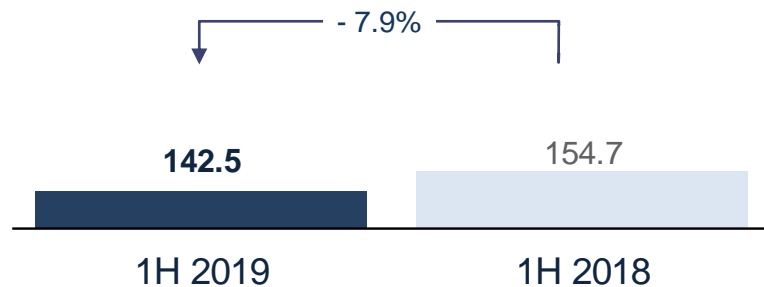
2018 data has been restated to include the impact of IFRS 15.

FINANCIALS

P&L – Main figures vs. 1H 2018

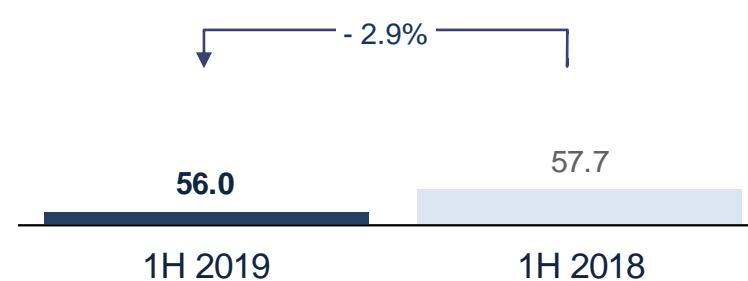
Net revenues

(€ Mill)



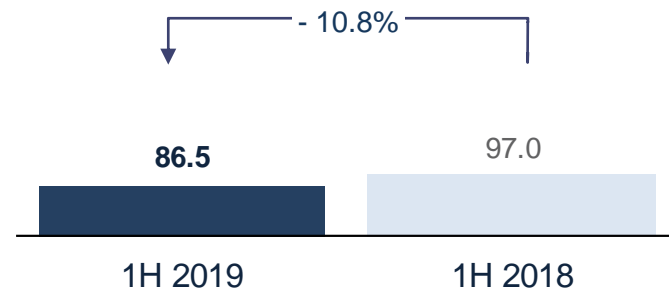
Costs

(€ Mill)



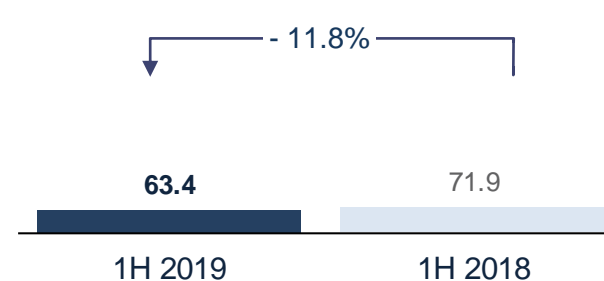
EBITDA

(€ Mill)



Net profit

(€ Mill)



2018 net revenues, EBITDA and net profit have been restated to include the impact of IFRS 15.

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BUSINESS DRIVERS

High liquidity market

Quality in spreads and best market impact for trading of Spanish stocks

	Top Cap – 0,3 bps	IBEX35	IBEX Medium Cap	IBEX SmallCap
Year/ month	Avg spread (%)	Avg spread (%)	Avg spread (%)	Avg spread (%)
201806	0.043%	0.052%	0.211%	0.427%
201807	0.040%	0.049%	0.227%	0.436%
201808	0.041%	0.051%	0.228%	0.438%
201809	0.042%	0.051%	0.234%	0.449%
201810	0.046%	0.057%	0.275%	0.593%
201811	0.041%	0.054%	0.274%	0.661%
201812	0.042%	0.055%	0.288%	0.632%
201901	0.040%	0.053%	0.257%	0.576%
201902	0.042%	0.053%	0.245%	0.514%
201903	0.041%	0.052%	0.248%	0.503%
201904	0.039%	0.050%	0.225%	0.474%
201905	0.038%	0.051%	0.273%	0.523%
201906	0.038%	0.050%	0.255%	0.519%

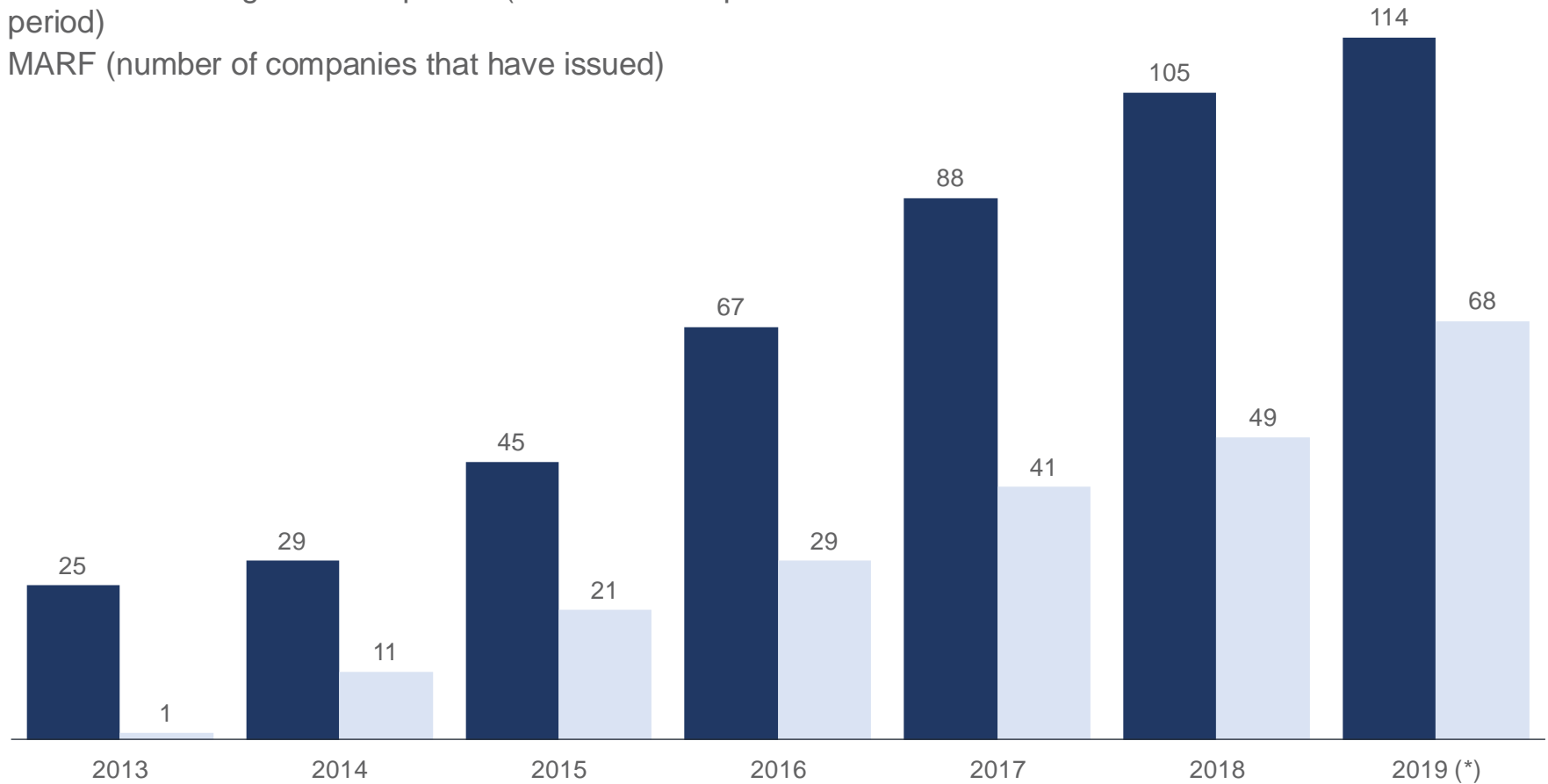
- Average spreads in IBEX35® stocks with 0.3 bps trading fee as well as other IBEX35® stocks have narrowed in the last 12 months 0.5 and 0.2 bps, respectively, helped by liquidity providers schemes.
- From June 2018 onwards, IBEX Medium Cap® and IBEX Small Cap® average spreads have widened 4.4 and 9.2 bps, respectively.

Source: Monthly market report

BUSINESS DRIVERS

Growth of financing via MAB and MARF

- MAB REITs and growth companies (number of companies at the end of the period)
- MARF (number of companies that have issued)



(*) Until July 2019

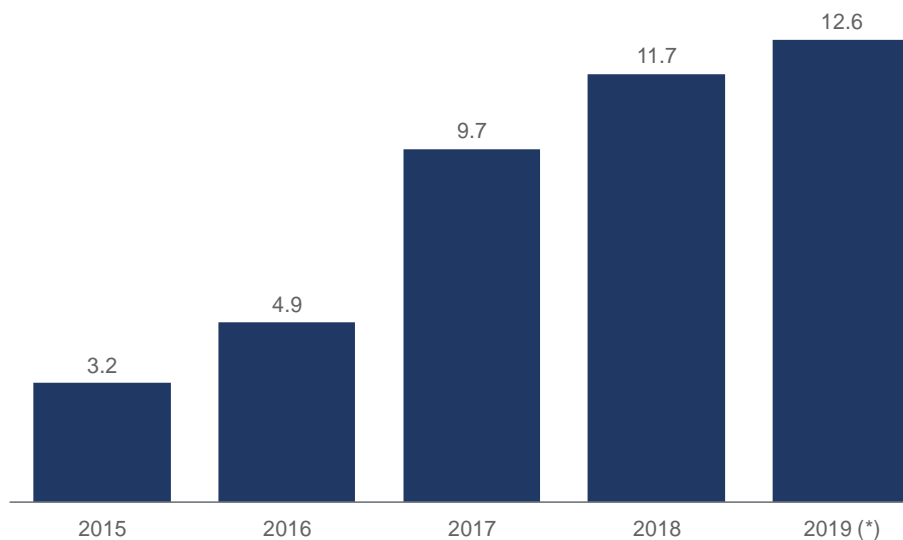


BUSINESS DRIVERS

Growth of financing via MAB and MARF

MAB: Capitalisation

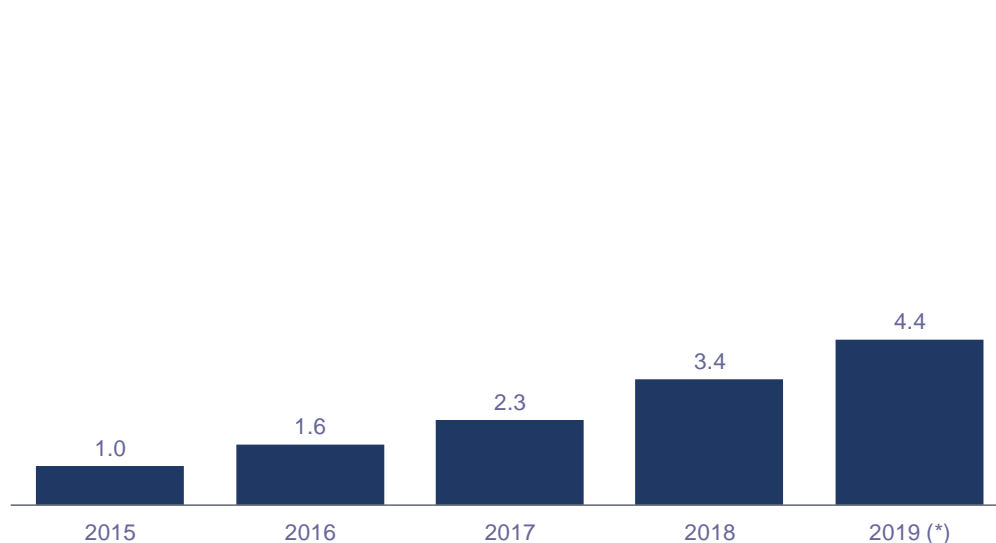
(€ Billion)



REITs + Growth companies at the end of each period

MARF: Outstanding balance

(€ Billion)



At the end of the period

(*) Until July 2019

BUSINESS DRIVERS

Volume trends

Product details (+)	QoQ (%)	YoY (%)	Product details (-)	QoQ (%)	YoY (%)
Derivatives					
IBEX 35® Div Impact futures	+290.4%	+162.6%	IBEX 35® Index futures	-8.3%	-11.0%
Equity dividend futures	+248.0%	+107.8%	Micro & Mini IBEX 35® Index futures	-11.0%	-14.7%
Electricity derivatives	+130.5%	+134.8%	Equity options	-21.4%	-21.7%
Equity futures	+86.1%	+78.4%			
IBEX 35® Index options	+27.0%	-4.8%			
Fixed income					
Admissions MARF	+82.3%	+49.0%			
Trading fixed income	+60.4%	+74.5%			
Admissions private fixed income	+44.5%	+63.7%			
Admissions public debt	+5.9%	-3.6%			
Sustainable, social and green bonds	+116.7%	+63.9%			
Equity					
Investment flows channeled through Exchange - Listing	+61.6%	+7.5%	Ordinary trading	-16.3%	-19.0%
			Other segments trading ¹	-43.6%	-40.4%

¹Corporate actions, blocks and specials.



Q&A