

BME Overview

March 2023



Index

1 Presentation about BME



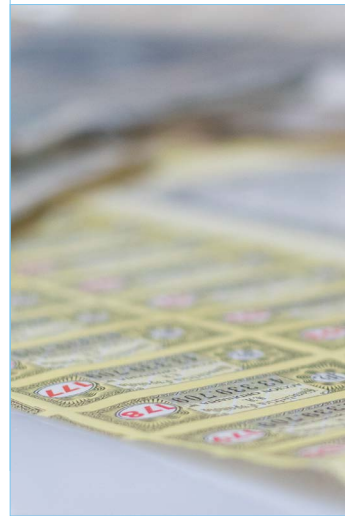
page: 3

2 BME in Figures: Highlights



page: 8

3 Products and Services



page: 14

4 Staff



page: 17

5 History of the Stock Exchange



page: 19



Presentation about BME

Bolsas y Mercados Españoles (BME), is the operator of all stock markets and financial systems in Spain. It was incorporated in 2001, and is part of SIX Group, the third largest exchange group in Europe.

The company has a presence in Barcelona, Bilbao, Madrid and Valencia. Its headquarters are located at 1 Plaza de la Lealtad, in Madrid.

BME is structured into the following business units: Exchanges, Securities Services and Financial Information.

Business Units

Business Units	Value Chain	
Exchanges	▶ Markets	▶ Equity
		▶ Fixed Income
		▶ Derivatives
	▶ Market Data	▶ Market Data
Securities Services	▶ Post-Trading	▶ Clearing
		▶ Settlement and Registration
Financial Information	▶ Value Added Services	▶ Value Added Services

Our Vision of Management and Principles

BME gears its management towards obtaining an optimal performance from all the assets at its disposal in a responsible and sustainable manner. As operator of Spain's financial markets and systems, BME provides a channel through which savings can be used to finance companies, while endeavouring to offer maximum speed, reliability, transparency, efficiency and security to the markets and systems it manages. Since its incorporation, BME has always been committed to being a reference for the economy and for businesses in Spain and Latin America. To achieve this, its actions are guided by the following principles:



Efficiency

in service provision.



Market

integrity

which allows several centres to undertake trading activity simultaneously and under identical conditions.



And

impartial trading

environment, achieved through strict compliance with laws and regulations governing the financial markets and systems.



Transparency and fairness

in the market, by providing complete information on market performance so investors, can operate under the same conditions.



Innovation and cutting-edge technology

by providing the means necessary to help companies grow and actively participate in the creation of new financial products and the development of systems infrastructure.



Training

as a cornerstone for the sustainable development of a financial market.



Investor protection

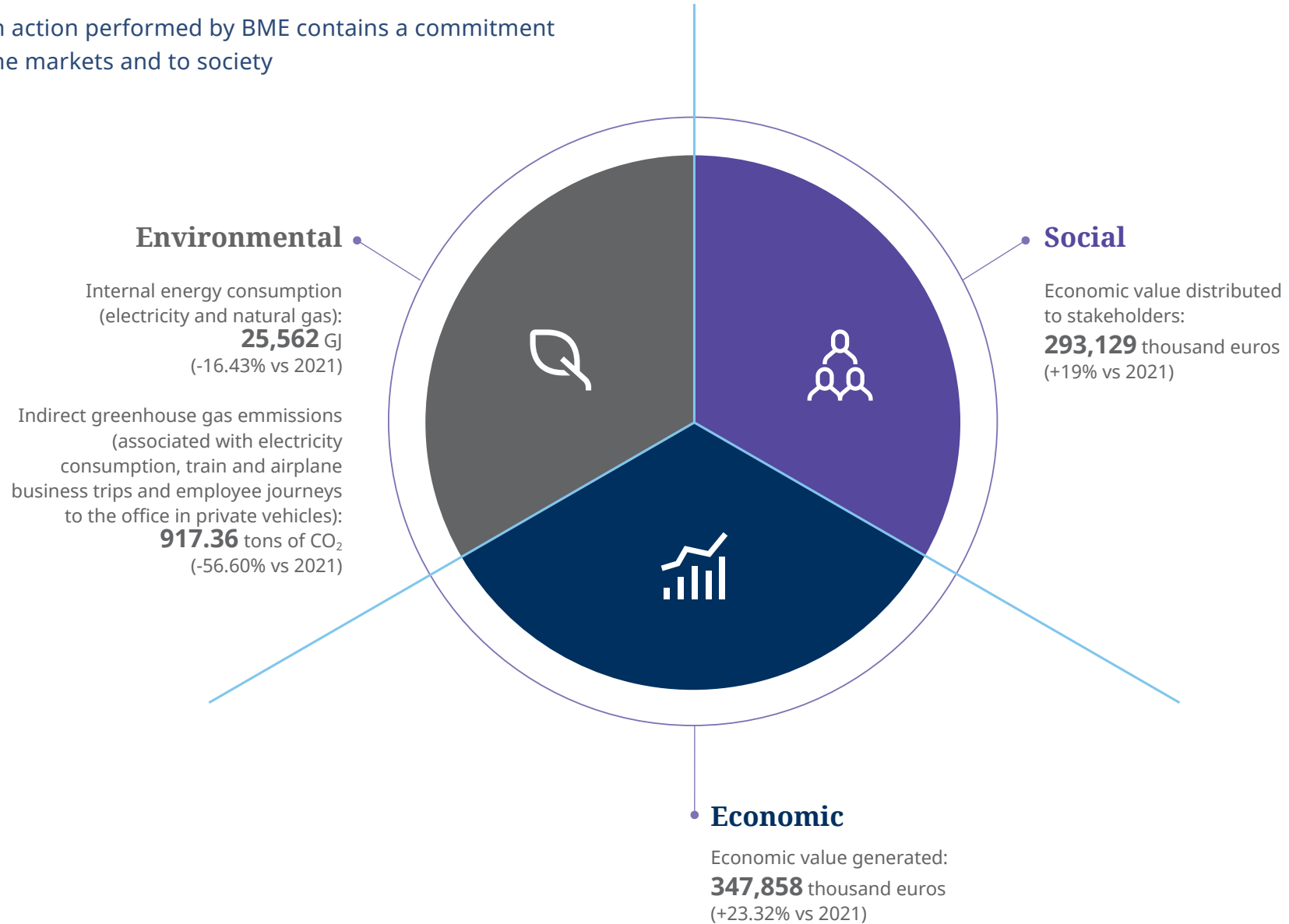
which is crucial for creating a bond of trust between investors and the market.

Committed to Our Stakeholders



BME, a Socially Responsible Company

Each action performed by BME contains a commitment to the markets and to society



2

BME **in Figures:** **Highlights**

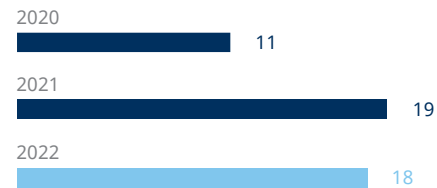
Equities

Domestic Capitalisation

Million euros

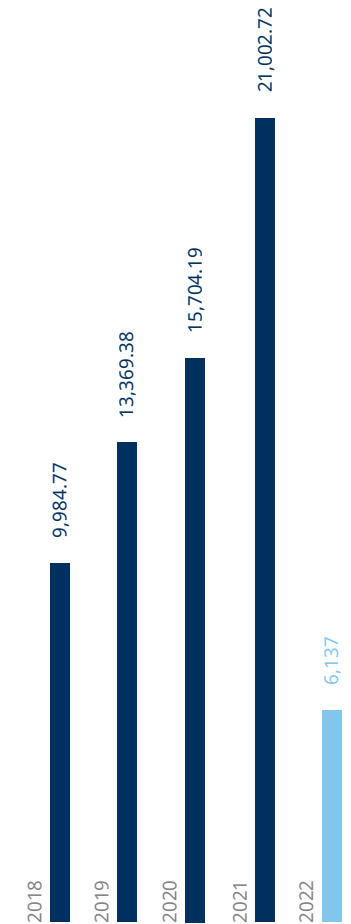


IPO's



Capital increases in BME

Value in millions of euros



BME Growth Consolidating Its Growth

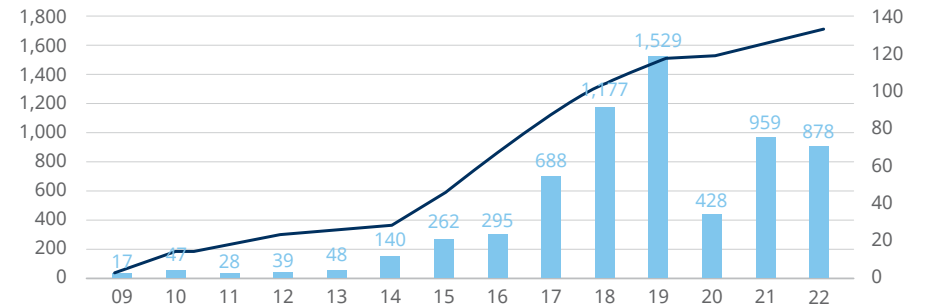
Stock market performance: BME Growth vs Russell 2000 indexes



- Ibex Growth Market® All Share
- Ibex Growth Market® 15
- Russell 2000

Source: Thomson Reuters

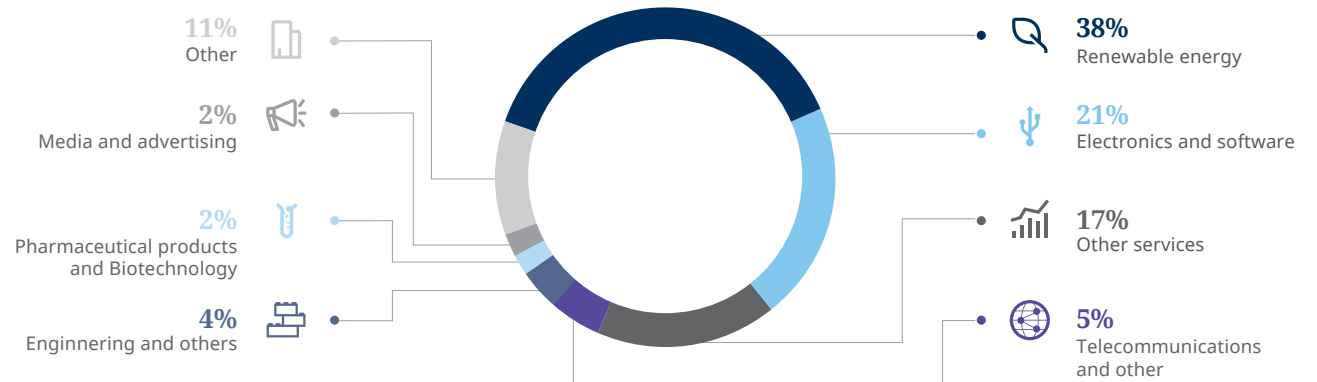
BME Growth maintains its financing power



- Millions in euros of financing raised (left axis)
- Number of companies (Expansion + SOCIMI)

BME Growth. Distribution of capitalization by sector (without SOCIMIs)

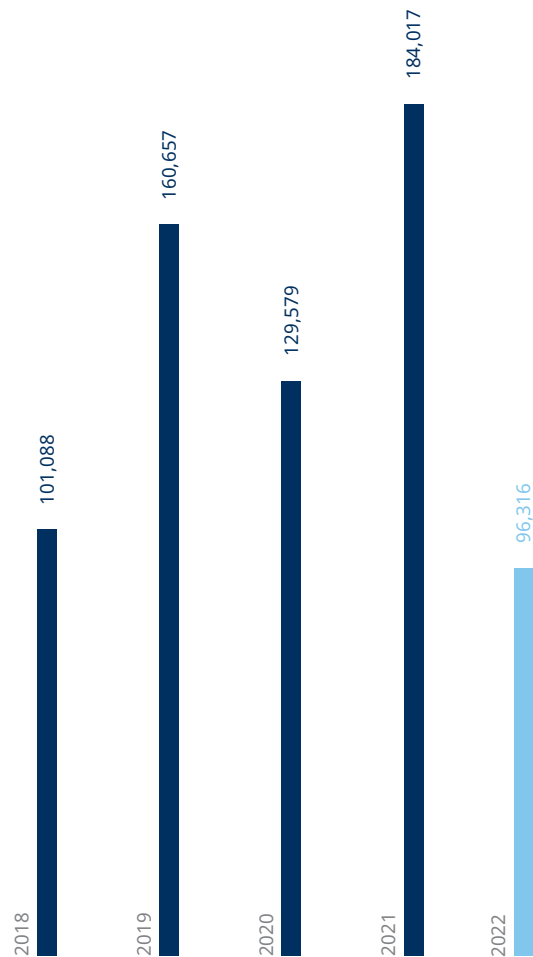
Date 30/12/2022



Fixed Income

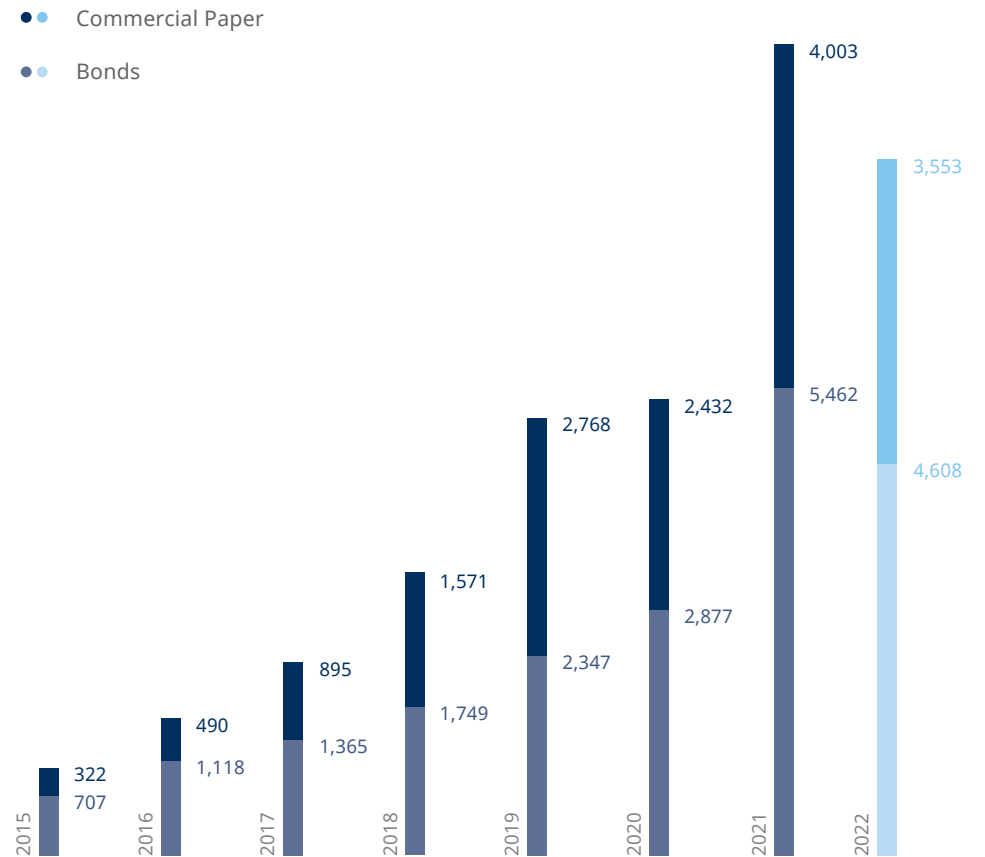
Regulated Fixed Income Market Volume traded on the SENAF platform

(2018–2022) millions of euros



Marf outstanding balance at the end of the period (2015–2022)

Millions of euros



Derivatives

Volume traded in stock futures

Number of contracts traded in MEFF of 2021 and 2022



IBEX 35 futures trading volume

Number of contracts traded in MEFF. Year 2021 and 2022



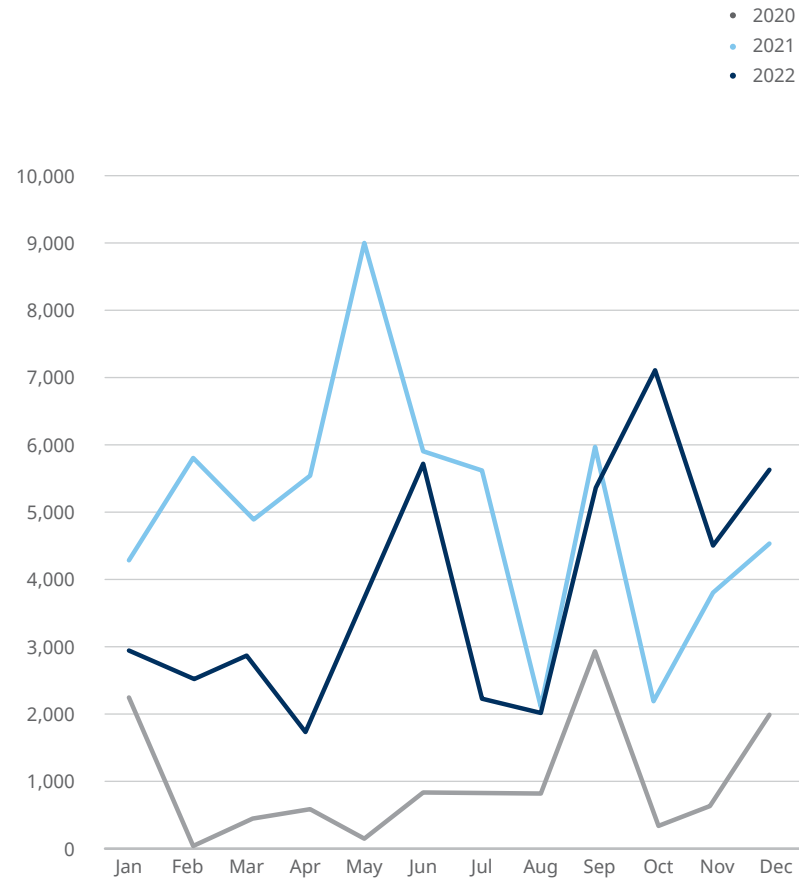
Traded volume of equity options

Number of contracts traded in MEFF. Year 2021 and 2022



Clearing

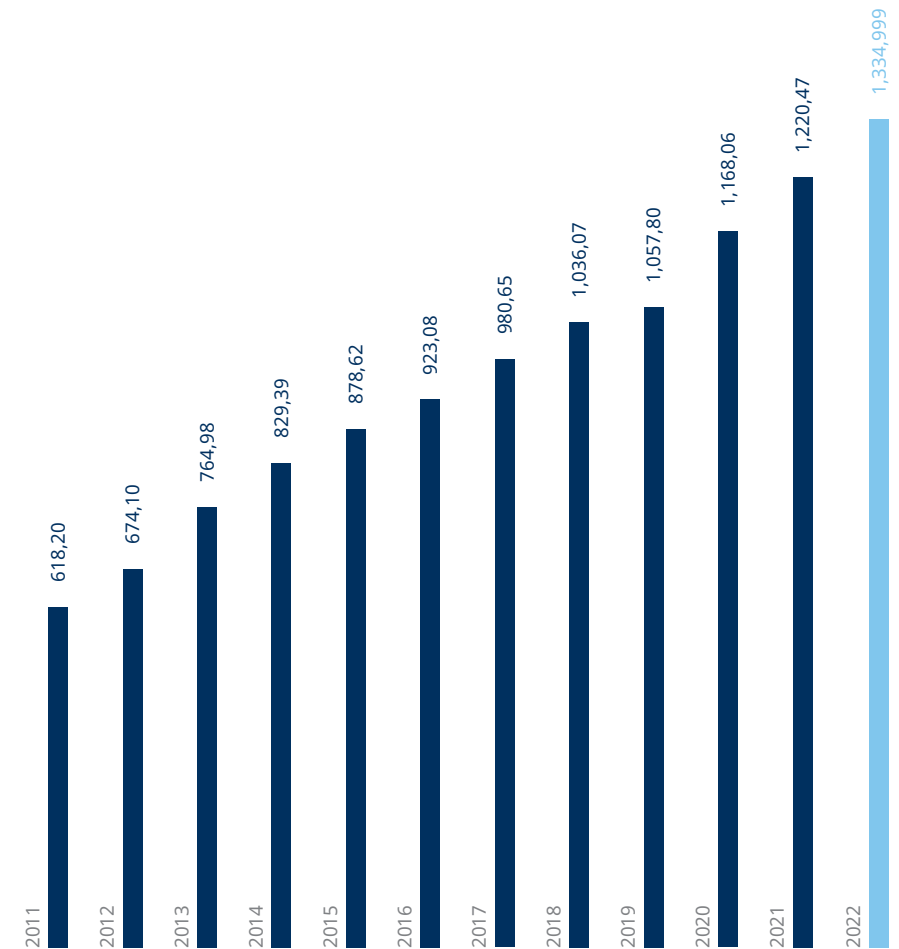
Effective volume Italian sovereign debt



Settlement and registration

Nominal balance of public debt

Thousands of millions of euros



3

Products and Services





Users



Products and services



Through



BME business areas and training

<p>Companies, issuers. Market members (investment services companies and credit institutions) and, through them, companies and private and institutional investors.</p>	<p>Trading in shares of Spanish, European and Latin American companies, shares and units of SICAVs, venture capital firms, hedge funds, SOCIMIS, ETFs, warrants, certificates and other products. Calculation of indices (IBEX, stock markets).</p>	<p>Madrid, Barcelona, Bilbao and Valencia stock exchanges, Sociedad de Bolsas, BME Growth, LATIBEX, Pre-Market Environment</p>	<p>Equities</p>
<p>Issuers of Fixed Income securities. Market members (investment services companies and credit institutions) and, through them, companies and private and institutional investors.</p>	<p>Public debt (treasury bills, government bonds and debentures). Private fixed-income (commercial paper, bonds, debentures, covered and regional bonds, MBS & ABS). Regional government debt.</p>	<p>AIAF, SENAF, SEND, MARF Barcelona, Bilbao and Valencia stock exchanges</p>	<p>Fixed-Income</p>
<p>Members of MEFF and, through the market members, private and institutional investors.</p>	<p>Options and futures on stocks and indices, 10-year bonds, dividends, sector futures. Registration of electricity market derivatives. Forex (xRolling) Members</p>	<p>MEFF</p>	<p>Derivatives</p>
<p>Members of BME Clearing.</p>	<p>Clearing, central counterparty activities for equities, derivatives, public debt repos, equities, interest rate derivatives and electricity derivatives. Forex (xRolling)</p>	<p>BME Clearing</p>	<p>Clearing</p>
<p>Iberclear members. RENADE participants. Companies emitting CO₂. REGIS-TR clients.</p>	<p>Accounting and settlement of all securities admitted for trading on Spanish stock exchanges, SENAF, AIAF, MARF, BME Growth and LATIBEX. Registration of CO₂ emission allowances. Register for OTC derivative trades and Remit RRM.</p>	<p>IBERCLEAR RENADE REGIS-TR</p>	<p>Registration and Settlement</p>



Users



Products and services



Through



BME business areas and training

Large data vendors. Online brokers. Specialised Internet portals (ESIs and credit entities).	Primary sources of information. Primary data flow services. Dissemination of material information.	BME Market Data	
Professional and private segment.	Collection and processing of primary sources of information.	BME Inntech	Market Data
Data vendors.	Index user licence.	BME Market Data	
Financial Intermediaries.	Transaction Cost Analysis (TCA).	BME Inntech	
Private and institutional investors. Order gatherers.	Development and operation of financial market access systems.		
Financial markets. Regulated government agencies and financial institutions. Large companies, financial entities, SMEs, and users of financial entities.	Strategic advisory services for financial markets. Technological advisory services. Business continuity. Financial communication. Management software for financial institutions. Supplier of trust services.	BME Inntech	VAS
Financial entities.	Technological solutions for financial advisory and portfolio management.	Openfinance	
Financial sector professionals and from regulatory bodies, private investors, students, etc. The media. Police. Judges and Magistrates.	Training programmes. Tailored programmes. FIA accreditation. Cooperation with other institutions. Training for BME shareholders.	Instituto BME Bolsas de Valores de Madrid, Barcelona, Bilbao and Valencia.	Training



Staff

Data at 31 December 2022

BME's staff is made up of 912 employees, who are the Company's number-one asset.

The majority of employees work in the Madrid offices, Barcelona being the office with the highest number of employees after Madrid.



Miami
1

Bogotá
5

Bilbao
25

Barcelona
74

Madrid
754

Valencia
53

The data on employees collected in this report refer in aggregate to the employees of BME and the employees of Openfinance, a company that manages its labour regime independently from the rest of the BME employees.



History of the Stock Exchange

Century
XIV

This is the century in Spanish history that saw the construction of the Lonjas or commodity exchanges, which were meeting places where markets for grain, wool and silk were set up, a very common practice in the Mediterranean culture. Some of the buildings housing these markets have survived, such as those in Palma de Majorca, Zaragoza, Valencia and Barcelona.

Historically, these Lonjas are considered to be the institutions that most closely resemble **the Spanish stock exchange**, both in their essence and in their operations, although the stock exchange, strictly speaking, was born in Bruges and Amsterdam. The first "Juros Reales" also appeared in this same century. These are considered to be the first securities. The "juros" were government bonds issued in guarantee of a debt or loan, and were usually requested by the King.

Century
XVII

In 1688, the first book describing **stock transactions** is published, entitled "Confusión de Confusiones" [Confusion of Confusions], written by the Spaniard **José de la Vega** in Amsterdam.

1688

According to the author, the book is about "Curious dialogues between a shrewd philosopher, a cautious merchant and an erudite investor, describing the business of dealing in stocks, its origin, etymology, its reality, its game and its intricacy."

Century
XIX

Spain's first stock exchange was established in 1809. Joseph Bonaparte I created it in Madrid, in the building of the San Felipe El Real Convent and Church in the Puerta del Sol. In spite of this, a stock exchange was not to be set up at that time.

The **stock exchange** in Spain begins on **10 September 1831** with the publication of the **Law Founding the Madrid Stock Exchange** drafted by Pedro Sáinz de Andino.

The King **Fernando VII** founded the Madrid Stock Exchange in 1831. Its first trading session took place on 20 October.

The first companies to be listed were banks, railways and steel companies.

1809 / 1831

1890

21 July is the date of the foundation of the **Bolsa General de Comercio de Bilbao**.

Century
XX

The **Bolsa Oficial de Comercio de Barcelona** is founded.

The Stabilisation Plan of 1959 causes a considerable rise of the stock exchange that will last until 1970. The boom in tourism also provided a new economic stimulus.

1915

1953

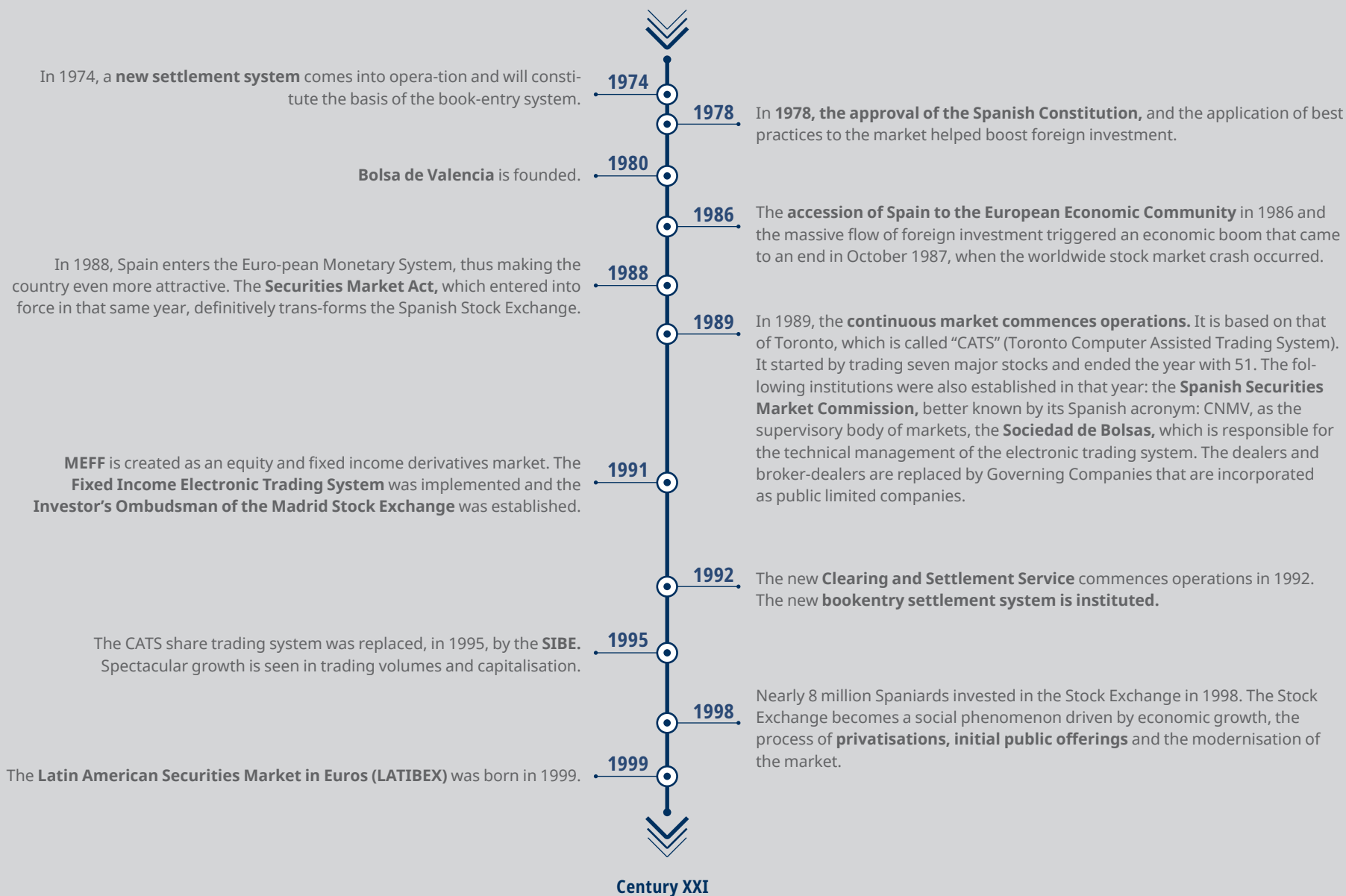
1959

1973

In 1953, Spain began to open up its economy, producing high growth rates that benefit the stock exchange.

In 1973, the oil crisis erupted.

Century
XX

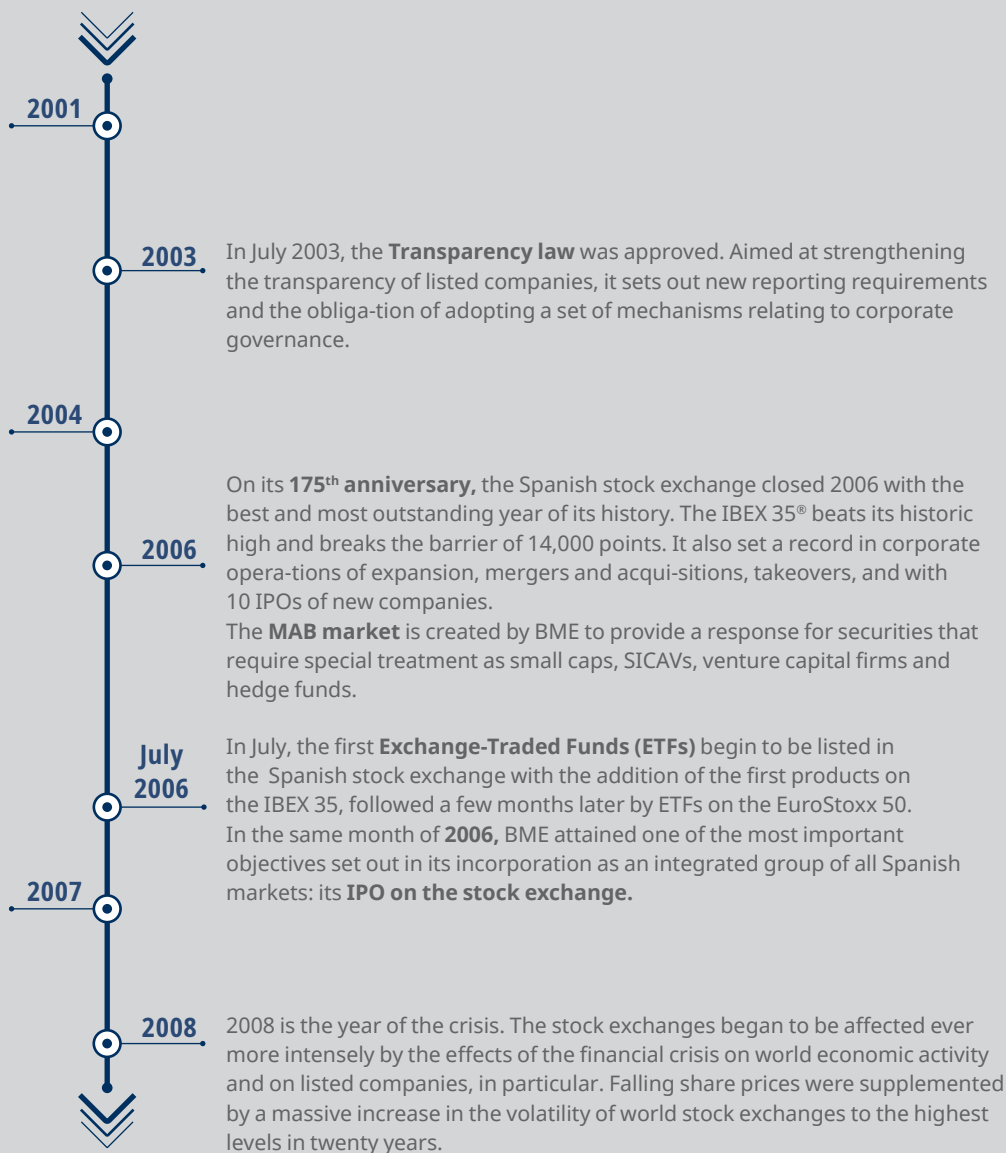


Century
XXI

Began tragically. The terrorist attacks of 11 September 2001 put to the test stock exchanges' strength. Following the shock and initial uncertainty, the recovery reveals the maturity and liquidity of the market and the confidence of investors. The same **year of 2001** saw the creation of "Bolsas y Mercados Españoles", **a company that combines in a single group secondary markets and systems of registration, clearing and settlement of securities**. Its size enables it to play a key role in the configuration of the European stock exchange map.

In 2004, and in spite of uncertainty about the world economic recovery, the upward swing in oil prices and the weakness of the dollar against the euro, the stock exchanges regained the levels seen prior to the attacks of 11 September 2001. By the end of the year, the Spanish stock exchange trebles the rise of European stock exchanges. The IBEX 35 went above 9,000 points. **The Spanish stock exchange becomes a European leader in terms of financing**. The new investment flows channeled by the Spanish stock exchange amounted to 39.5 billion dollars, becoming the **second ranked in the world**, behind only the New York Stock Exchange.

In **2007, the MiFID, or the Markets** in Financial Instruments Directive, entered into force. For the Spanish securities market, the transposition of the EU Directive to Spanish law took the form of the Securities Market Reform Law, which contains significant changes in the organisation and execution of tasks associated to each of the actors involved in the value chain of the stock exchanges and financial markets in general. The main objectives of the new law were as follows: modernisation of the securities market, strengthening of investor protection and the improvement of supervisory powers.



Century XXI

In 2009, BME commenced securities trading with more than two decimals with the shares of Jazztel, which becomes the first company listed in the Spanish stock exchange that is traded under this modality. The reasons are based on the large number of buy and sell orders in listed Spanish securities, which include the most highly liquid shares in Europe, and with the intention of strengthening the Spanish stock market.

BME carries out the operating initiatives in order to boost the solvency and efficiency of its trading platforms. In this regard, one of the most significant actions in 2009 was the transfer of equities that were being traded in open outcry pits on the trading floor to a new electronic trading floor, with the aim of strengthening their liquidity, increasing their transparency and improving their accessibility.

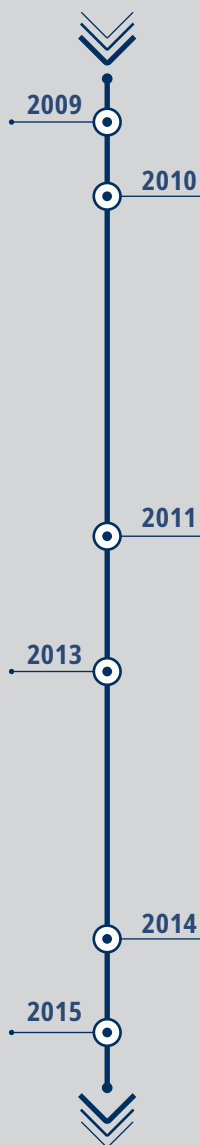
In April of the same year, BME expanded the series of the IBEX 35® indices and created new tradable indices, all based on the IBEX 35®. The indices, called IBEX 35® net return, IBEX 35® double short, IBEX 35® triple short, IBEX 35® double leverage and IBEX 35® triple leverage, began to be calculated and disseminated in real time.

Century XXI

BME became, in 2013, the fourth-ranked stock exchange in the world in terms of investment flows. The trading quality of Spanish securities once again received international recognition, as Santander, Telefónica and BBVA were the most highly liquid securities on the EuroStoxx 50 in 2013.

The Mercado Alternativo de Renta Fija (MARF) starts operations. It is an initiative aimed at channelling financial resources to a large number of solvent companies that can obtain financing using this market on the issuance of fixed-income securities.

In 2015 new flows channelled through The Exchange reached € 41.6 bn, up 15.3% year on year. Capital increases reached € 33.5 bn, up 9.3% year on year. The biggest growth since 2007. BME was the 3rd Exchange in the ranking of IPOs a Europe with 7 IPOs in main Market and 16 new companies in BME Growth, the highest in history.



The harshness of the crisis moved from the financial sector to sovereign debt in 2010, and it concentrated mainly on countries with a more critical fiscal position, which destabilised the value of the euro. After Greece and Ireland, the question of confidence in Spain and the risk premium took centre stage. The stock exchange fulfilled its role in valuating and channeling funds for business projects. During that year, initial public offerings in the stock exchange amounted to 13.7 billion euros and listed companies increased their capital by 12.5 billion, which was 27% more than in 2009.

REGIS-TR, the European Trade Repository owned by BME and Clearstream (Deutsche Börse Group) starts operations. It is the answer to demands from the regulators for more transparency in the OTC derivatives market.

In 2011, the stock exchange turned 180. On 20 October 1831, the first session of the stock exchange in Spain was held, making it one of the oldest and most consolidated economic institutions in the country. Its birth was the prelude, some decades later, of a majority of today's economic and financial institutions. Over this long historical period, a market has developed that today trades, on average, more than 4 billion euros per session, and which lists more than 3,000 securities, with a capitalisation of nearly 1 trillion euros. The Spanish stock exchange had its fourth best year in 2011 in terms of investment flows channeled by the market.

The year **2014 marked a historic high in the number of trades**, with the largest number of initial offerings in the last four years. The indicators confirmed the exit from the recession, while the stock exchange achieved records in a number of areas of activity. The Spanish stock market ended 2014 among the world's largest, with a capitalisation of 1.1 trillion euros.

Century XXI

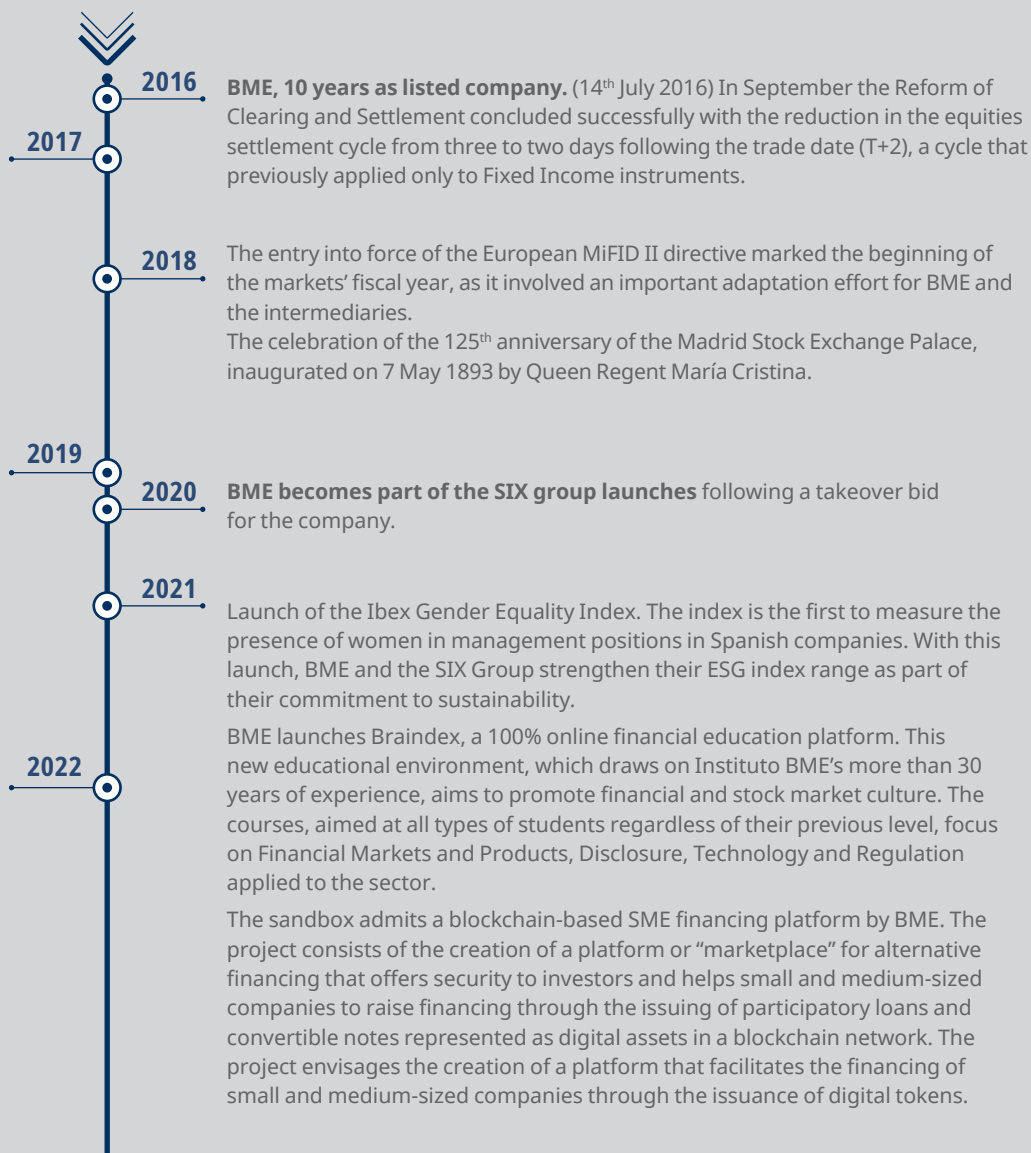
Century
XXI

The Ibex 35 turns 25 years since its debut. This index is weighted by capitalization and is made up of the 35 most liquid companies listed on the Spanish Stock Exchange. In these years it has become the national and international benchmark of the Spanish stock market and has served as the basis for a multitude of products. TARGET2-Securities (T2S) is the pan-European settlement platform. Developed by the Eurosystem, its objective is to provide basic services for the settlement of securities transactions in a harmonized and borderless manner throughout Europe. The Governing Council of the ECB has announced a migration in four waves between 2015 and 2017. Iberclear has successfully migrated to T2S on 18 September.

MEFF, BME's Derivatives Market, broadens its product range with the new FX Futures contracts called FX Rolling Spot Future. These contracts are perpetual Futures, operational for 17 currency pairs and distributed by MEFF members and cleared and settled by BME Clearing. International investors continue to rely on the Spanish Stock Exchange. Non-resident investors owned 50.2% of Spanish listed shares at the end of 2019. It marks the fourth consecutive historical record and represents two percentage points more than in the previous year and ten more than a decade ago.

BME, BBVA and IDB issue the first regulated bond in Spain registered with Blockchain.

The Ibex 35 celebrates its 30th anniversary and consolidates its position as a leading brand for Spanish companies and the Spanish economy. Since its birth on 14 January 1992, the Spanish economy has tripled in size in terms of GDP, while the value of the companies in the indicator has increased tenfold. REGIS-TR is fully integrated into SIX, following Iberclear's acquisition of Clearstream's 50% stake in the entity.





Corporate Communication

comunicacioncorporativa@grupobme.es

Tel. +34 91 589 14 07

Follow us:



www.bolsasymercados.es