

7. SOCIETY



BME's presence in institutions

24

National and international organisations



With the aim of strengthening its commitment with the society in which it provides its services and to improve the social and institutional relationships it maintains within its environment, BME complements its main activity by developing diverse actions and initiatives with the aim of disseminating financial knowledge and informative activity on the financial markets and the services provided by BME group to listed companies and SMEs.

BME also carries out other activities in support of the community, such as the promotion of institutions and cultural events and driving other social actions that benefit the local community. [G4-DMA: INDIRECT ECONOMIC IMPACT]

7.1. BME in institutions.

[G4-I6]

	BME GROUP ⁽¹⁾	BME GROUP ⁽²⁾	BME GROUP ⁽³⁾	BME GROUP ⁽⁴⁾
Spanish associations and institutions				
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	-
Supranational associations and institutions				
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	-
Centre for European Policy Studies [CEPS]	-	YES	YES	-
Futures Industry Association [FIA]	-	YES	YES	-
Spanish SWIFT Users Group [SWIFT GNUSE]	-	YES	YES	-
International Securities Services Association [ISSA]	-	-	YES	-
European Central Securities Depositories Association [ECSDA]	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 SIA [FISD]	-	-	YES	-
European Association of CCP Clearing Houses [EACH]	YES	YES	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

7.2. Dissemination of financial knowledge.

[G4-DMA: Dissemination of financial knowledge, G4-EC8]

BME is committed to the dissemination of financial knowledge and the increase in the access to the financial culture of economic agents whatever their condition, aspects that will improve the protection of investor rights, given that a higher level of financial culture among the public favours decision-making, as being well informed and having an adequate identification of the risks also permits the sustainable growth of the business of the companies.

The ownership of shares listed on the Spanish exchange by Spanish households is among the highest in the world, and is getting closer to that held by systems where the investment of households is more diversified, especially the United States.

BME's commitment in this regard is evident with the existence in the BME Group of an educational centre, Instituto BME, whose activity is focused on the organisation of different educational services related to the financial markets, and which are aimed at all types of groups: professionals from the financial sector and other areas, private investors and the general public. Special mention should be made of BME's Shareholder's Training Plan mentioned in Chapter 3.4.

The main positive impact of this dissemination of financial knowledge is that it allows Spanish households and all the groups that form society to improve their understanding of the products, concepts and financial risks and, through information, instruction and assessment, they can develop the skills and confidence to become more aware of the financial risks and opportunities.

BME INVESTMENT IN SOCIAL INITIATIVES (THOUSANDS OF EUROS)

	2015	2016	2017
Financial culture and training	950	975	995
Socio-economic development [Awards]	40	30	30

Financial Education Day.

BME was involved in planning and organising the second "*Financial Education Day*", an initiative featured in the Financial Education Plan promoted by the Bank of Spain, the CNMV and the General Directorate for Insurance. The Company, through Instituto BME and the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, have performed a new effort for the dissemination of financial knowledge as part of its "Face-to-face Financial Education", which is an open educational experience carried out at the corporate headquarters of the above-mentioned four Spanish exchanges.

Collaboration in financial education with universities, educational centres and other relevant parts of society.

BME collaborates with different organisations, universities, academic associations, educational centres in the field of the dissemination of the financial and stock exchange culture and its professionals participate in educational projects associated with the securities market aimed at all groups.

BME, directly or through the Instituto BME and the four Stock Exchanges, collaborate in numerous educational projects, giving specific courses at National, public and private universities (Universities of Alcalá de Henares, Carlos III, Complutense, Internacional de Andalucía, Málaga, Nacional de Educación a Distancia, Miguel Hernández, País Vasco, Pontificia de Comillas, San Pablo CEU, Santiago de Compostela, Barcelona Valencia, Vigo), International (Universities of Harvard, Sergio Arboleda or Rosario in Colombia), and educational institutions (Colegio de Economistas de Aragón, Colegio de Economistas de Valencia, Asociación Universidad de Empresa, *Institut d'Estudis Financiers*, Instituto de Estudios Bursátiles, Fundación Universidad-Empresa, Escuela Superior de Estudios de Empresa, el Centro Internacional de Formación Financiera or the Fundación de Estudios Financieros).

BME continues 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 2017, this campaign saw BME working with members of the General Council of the Judiciary [CGPJ], the National Police, the Civil Guard, the Administration of Justice's Centre for Legal Studies [CEJ] and the Tax Agency.

Investments geared to socioeconomic and cultural development and promotion of financial culture

1.3 million euros

(+5.28% vs 2016)

FINANCIAL AWARDS PROMOTED AND SPONSORED BY BME

Award	Description	Action by BME
Base Ibex 35 and ETF	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
Foro Finanzas	Awarded to the best works submitted at the Spanish Finance Association's 25th Foro de Finanzas (AEFIN Finance Forum) in the equity, fixed-income and derivative products categories.	Promotion
Financial Excellence	11th awards presented by the Spanish Association of Financial Managers on the Madrid Stock Exchange.	Sponsorship
Expansión	28th Expansión awards, in which the Allfunds Bank and the financial journal Expansión recognise the best fund managers, funds and pension plans of 2016.	Sponsorship
9th Economic Olympics, Madrid	Academic competition for second year Bachillerato (High school) students during the 2016-17 year at the Secondary Education Centres of the Community of Madrid and surrounding provinces.	Co-sponsorship
Robotrader 2017	7th Robotrader Awards for algorithmic trading system projects for financial markets;	Co-sponsorship
CFA Spain	11th awards presented by CFA Society Spain to winners of the CFA Research Challenge.	Collaboration

Sponsorship of financial publications.

[G4-EC8]

BME promotes the dissemination of finance and the stock markets through the direct publication of books and magazines and the sponsorship of several publications, all of which aim to contribute to the study and knowledge of the Spanish economy.

Within the scope of the dissemination of the financial culture BME has a Research Department, with personnel in the four stock exchanges, which prepares, filters, selects and distributes statistics on the markets and BME Group systems, reports and documentation on what is happening in the domestic and foreign financial markets, as well as informative documents of a variety of natures, which contribute to increasing the information and knowledge of the activity and the characteristics of the different elements and main actors that make up the day to day of the economy and the markets. It distributes this wide range of documents through [BME Ediciones Digitales](#). These publications can be accessed, read and downloaded from the Company's website.

BME also has libraries and documentation centres at its Madrid and Barcelona premises, containing more than selected 30,000 titles relating to the economy and finance of which 10,000 are digital and have been added within the last 10 years. Users outside BME can access this through the online catalogue, borrowing the documents in the library.

7.3. Financial informative activity.

[G4-EC8] [G4-DMA: Indirect economic impact]

BME has been helping Spanish businesses to make the most of market opportunities and assisting them with funding, growth, training, visibility and efficiency.

Financial informative activity.

[G4-EC7]

This informative activity carried out by BME for the users of BME and society in general is performed through a series of forums, seminars, trade fairs and other activities related to the securities market, particular mention should be made of the participation in Spain Investors' Day, the Forinvest trade fair, the

SIBO trade fair, the annual meeting of the Federation of European Stock Exchanges and the organisation of the MedCap Forum, the Spanish Small & MidCaps Conference, as well as the Latibex Forum.

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.

The Madrid Stock Exchange, with its historical and artistic heritage, houses one of the oldest financial institutions in Europe, the Madrid Stock Exchange and stirs enormous interest among the general public. To satisfy this interest, the Madrid Stock Exchange offers free guided tours, during which the importance of the activity carried out by BME is made apparent. The other stock exchanges in Barcelona, Bilbao and Valencia also offer guided tours, promoting education and information about stock markets.



BME attended Forinvest



Image of BME stand at SIBOS, Toronto



Foro MedCap



XVIII Latibex Forum opening ceremony

Supporting SMEs

Specific markets MAB and MARF

Promotion of value-added services to listed companies.

[G4-DMA: value-added services to listed companies]

BME provides information on and promotes value-added services to listed companies, intermediaries and other investment services companies, understanding as such the group of services that accompany the sale/purchase cycle of negotiable financial assets, which are performed through the Information and Value-Added Services Unit. Within this context, BME, through the dissemination and provision of these increasingly more diversified services, strengthening the transparency of the markets, investor protection and security, the non-discriminatory participation in the markets and the participation in the channelling of savings towards productive investment, as well as, ultimately, provide value to the whole national economy in terms of economic growth and the creation of jobs.

Support for small and medium-sized enterprises.

[G4-DMA: Support for SMEs and start-ups in accessing the stock market]

BME's key objective is to facilitate the highest possible number of companies access to financing via the stock market, which is the natural environment for company growth, and in particular, for the small and medium-sized enterprises which play a fundamental role in the Spanish economy and society.

It is with this in mind that over recent years BME has created specific markets which adapt to the needs of small and medium-sized enterprises such as the Alternative Securities Market [MAB] and the Alternative Fixed Income Market [MARF].

In 2017, BME made its comprehensive solution [BME4Companies](#) available to companies which allows entrepreneurs reap the benefits of the securities market through an extensive and competitive services, ranging from adequate information and training in order to access the securities market for the first time, to more specific services and products such as tailored and exclusive solutions for financing, internationalisation, technology and training in the securities market. BME and the National Association of Business Angels, Big Ban Angels, have created the Pre-Market Environment [EpM] initiative to enable small and medium-sized enterprises wishing to become a part of the market the necessary support in order to the reach level of competency that the legislation requires in order to finance themselves through the capital markets managed by BME Group companies.



BME has created a pre-market environment with Big Ban Angels

Supporting SMEs Integral solutions BME 4Companies



Also along the same lines as the above, in 2017 the Alternative Securities Market and the Catalan Association for micro, small and medium-sized enterprises and the self-employed of Catalonia launched the “SME launchers” initiative, which aims to provide guidance to small and medium-sized enterprises in Catalonia on their path towards the capital markets.

BME also participates alongside the Confederación Española de la Pequeña y Mediana Empresa [Spanish Confederation of Small and Medium-sized Enterprises] in the CEPYME 500 project, which selects and promotes the top 500 SME’s leading business growth in Spain with the aim of encouraging their growth and promoting their resizing.

[G4-DMA: Support for SMEs and start-ups in accessing the stock market]



BME is part of CEPYME 500 initiative



BME 4 Companies website

7.4. Other activities supporting the community.

[G4-I6, G4-DMA: Local communities]

Cultural activities.

BME, both directly and indirectly through its subsidiaries, maintains a close bond with the world of culture: It is a member of the Friends of the Prado Museum Foundation, a sponsoring partner of the Reina Sofia Museum in Madrid, a partner of the Teatro Real in Madrid and a patron of the Guggenheim Museum in Bilbao, as well as participating in collaboration with the Teatro Real in the “Luna de Octubre” initiative promoted by the Madrid City Council.

In 2017, BME also sponsored the “40 years of Spanish Archaeological Photography” exhibition at the Archaeological Museum, and the Economic Communication Media Agenda, edited by the Economic Journalists Association.

Social action.

Within its framework of corporate social responsibility, BME carries out initiatives benefitting society and the local community. In 2017, among other actions and activities, it has continued with its commitment to the Madrid and Barcelona Food Banks, providing the necessary financing for machinery to optimise the storage and transport of foodstuffs, it has organised a solidarity market for its employees on behalf of the NGO “El Baobab solidario” to help children in Madagascar and encourages employees to volunteer to help during the “Food Donation Campaign” that the Food Bank organises every year.

BME INVESTMENT IN SOCIAL INITIATIVES (THOUSANDS OF EUROS)

	2015	2016	2017
Financial sponsorship and promotion of cultural activities	210	250	300