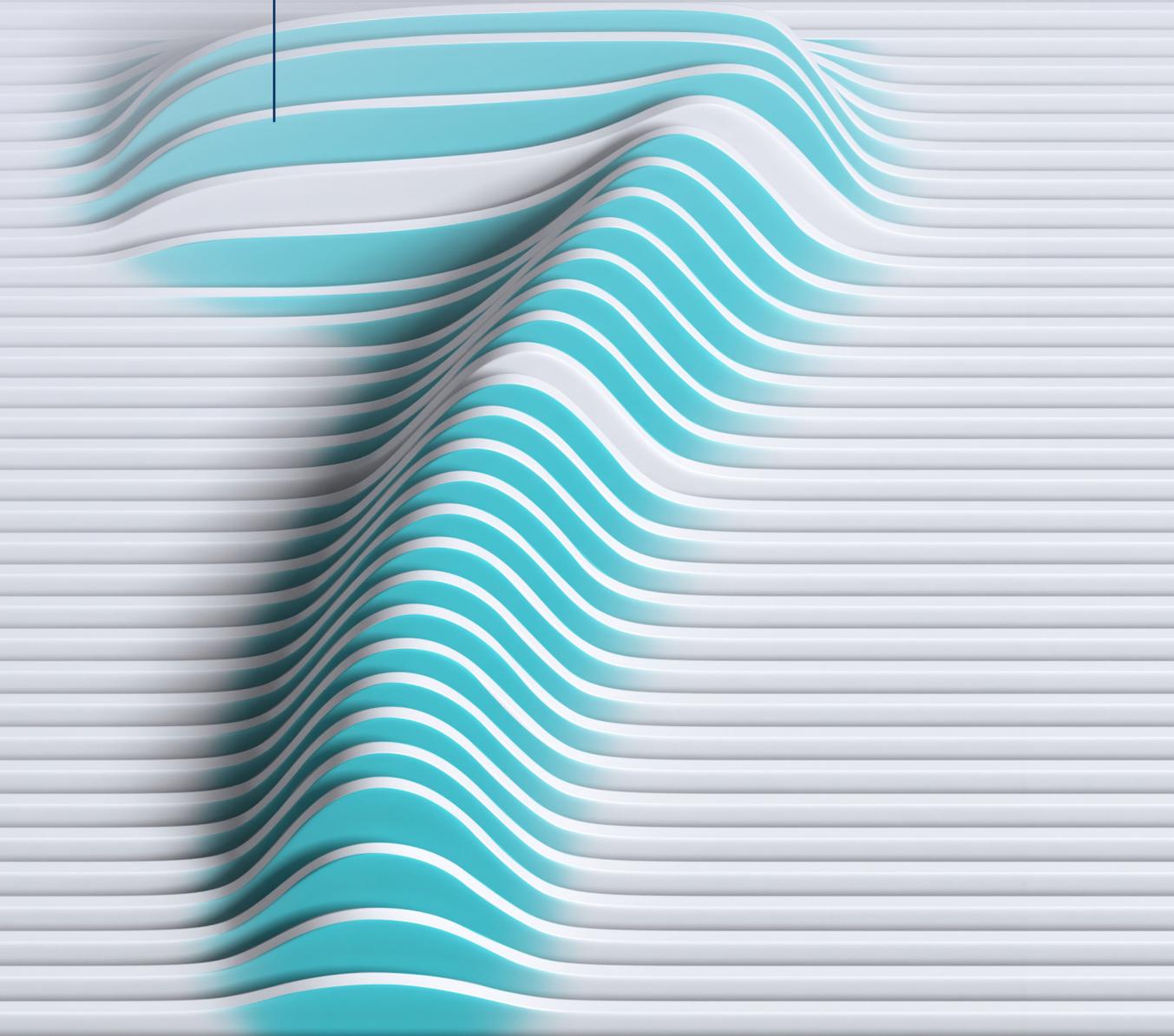


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# SOCIETY

- 7.1. COMMUNICATION CHANNELS WITH SOCIETY.
- 7.2. FINANCIAL CULTURE AND OTHER CULTURAL ACTIVITIES.





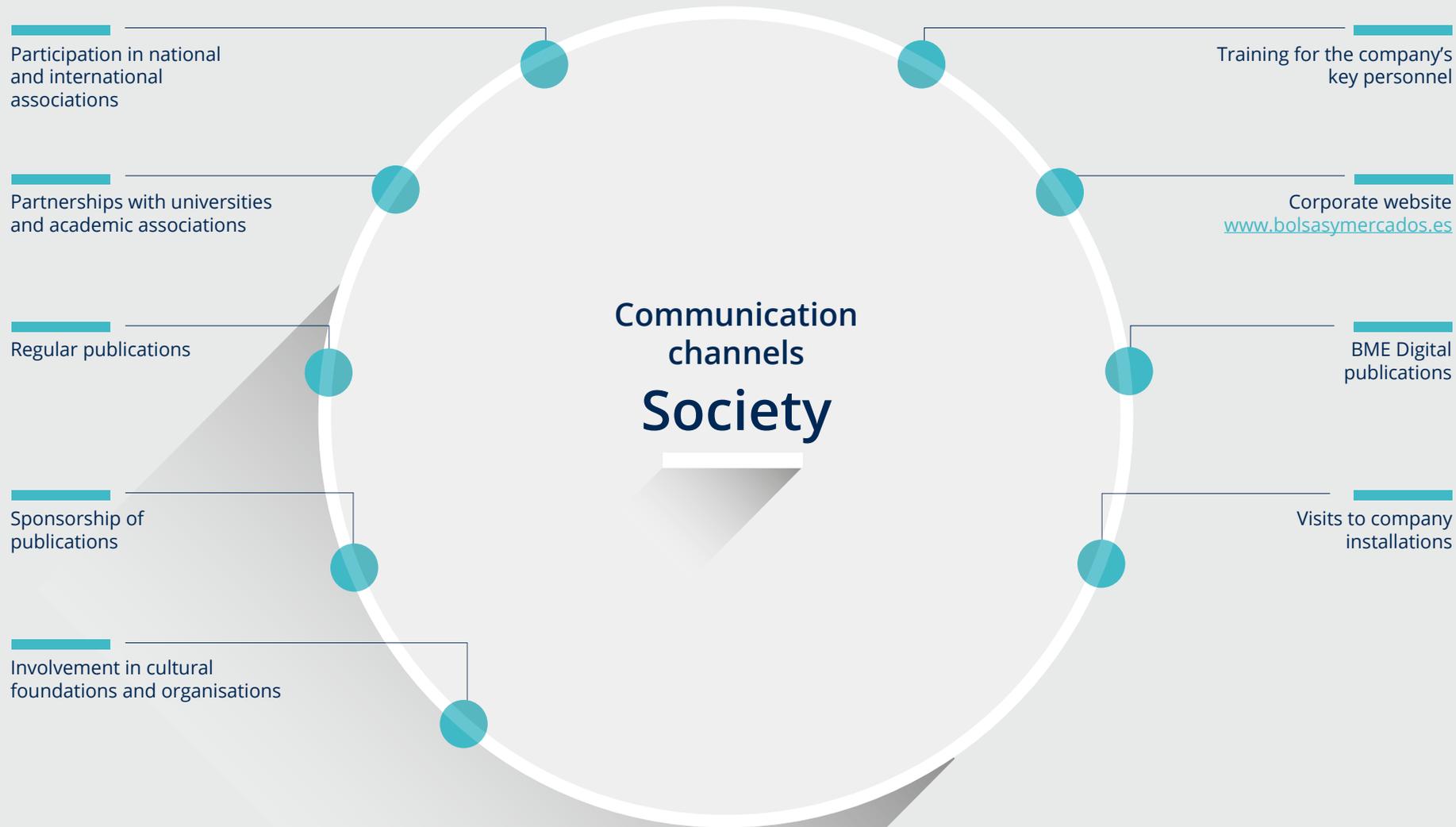
## 7.1 Communication Channels with Society

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In order to underline its commitment to the society in which it operates and improve its social and institutional relations, BME complements in main activity with various actions and initiatives designed to foster a financial culture and corporate social responsibility. To this end, BME draws on the vital support of the companies admitted for trading on the markets and systems it manages.

### **Collaboration with National Archeological Museum.**

Digitalization of Greek vessels.  
Digitalization is completed.



## 7.2 Financial Culture and other Cultural Activities

### 7.2.1. Financial culture.

BME is committed to the distribution of information and increasing access to a financial culture for all economic agents, whatever their condition, improving the rights of investors.

Through its activities BME contributes and promotes financial training for the general public. BME therefore invests in providing financial education services, increasing the financial training that it distributes for free, with no restrictions on access.

#### A) Financial Education Day

The Company, through Instituto BME, was involved in planning and organising the second “*Financial Education Day*”, an initiative featuring in the Financial Education Plan promoted by the Bank of Spain, the CNMV and the General Directorate for Insurance. BME has launched the “*Face-to-face financial education*” initiative, with the Madrid, Barcelona, Valencia and Bilbao stock exchanges, installing *stands* where representatives of Instituto BME and the stock exchanges answer questions from the public about investing in the stock markets.



Financial Education Day. Activities in all our premises.

**B) BME's involvement with Spanish and international associations and institutions**

	BME GROUP <sup>(1)</sup>	BME GROUP <sup>(1)</sup>	BME GROUP <sup>(1)</sup>	BME GROUP <sup>(1)</sup>
<b>Spanish and international associations</b>				
Spanish Association of Accounting and Business Administration	-	-	Yes	-
Spanish Association of Financial Managers and Company Treasurers	-	-	Yes	-
Financial Markets Association	-	Yes	Yes	-
European Finance Centre, Barcelona	-	-	Yes	-
Círculo de Economía	-	-	Yes	-
Catalan Institute of Economists	-	-	Yes	-
Institute of Internal Auditors (IAI)	-	-	Yes	-
<b>Spanish and international associations</b>				
World Federation of Exchanges (WFE)	-	Yes	Yes	Yes
Federation of European Stock Exchanges (FESE)	Yes	Yes	Yes	Yes
Ibero-American Stock Exchange Federation (FIAB)	Yes	Yes	Yes	Yes
European Capital Markets Institute (ECMI)	Yes	Yes	Yes	-
International Organization of Securities Commissions (OICV-IOSCO)	-	Yes	Yes	Yes
Centre for European Policy Studies (CEPS)	-	Yes	Yes	Yes
Futures Industry Association (FIA)	-	Yes	Yes	Yes
Spanish SWIFT Users Group (SWIFT GNUSE)	-	Yes	Yes	Yes
International Securities Services Association (ISSA)	-	-	Yes	-
European Central Securities Depositories Association (ECSDA)	Yes	Yes	Yes	Yes
Extensible Business Reporting Language (XBRL) Association	-	-	Yes	-
Financial Services in Europe (EUROFI)	-	Yes	Yes	-
AFME – Securitisation Division (previously: European Securitisation Forum)	-	-	Yes	-
European Covered Bonds Council (ECBC)	-	-	Yes	-
International Swaps and Derivatives Association (ISDA)	-	-	Yes	-
Financial Information Services Association of SIIA (FISD)	-	-	Yes	-

Domestic and international associations and institutions in which BME, directly or indirectly:

- (1) Holds a position on the governance body.
- (2) Participates in its projects or committees.
- (3) Views membership thereof as a strategic decision.
- (4) Provides substantive funding beyond routine membership dues.

### C) Collaboration in financial education with universities, educational centres and other relevant parts of society

BME's deep commitment to general culture and, specifically, the culture of finance and its dissemination is also evidenced in the company's collaboration with a variety of organisations, universities and academic associations, and the participation of its professionals in training programmes related to the stock market.

Since June 2008, BME has been a patron of the Fundación de Estudios Financieros (Foundation for Financial Studies), which dedicates its resources and efforts to independent research, education and opinion. The Foundation is committed to working to promote fair adherence to economic freedom based on efficiency, transparency and ethical practices.

As part of the efforts to promote the culture of finance, Instituto BME, the company's training centre, has entered into numerous collaboration agreements with universities, study centres and other institutions, and helps organise courses directed at professionals working in finance. It also offers scholarships and training grants to open up access to the highest quality post-graduate study programmes.

Instituto BME also collaborates on numerous training projects, offering specialised courses at private and public universities, such as those of Alcalá de Henares, Castilla-La Mancha, Carlos III, Complutense, Internacional de Andalucía (UNIA), Malaga, Universidad Nacional de Educación a Distancia (UNED),

Miguel Hernández, the Basque Country, Pontificia de Comillas (ICADE), San Pablo CEU, Santiago de Compostela, Valencia, Vigo, Zaragoza, and Colegio Universitario de Estudios Financieros (CUNEF) in Madrid, etc., as well as international universities such as the Panamerican University (Mexico) and Sergio Arboleda and Rosario (Colombia), and training institutions such as the Colegio de Economistas de Aragón, Asociación Universidad de Empresa (AUNE), Institut d'Estudis Financiers, Instituto de Estudios Bursátiles (IEB), ESESA business school in Malaga, the Centro Internacional de Formación Financiera (CIFF) and the Academia Europea de Dirección y Economía de la Empresa (AEDEM).

The four stock exchanges also have their own collaboration agreements with educational bodies to foster the financial and stock-market culture.

- The Madrid Stock Exchange participates in a stock-exchange and financial-markets course with the Asociación Universidad Empresa (AUNE - University-Business Association) and an online securities and derivatives course through the company Software Financiero Bolsa (SFB).
- The Barcelona Stock Exchange offers a Master's degree in Financial Instruments Mathematics, in conjunction with the Autonomous University of Barcelona.

- In collaboration with Valencia University, the Valencia Stock Exchange also sponsors and takes part in a postgraduate specialisation diploma in Spanish financial markets and stock markets (DEPU) together with Fundación Universidad Empresa (AEDIT - the University-Business Foundation) and Instituto BME.

The Valencia stock exchange also collaborates with Valencia University and the Valencia Institute of Economists, through sponsorship of the Economic Olympics.



Bolsa de Valencia sponsors the Course: University Expert on Spanish Stock Markets.

To this end, BME has contributed by sponsoring (with other major entities) the 14th Harvard-Complutense Seminar, "International Arbitration and Banking Corporate Governance: a transatlantic perspective" at the Real Colegio Complutense. This Seminar was organised by the Harvard and Madrid's Complutense University, to analyse and discuss some of the key issues in today's regulatory framework, such as: arbitrage, banking and corporate governance, comparison of the European framework, particularly that in Spain, to that of the USA; and new trends in insolvency and regulation.

The following training events were held by BME in 2016 working with other institutions:

- "Investing in a world with 0% interest rates. The investment clock" held at the Valencia stock exchange. This year, as part of the agreement between BME and Ibercaja to work together to provide training and disseminate information on finance. This partnership aims to carry out joint activities to share information on the financial sector with Ibercaja customers and employees and society in general;

- "Business finance in Spain: strategies for the future", organised with the IEAF, the Spanish Institute of Financial Analysts; and
- "The stock market: A market with many options for small investors", organised by BME and the business newspaper El Nuevo Lunes;

BME continued the tradition of organising free training seminars on the workings of financial markets and the products traded on them, targeting groups outside the sector who would be able to better perform their jobs with this knowledge. In 2016, this campaign saw BME working with members of the General Council of the Judiciary (CGPJ), the National Police, the Civil Guard, the Centre for Legal Studies of the Justice Body (CEJ) and the Tax Agency.



Presentation of book "Portfolio Management. Theory & Practice" by D. Villalba.

## D) Financial awards promoted by BME

In 2016, BME continued to sponsor, jointly sponsor and promote awards to foster and encourage stock market investment.

Award	Description	Action by BME
<b>Base Ibex 35 and Latibex Top</b>	Recognition of the mutual funds obtaining the highest accumulated returns in the past year with portfolios reflecting the Spanish and Latin American indices, respectively;	Promotion
<b>Foro Finanzas</b>	Awarded to the best works submitted at the Spanish Finance Association's 24th Foro de Finanzas (AEFIN Finance Forum) on equity, fixed-income and derivative products;	Promotion
<b>Financial excellence</b>	11th year, awarded by the Spanish Association of Financial Managers on the Madrid Stock Exchange.	Sponsorship
<b>Expansión</b>	Twenty-seventh Expansión Awards, in which the Allfunds Bank and the financial journal Expansión recognise the best fund managers, funds and pension plans;	Sponsorship
<b>Fund investment (El Economista)</b>	Recognition of the best securities, companies and products related to the investment world, divided into fourteen categories.	Co-sponsorship
<b>8th Economic Olympics, Madrid</b>	Awarded to the 12 best students at public universities, in collaboration with secondary-education centres.	Co-sponsorship
<b>Robotrader 2016</b>	Sixth Robotrader Awards for algorithmic trading-system projects for financial markets;	Co-sponsorship
<b>CFA Spain</b>	10th awards presented by CFA Society Spain to winners of the CFA Research Challenge.	Collaboration
<b>Morningstar funds</b>	Awarded to the managers, funds and pension plans that have achieved the highest value for their members.	Collaboration



BME collaborates with Morningstar funds awards.

### E) Sponsorship of financial publications

In order to foster the study and knowledge of the Spanish economy, finance and stock markets, BME encourages the dissemination of, and research on, these topics through the direct publication of books and magazines and through sponsorship of various publications.

As part of its work to foster financial culture, in 2016 BME was involved in publishing a number of books in its "Studies & Research" series: "A Practical Guide to Technical Analysis" and "The theory and practice of portfolio management", which were presented at the Barcelona and Madrid stock exchanges, respectively.

BME also has a Research Department with staff in all four of its stock exchanges. This Department

prepares, filters, selects and distributes educational documents of various types to foster information and knowledge of the activity and characteristics of the elements and protagonists involved in the day-to-day operation of the economy and the markets.

It distributes this wide range of documents through BME Ediciones Digitales. These publications can be accessed at no charge, and read and downloaded from the Company's website.

BME also has libraries and documentation centres at its Madrid and Barcelona premises, containing more than 30,000 titles relating to the economy and finance. Users outside BME can access this through the online catalogue, borrowing the documents in the library.



BME sponsors Expansion awards to the best investment funds.

### BME investment in social initiatives (thousands of euros)

	2014	2015	2016
Financial culture and training	950	950	975
Socio-economic development (awards)	40	40	30

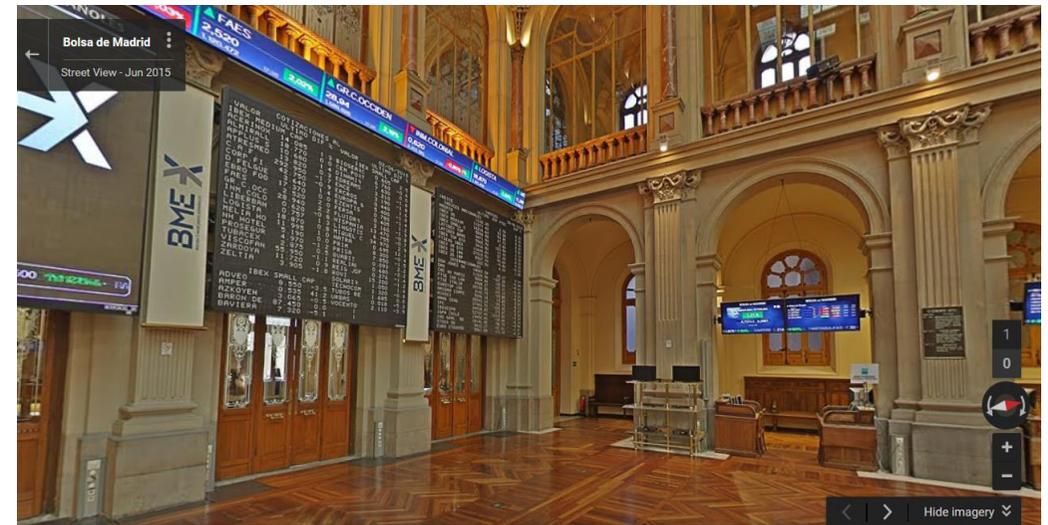
## 7.2.2. Other cultural and social activities

### A) Cultural activities

The Madrid stock exchange is one of the oldest financial institutions in Spain. Its home in the Palacio de la Bolsa is a building of great cultural value, which was inaugurated in the late 19th century. This building is one of the emblematic locations that can be toured virtually using Google Maps View, from the Madrid stock exchange's website, [www.bolsamadrid.es](http://www.bolsamadrid.es).

The Palacio de la Bolsa showcases Spain's historical and artistic heritage and stirs enormous interest among the general public. To satisfy this interest, free guided tours are held throughout the year, in Spanish and English. These visits also serve to highlight the importance of the work carried out by BME as the

building is the company's headquarters. The other stock exchange buildings in Barcelona, Bilbao and Valencia also offer guided tours, promoting education and information about stock markets. Visitors include university groups, secondary-school students, training centres, associations, cultural centres, companies and individuals, both Spanish and foreign.



Virtual visit to Palacio de la Bolsa de Madrid available at Google Maps View.

### 2016

	Visits	Visitors
Madrid Stock Exchange	280	9,372
Barcelona Stock Exchange	404	12,157
Bilbao Stock Exchange	13	288
Valencia Stock Exchange	28	702
<b>Total</b>	<b>725</b>	<b>22,519</b>

The importance BME gives to cultural activities is clearly reflected in the company's active participation in cultural organisations, even where its activities are not directly related to these disciplines.

BME is a member of the Friends of the Prado Foundation, a sponsoring partner of the Reina Sofia art gallery in Madrid, and a partner of Madrid's Teatro Real. Through the Bilbao stock exchange, the company is a strategic patron of the Guggenheim museum in Bilbao. In 2016, BME launched a collaboration with the

National Archaeological Museum, sponsoring educational material for visits and workshops for families, and 3D copies of the Greek collections.

BME and the Royal Academy of Jurisprudence and Legislation also have a cooperation agreement, through which BME contributes to efforts to promote the culture of finance that this Royal Academy fosters as part of its work to promote financial-sector and securities-market law.

### BME investment in social initiatives (thousands of euros)

	2014	2015	2016
Financial sponsorship and development of cultural activities	200	210	250

### B) Social action

As part of its corporate social responsibility policy and commitment to social action, BME has renewed its commitment to the Madrid Food Bank for another year, financing equipment to improve food storage and transport, and fostering volunteering among its employees as part of the "Food Donation Campaign" organised by this charity every year.

For the fifth consecutive year, BME has organised a charity market for the NGO "El Baobab solidario", which helps children in Madagascar.



BME collaborates with Food Bank.