

3. BME SHAREHOLDERS



Retail investors shareholders

95.22%

(+0,14% vs 2016)

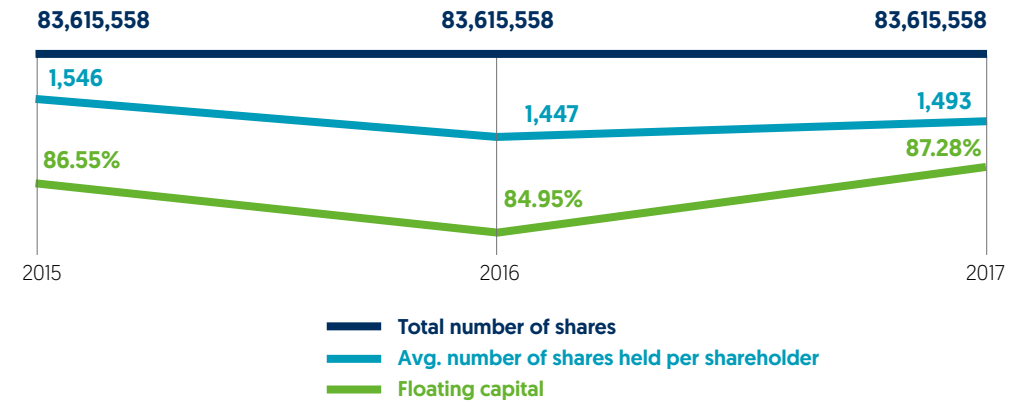
In accordance with [BME's Corporate Governance Policy](#), which has been approved by its Board of Directors and follows best corporate governance practices, the Company makes on-going efforts to foster responsible, diligent and transparent management of compliance with such rights and, in the same terms, duties of shareholders.

In this regard, and so that its shareholders are constantly engaged in the life of the company, BME fosters active shareholder involvement, making sure the all the resources needed for them to fully exercise their voting and dividend rights are available.

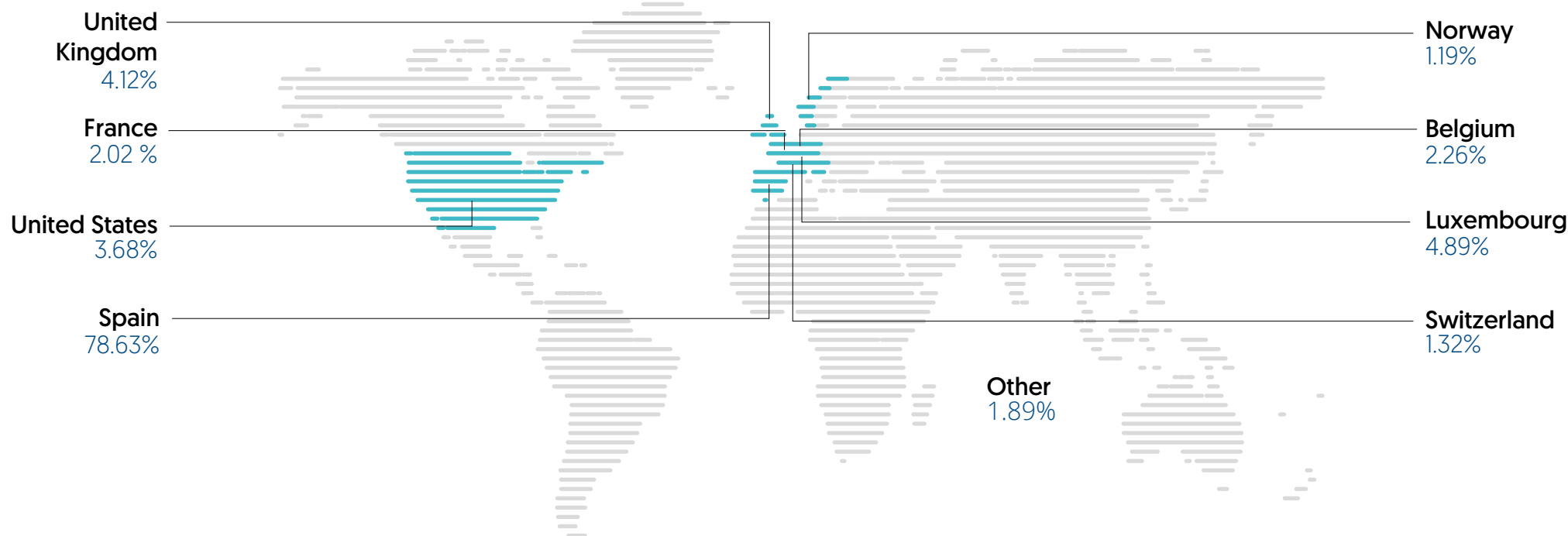
3.1. Shareholder profile.

In 2017, there were no significant changes to the structure and ownership of BME's share capital. The information in the table refers to 31 December of each year.

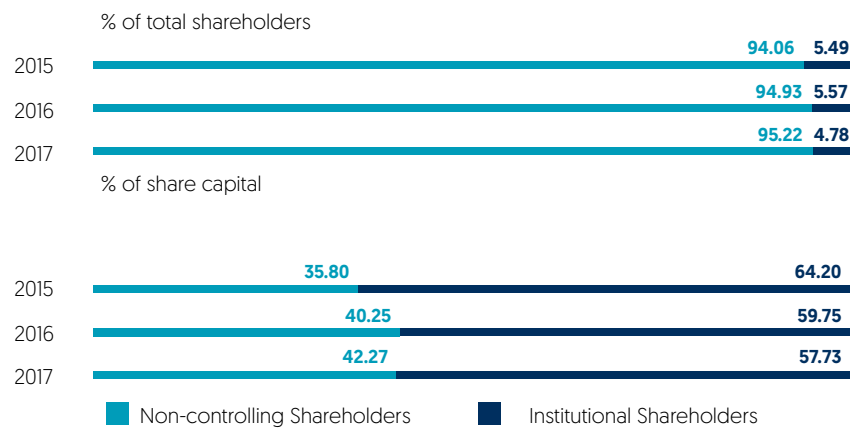
GENERAL INFORMATION TO 31 DECEMBER 2017



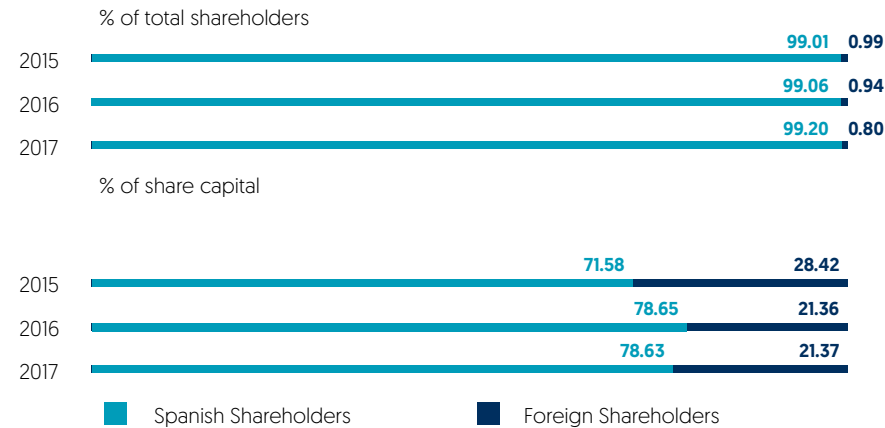
BME SHARES - DISTRIBUTION BY COUNTRY TO 31 DECEMBER 2017 (%)



BREAKDOWN BY TYPE OF SHAREHOLDER TO 31.12.2017



BREAKDOWN BY NATIONALITY TO 31.12.2017



3.2. Policy on communication and contact with shareholders, analysts and institutional investors and proxy advisers.

[G4-DMA: Relationship with shareholders]

BME has a [Policy on communication and contact with shareholders, analysts and institutional investors and proxy advisers](#) approved by the Board of Directors in the exercise of its powers, the general principles of which are information transparency and equal access, accuracy, immediacy, equality of treatment and symmetry in the distribution of information.

The aforementioned policy details the diverse general communication channels of information and communication and specific two-way communication channels set up by BME to provide an effective response to their expectations and needs, and, where it is considered beneficial, to respond to and fulfil the ideas and suggestions received through these channels.



2017 General Shareholders' Meeting

GENERAL CHANNELS OF INFORMATION AND COMMUNICATION:



Webpage of the National Securities Market Commission (www.cnmv.es), is the main general information channel of the Company for shareholders, investors and markets in general, where the Company publishes, prior to its general dissemination, any relevant information which is required to be published.



The functionality and dynamism of the corporate website (www.bolsasymercados.es), permits access to all information on BME and the Group companies and the continuous and up to date publication of the legal, corporate and economic-financial documentation and information required by the legislation in force, under the heading "Shareholders and Investors".



Social media, where BME has a presence (mainly Twitter and LinkedIn), where any interested party may have access to detailed information on the activities of BME and its business units. In particular, during the General Shareholders' Meeting, Twitter becomes an efficient mechanism for following the progress of the General Meeting through the corporate profile @GrupoBME.



SPECIFIC CHANNELS WITH SHAREHOLDERS:



General Shareholders' Meeting, the main channel for shareholders to participate in the life of the company, is regarded by BME as a cornerstone for understanding its shareholders' expectations, concerns and proposals. The basic rules of the organisation and operation of the General Shareholders' Meeting are set out in the General Shareholders' Meeting Regulations, to guarantee and facilitate the exercise of the rights of BME's shareholders.

In order for shareholders to correctly exercise their right to participate BME makes all the relevant information regarding the meeting available to shareholders on its website prior to the General Shareholders' Meeting and when notice of the meeting has been sent to the CNMV.

With the aim of its shareholders participating actively in the General Meeting and exercising their rights, the Company has adopted the measures it deems necessary for this, among which are the absence of limits on shareholder participation (the "one share, one vote" principle), the sending of an attendance card to all shareholders, the activation of the Electronic Shareholder Forum on the web page, the option to exercise voting, representation and information rights through remotely (both by post or by electronic communication), and the live transmission, in Spanish and in English, via the Internet over the web cast system.



The Shareholders' Office, run by the General Secretary and Secretary to the Board of Directors, is an efficient, permanent and two-way communication channel that allows shareholders and all other interested parties to submit any sort of query, concern or suggestion about the company in a transparent and effective manner through the mailbox set up for this purpose, accionistas@grupobme.es, several telephone numbers or the postal address.

SPECIFIC CHANNELS WITH ANALYSTS AND INSTITUTIONAL INVESTORS:



BME's Investor Relations Department, forming part of the Company's Financial Department, is the main channel for interacting with professionals from the sector and the market agents it has engaged. Other functions include transmitting the concerns, queries and suggestions of the shareholders and investors with which it maintains permanent contact to the Management.

Leaders in efficiency
34,4%



3.3 Value creation.

[G4-DMA: Economic performance]

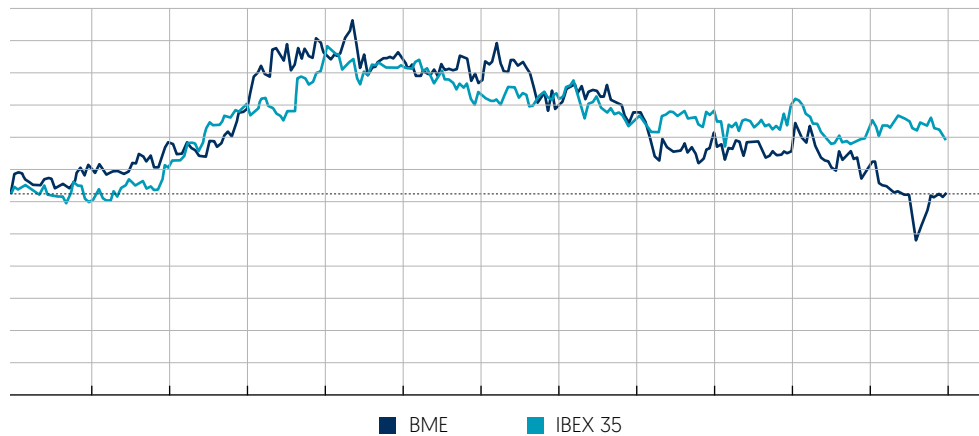
The cornerstones of BME's corporate governance policy include maximising the Company's sustainable, long-term economic value and fostering business continuity.

Share price performance

In 2017, BME focused on the management of the Groups resources on optimising their usage and increasing the value of the Company. In the current scenario of the market's performance, BME remains committed to its objective of maximising the company's value in order to increase shareholder value.

BME SHARE PRICE PERFORMANCE COMPARED TO THE IBEX 35®

[From 01/01/2017 to 31/12/2017]



MAIN SHARE PRICE INDICATORS FOR BME 2017

Total number of shares	83,615,558
Nominal value of the share (euros)	3.00 €
At the start of the year	28.06 €
High	33.60 €
Low	25.56 €
At the close of the year	26.55 €
Stock market performance at the close of the year [%]	-5.16%

Solid operational leverage

129%

(+775 Vs 2016)



Economic value generated and distributed

[G4-EC1, G4-DMA: Economic performance]

The progress in the strengthening of the market infrastructures, the start-up of new products, the boost in its business areas and the diversification of its activity have allowed BME to maintain its traditional solvency levels in 2017.

**ECONOMIC VALUE GENERATED, DISTRIBUTED AND RETAINED
(THOUSAND EUROS) ⁽¹⁾**

	2015	2016	2017
Economic value generated	348,178	326,585	320,906
Revenues	333,987	317,289	315,541
Other net gains (losses) ⁽²⁾	14,191	9,296	5,365
Economic value distributed	325,936	319,350	309,114
Operating expenses	36,063	36,477	37,924
Staff costs	63,898	69,498	70,439
Dividends	157,603	160,676	149,606
Income tax and other taxes ⁽³⁾	67,222	51,511	49,927
Payments to capital suppliers (financial cost)	0	0	0
Payments to public bodies, donations and other investments in the community	1,151	1,188	1,218
Economic value retained (profit not distributed)	22,241	7,235	11,792
Reserves	15,860	-416	3,713
Amortisation and depreciation	6,381	7,651	8,079

(1) The balance of net turnover for 2015 to 2017 includes the net turnover after deducting the "variable direct costs of operations", the inclusion of which in the consolidated income statement under Revenue and from which it is then subtracted is imposed by CNMV Circular 5/2016 of 27 July on accounting standards, reserved and public disclosure, and financial statements. The above-mentioned balance for net turnover for the year 2015 has been adjusted for comparison purposes, less the net turnover due to the variable direct costs of operations for this year, which amounted to €1.371 million, and which was presented as "Operating costs".

(2) Includes work performed by the company on own assets, other operating revenue, the share of profit (loss) of companies accounted for using the equity method and the net financial result, minus the profit (loss) attributed to external partners.

(3) Includes only income tax expense and taxes reported in the year.

TSR 2017

122%

+1.6% vs 2016



Dividends paid in 2017

1.78

Gross per share



3.4. Shareholder remuneration and other benefits.

A) Shareholder remuneration through dividends.

[G4-DMA: Economic performance]

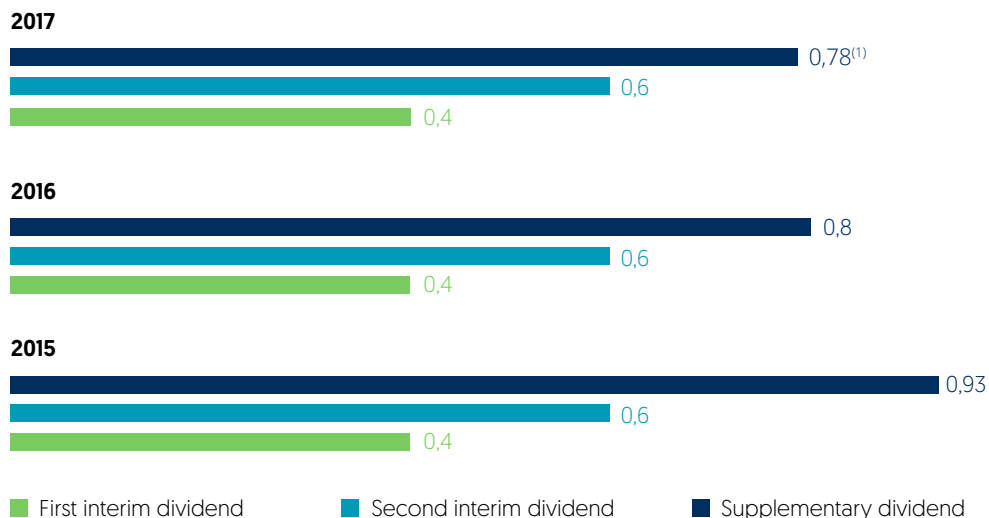
Since 2009, the company's dividend policy consists of shareholders receiving three ordinary dividends (one final dividend and two interim dividends charged against profit), in May, September and December. In this manner, BME continues implementing a policy of maximum shareholder remuneration, with an ordinary Pay-Out of 96%.

B) Shareholders' Training Plan .

BME's shareholder training is one of the pillars of its corporate governance policy, an area in which BME implements, via the Instituto BME, the [Shareholders' Training Plan](#).

The Shareholders' Training Plan involves on-site courses given by highly qualified personnel in each subject at BME's Madrid, Barcelona, Valencia and Bilbao stock exchanges. In 2017, the level of satisfaction of BME shareholders participating in the specific training plan developed by the Company was 4.08 out of 5.

ORDINARY DIVIDENDS BY PAY-OUT ACCOUNTING PERIOD



[1] Currently pending approval by the General Shareholders' Meeting, which is expected to be held on 26 April 2018 on second call.